

NDR MID-PROJECT REVIEW



Overview

The City of Minot applied for and was awarded \$74.3 million in a National Disaster Resilience (NDR) Competition grant to aid in long-term recovery and resilience after the worst flood in Minot's history. The U.S. Department of Housing and Urban Development (HUD) awarded the funding to the City of Minot in September 2016 with specific goals, as laid out in the city's Action Plan. The various projects that make up the NDR grant are focused on three broad goals: reduce flood risk and improve water management, build affordable resilient neighborhoods, and foster economic resilience and diversification. The city has until September 30, 2022 to use the available funding.

Background

The application process for the NDR grant lasted nearly two years, during which time the city held 70 stakeholder and public meetings, met with more than 3,000 attendees, and gave countless briefings and presentations to garner input on potential needs and projects. The most critical unmet needs were focused on and residents prioritized those projects to lay out their vision of a more resilient Minot. The city received the highest number of points possible in each of the NDR application phases for their public engagement efforts. Minot received the sixth highest amount of funding out of 13 recipients and has the smallest population of those awarded. In the end, the community-led discussion and projects, as prioritized by the public, became the basis for the Action Plan that has currently reached the mid-way point of the implementation process.

Recent Project Successes



State and local leaders joined Essential Living in the ribbon cutting for the Park South affordable housing rehabilitation project in August 2018.



Use of NDR funds has allowed the City of Minot to acquire more than 100 properties to date that are needed to create greenway space for flood storage and floodwalls. A projected 74 properties remain to be purchased under this program.

Nearly every major category of the Action Plan has project components that are well underway. The City of Minot has already spent nearly 31% of the allocated funding from NDR, primarily in the categories of Strategic Buyout/Acquisition Program and Multi-family Affordable Housing. Recent completed projects include the Park South apartment renovations, the Affordable Housing Supply & Demand Study, and a design book for low- and moderate-income families interested in new single-family homeownership. The majority of the allocated funding for the Strategic Buyout/Acquisition Program has been utilized. Additional funding from the 2019 North Dakota State Legislature and the Souris River Joint Water Resources Board for more state match funds is pending and will allow the program to complete even more buyouts in coming months. All current projects point to a successful attainment of Action Plan goals through on-going efforts.

SUMMARY OF ON-GOING PROJECTS

PROJECT 1: REDUCE FLOOD RISK AND IMPROVE WATER MANAGEMENT

Strategic Buyout/Acquisition Program

Budget: \$20,017,778

Spent to Date: \$16,228,897

National Objective: Benefit LMI persons/families

Action Plan Goal: Strategic buyout and relocation of homeowners located in low-lying areas that are at a greater risk of future flooding. Since some of these areas would not be protected by the enhanced flood protection project for years to come it benefits all to reduce future flood damage and losses. Targeted areas will create greenway space to be used for flood storage and floodwalls. Flood-impacted properties will be demolished or sold after being acquired by the city.

Progress: As of August 1, 2019, 106 properties have been acquired through the NDR Program. These properties, along with the nearly 300 others purchased with other Community Development Block Grant post-disaster funds, leave the city with a projected 74 properties left to buy. In many cases, after purchasing a home, there are multiple opportunities for complete auction or partial salvage bidding. This produces program income, more than \$107,000 to date, that goes back into the Strategic Buyout/Acquisition Program.

These purchases, done in a variety of areas within the valley, are tied into Mouse River Enhanced Flood Protection Projects or previously identified flood storage areas. All of these efforts go toward making Minot a more resilient community. Having fewer homes and commercial properties within the reach of floodwaters makes our community safer and helps avoid future damages and losses.

BY THE NUMBERS, Through 8/1/19

Total number of acquisitions by NDR – 106

Total number of acquisitions through other CDBG funds – 290

Remaining properties to be acquired by NDR – 74

Demolitions (family and commercial properties) – 60

Structures auctioned, to be relocated – 43

Program income/revenue from auctions - \$107,257.76

Estimated savings – approximately \$50,000

All NDR projects must fulfill one of three national objectives:

'Urgent need' - project meets a need having a particular urgency.

'Benefit low- and moderate-income (LMI) persons.' - project helps individuals or families that meet federal standards of LMI.

'Prevention or elimination of slums or blights.' - project helps remove or prevent blighted properties.

PROJECT 2: BUILD AFFORDABLE RESILIENT NEIGHBORHOODS

Multi-Family Affordable Rental Housing

Budget: \$20,897,000

Spent to Date: \$2,907,413

National Objective: Benefit LMI persons/families

Action Plan Goal: One of Minot's most serious unmet recovery needs is the lack of affordable housing in quality neighborhoods, like those lost in the valley that flooded. One of the goals of this sub-project is to develop affordable, multi-family rental housing that will allow the households that move from the buyout areas to remain in Minot.



Rendering of the proposed Park South Phase II project in southeast Minot.

Progress: The first large-scale completed project under Minot's NDR program is the Park South apartment rehabilitation. This renovated apartment finished in the summer 2018, thanks to \$1.97 million from NDR toward the overall project cost of more than \$7.4 million. In the end, thanks to the non-profit owner of Park South, Essential Living, 35 existing apartments were renovated and five new ones were added.

A number of projects are underway that continue to fulfill the multi-family housing project goal. Park South Phase II is in the middle of requesting qualifications (an RFQ) for architectural and engineering services. The Park South Phase II project would use up to \$4.8 million in NDR funds to help create 22 patio-style homes in the price range accessible to LMI families/individuals. The Minot Housing Authority is set to release their RFQ for architectural services on the Milton Young Towers Project in August. This project would utilize up to \$5 million from NDR to make resilience capital improvements to the 261-unit affordable housing apartment high-rise in downtown Minot.

Other key multi-family housing projects, like the Blu on Broadway mixed-use development, Lutheran Social Services affordable housing, and the potential senior affordable housing apartments through Beyond Shelter, are all in the early stages of discussion, environmental reviews or program reviews. All affordable housing, multi-family projects will be environmentally friendly, resilient and offer handicap accessibility in some of the units. More to come on these many great endeavors!

Single-Family Affordable Housing

Budget: \$12,807,750

Spent to Date: \$1,071,393

National Objective: Benefit LMI persons/families

Action Plan Goal: One of Minot's most serious unmet recovery needs is the lack of affordable housing in quality neighborhoods, like those lost in the valley that flooded. Developing an affordable homeownership program to assist LMI households in the purchase of a new home will allow the households that move from the buyout areas to remain in Minot.



Mayor Shaun Sipma and Minot resident Bryan Juenger shake hands as Juenger becomes the first person to take advantage of the Resilient Homebuyer Program.

Progress: The Resilient Homebuyer Program has been in place since early 2018, with the goal of providing gap financing funding primarily for LMI households to purchase homes out of harm's way, in designated resilient areas of Minot. This is done through up to \$60,000 in mortgage assistance funds through the North Dakota Housing Finance Agency, a project subrecipient. This is a zero-interest, forgivable loan over 15 years. To date, three people have closed on homes with use of the program funds, two applicants recently made offers on homes, 22 remain in the process of review and eligibility verification. The program continues to take applications and has \$3 million set aside for assistance.

A new, single-family home design book for LMI homeowners was developed and is available for use in supporting this project.

A subrecipient agreement is in place with the Minot Area Community Land Trust (MACLT) to provide just over \$2 million toward supporting 10 single-family housing units. A broad review environmental assessment was just completed in June 2019. Housing construction options are being evaluated by the MACLT.

Downtown Public Gathering Place

Budget: \$6,000,000

Spent to Date: \$190,735

National Objective: Urgent need

Action Plan Goal: The Downtown Community Gathering Place will be a public space where residents can enjoy special attributes of Minot and the surrounding region. By creating a place where people can come together, this gathering place promotes a more vibrant and resilient downtown and will have a collective impact on various economic backgrounds which comprise the Minot community.

Progress: The city held a series of public meetings in 2017, 2018 and 2019 to garner ideas and support for potential locations to become a community gathering place. The City Council determined in 2018 that the preferred location of the three options would be a portion of the northeast corner of the First Avenue SE/First Street SE intersection, near the heart of downtown. Earlier this year, the City extended

voluntary acquisition offers to the property owners of the selected site for the Downtown Gathering Place. Negotiations are underway, with some tentative agreements reached and other negotiations far apart. Due to slower than expected progress on the acquisition of the needed properties, the City Council voted to place a negotiation deadline of August 30, 2019. Should the City and property owners fail to come to agreement, the City will look to pursue one of the alternative site options.

Family Homeless Shelter

Budget: \$3,041,500

Spent to Date: \$98,535

National Objective: Benefit LMI persons/families

Action Plan Goal: Several facilities in Minot provide emergency housing and services for those in crisis. However, there is no shelter for families, and no options for single mothers with boys over 12 to keep their family intact if they require emergency shelter services. The Vulnerable Populations Committee, made up of many concerned agencies and individuals within the Minot community, identified this as a high priority and critical need to assist low- and moderate-income individuals and families.

Progress: The city entered into a sub-recipient agreement with Lutheran Social Services Housing, Inc. in summer 2019 to create a 6-unit family shelter; the environmental review is underway. The proposed location is on South Broadway.

PROJECT 3: FOSTER ECONOMIC RESILIENCE AND DIVERSIFICATION

Center for Technical Education

Budget: \$1,540,000

Spent to Date: \$40,230

National Objective: Urgent need

Action Plan Goal: Build a Center for Technical Education in Minot with laboratory and classroom space, a computer center, offices, and study areas. The initial plan is to have the city join with Minot State University, Dakota College at Bottineau, Minot Public Schools and others to develop post-secondary training options for targeted career programs.

Progress: City and NDR staff continue to meet with stakeholders to determine next steps.

Relocating City Hall

Budget: \$3,750,000

Spent to Date: \$8,303

National Objective: Urgent need

Action Plan Goal: The City will relocate City Hall operations out of the floodplain and into a downtown location, and create a one-stop social services center in the same building. HUD approved a waiver in early 2019 to allow the city to move forward on implementing this portion of the Action Plan, with the City Council setting aside \$1 million to aid in funding this project.

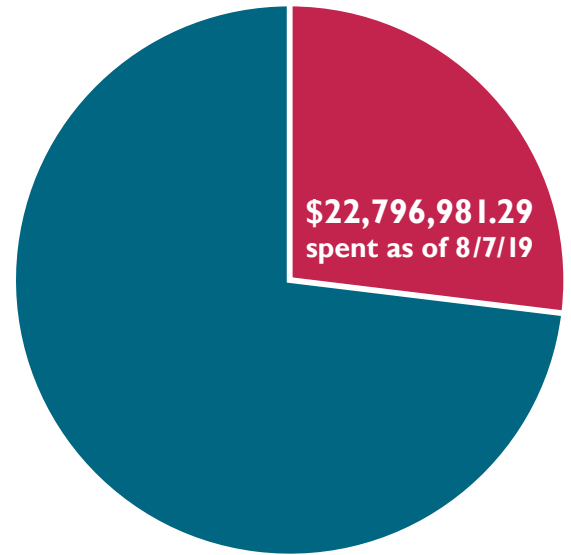
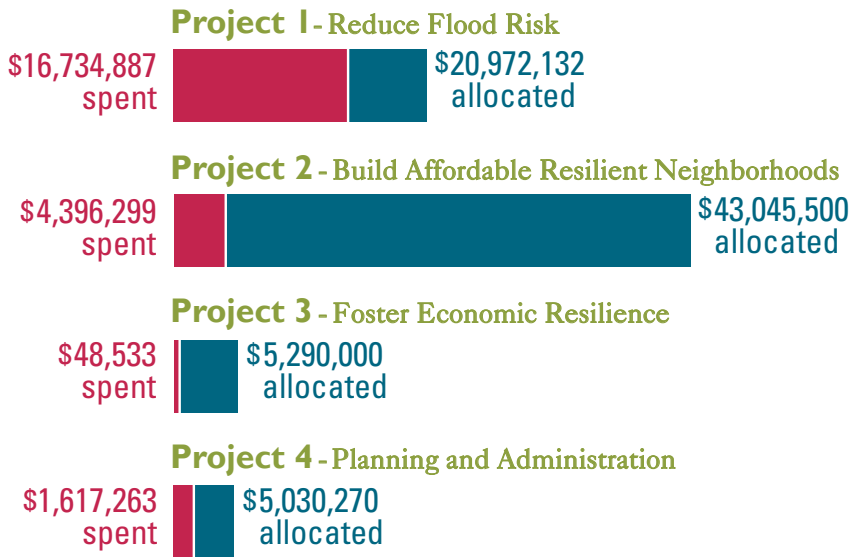
Progress: A draft, broad spatial analysis has been completed to better understand current needs inside a City Hall and is being reviewed. City Council direction is being gathered to best lay out future plans.

Utilizing NDR and Leverage Funds

More than \$22 million of the \$74.3 million received under the NDR grant has been spent, as of August 7, 2019. These funds have been used to leverage more than \$97 million in additional funding to date. Hundreds of millions of additional leverage funds are expected to match NDR efforts, with the vast majority continuing to come from the City of Minot sales tax for flood control and North Dakota for the Mouse River Enhanced Flood Protection Plan.

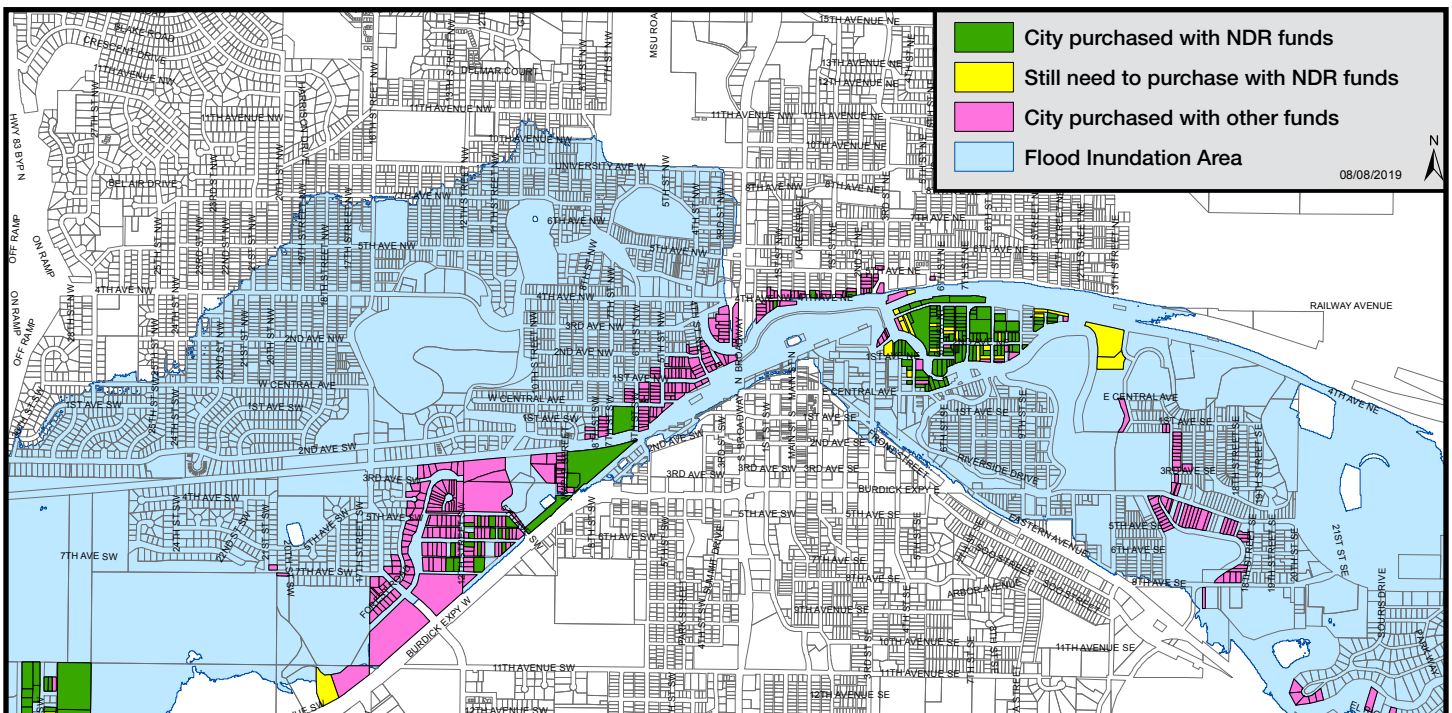
Dollars allocated/spent on each NDR Project

NDR Funding: \$74.3 million allocated



Part of the Big Picture

As HUD Disaster Recovery funding, the NDR program will continue to support the broader community-wide efforts to make Minot more resilient against future disasters of all kinds. The Souris River Joint Water Resources Board (SRJB), in partnership with the City of Minot, is the primary sponsor for the Mouse River Enhanced Flood Protection Project. Past and future strategic buyouts through NDR, in combination with other CDBG-DR funding have assisted in the multi-decade process of bringing levees, floodwalls, pump stations, and other engineering tools to make the city a safer place to live. The map below shows the overall flood inundation area from 2011 and how the many NDR acquisitions are working hand-in-hand with the SRJB and the City of Minot to fulfill the goals of the enhanced flood protection and other flood storage needs.



For the latest information on the National Disaster Resilience program, it's successes, and upcoming projects follow the City of Minot's Facebook page, or click on the NDR links on www.minotnd.org.