

Grantee: Minot, ND Grant: B-13-MS-38-0002

LOCCS Authorized Amount: \$ 74,340,770.00
Grant Award Amount: \$ 74,340,770.00 **Status:** Modified - Resubmit When Ready

Estimated PI/RL Funds:

Total Budget: \$ 74,340,770.00

DRGR Action Plan

Substantial Amendment # 7

Summary:

This amendment deletes one Planning Activity, Vulnerable Population Action Plan, and relocates fund balances in two Planning Activities which are Economic Resilience Strategic Plan, Funding and Financing Strategies, and one other activity which is the Souris River Decision Support Tool, all of which accomplished the intended goals set forth in the Action Plan using less than all the funds allocated. The coordinated effort among the groups in Minot with representation of vulnerable populations in bringing to fruition the Family Homeless Shelter project and commercial kitchen/food pantry has resulted in it being more appropriate and effective in the use of the Planning funds for the Vulnerable Population Action Plan in support of the commercial kitchen/food pantry component of the Family Homeless Shelter Project in the amount of \$306,675. This reallocation of funds is a combined recognition of the increased importance of this component of the Family Homeless Shelter project in serving the needs of Minot's most vulnerable residents as well as the increased costs of construction resulting from the Covid-19 pandemic. Increased construction costs caused by the Covid-19 Pandemic is also the basis for moving the balance of funds from the Economic Resilience Strategic Plan (\$119,446.99), Funding and Financing Strategies (\$257,077), and Souris River Decision Support Tool (\$96,069.50) to Public Facilities Relocation (City Hall/police communication center) for a total of \$472,593.49.

Capacity and Soundness of Approach:

The Grantee does not find that this amendment alters in any way its capacity or soundness of approach in carrying out any of the activities and projects funded under this Action Plan nor in addressing the unmet needs resulting from the 2011 Souris River flood impact. Conditions, not unexpectedly, have changed within the City since the CDBG-NDR Action Plan was first approved especially recently with the ongoing impacts from the Covid-19 Pandemic. The foremost impact from Covid-19 has been increased costs in construction which are not unique to Minot but being experienced throughout the United States. Costs associated with basic rehabilitation of the

office building to which City Hall and the communication center will relocate have risen \$1,100,788 based on the lowest responsible and actual lowest competitive bid for the construction work when compared to the independent engineer estimate prepared before bid opening. The City is prepared to make available \$628,194.51 from its reserves with which the proposed transfer of CDBG-NDR funds in this Substantial Amendment will cover the full amount of increased costs. Both the City Engineer and the independent engineer/architect firm engaged for the project have determined that rebidding the project would not result in low bids but, in fact, would like result in higher bids because of the current demand for construction services and limited eligible contractors available to bid such a project within the upper Midwest region in which Minot is located. The activities funding the additional \$472,593.49 to this project which include the Economic Resilience Strategic Plan, Funding and Financing Strategies, and the Souris River Decision Support Tool have all been successfully completed accomplishing the goals set forth in the Action Plan under budget. The tools resulting from the completed planning activities have been presented and accepted by the City Council, have been distributed to the applicable organizations serving the City and have been made available to the general public on the City website. The economic resilience planning has spurred numerous projects, activities and capacity building within the City including creating a key executive economic development position within the city government to lead new comprehensive economic growth efforts. There is a grant management and resource tool now available on the City website which identifies hundreds of potential grant sources to support sustainable resilient growth initiatives as well as a guide in key steps to pursue grants. The decision support tool has been made available for use by both city departments and regional entities to help in planning future flood mitigation and prevention strategies.

The unexpected demise of Lutheran Social Services North Dakota and its subsidiary which was the subrecipient with the City of Minot in January 2021 placed in jeopardy construction of the planned Family Homeless Shelter which is a key piece of the City's CDBG-NDR Action Plan to address the unmet needs of the City's vulnerable population. The resulting time consumed in the City successfully gaining ownership of the land acquired primarily with CDBG-NDR funds for the project forces a tight but feasible time frame to complete this project within statutory deadlines. The resulting ability of the City to be able to partner with another nonprofit through a subrecipient agreement to resume the Family Homeless Shelter comes with challenges that are being addressed. However, it does necessitate modest additional funding from CDBG-NDR to accommodate adjustments with the designs Lutheran Social Services had commissioned for the project connected to the commercial kitchen and associated ancillary uses to be able to assure its completion on a timely basis. It should be noted that the City had no control over the time taken to acquire the property which was critically important to continue the project because Lutheran Social Services North Dakota bankruptcy resulted in a court managed receivership process. As part of the efforts to bring this project to fruition before, during, and after Lutheran Social Services ceased operations, numerous local groups representing vulnerable populations in Minot joined together to support the Family Homeless Shelter Project to ensure successful completion. Many of these groups already worked in coordination to serve

the vulnerable populations within our region in different capacities; and it was as a result of this coordinated effort funding to complete the Family Homeless Shelter was the most critical need of our community. As a result of the coordinated effort among the groups other gaps in serving the vulnerable populations have been filled as part of the Family Homeless Shelter including the commercial kitchen and the food pantry that have been integrated into the plans. Further, access to the Family Homeless Shelter has been designed to be ADA compliant. As a result of incorporating all these elements as components of the Family Homeless Shelter, it is a more prudent, effective, and necessary use of the planning funds in support of covering partially additional costs associated with the Family Homeless Shelter to address remaining unmet needs of the city's vulnerable populations.

Addressing other critical unmet needs as outlined in the CDBG-NDR Action plan are successfully addressed with final pieces for a complete success reflected in Substantial Amendment 6. Indeed, the City has demonstrated being able to adapt to changing trends since the inception of the CDBG-NDR Action Plan more than five years ago to continue carrying out key activities such as by creating a Resilient Homebuyer program to help eligible LMI households purchase homes outside the flood zone within the City of Minot, and by placing an emphasis on promoting leveraging to develop needed new construction of rental units affordable to LMI households. The reallocation of funds within this proposed amendment reflects the City's adapting to the changing conditions in the City while staying true to the underlying purpose of the CDBG-NDR Action Plan to promote sustainable resiliency for the community through flood control/mitigation measures while making provision for vulnerable populations impacted from the flood to be able to relocate outside the flood zone in decent, affordable housing including the homeless and by carrying out projects to assure future floods will not adversely affect the delivery of critical services.

Benefits and Costs (BCA)

The redeployment of funds allocated for various planning activities to existing projects further enhances rather than adversely affects the overall cost benefit of use of the CDBG-NDR funds since the primary focus of an Action Plan should be project and activity delivery. Furthermore, the ability to address the intent of the various planning activities without needing all the funds originally allocated in the Action Plan results in the ability to use the balance of funds more effectively in tangible projects of benefit to all residents in the City.

One of the foremost critical needs identified as an outcome of community assessment post 2011 flood was lack of shelter for homeless families. It has been one of the key priorities because no such facility presently exists in Minot or the nearby region. Shifting planning funds no longer needed to assure completion of the Family Homeless Shelter is a prudent action which enhances the benefit of addressing the most critical need of City's vulnerable population at a reasoned and reasonable modest addition of funds. Indeed, applying the funds to assuring

completion of a commercial kitchen and ancillary food pantry associated with helping the homeless and other vulnerable populations addresses the most critical need that would have been studied with the planning funds which is access to affordable healthy food. By redeploying the funds to the kitchen, the City is assuring a needed project is completed in support of helping the most vulnerable residents of Minot.

Another benefit of assuring the project as conceived will be carried despite the setbacks caused by the demise of Lutheran Social Services North Dakota is the focal point that the commercial kitchen and food pantry will serve in coalescing efforts of groups representing the City's vulnerable population in addressing critical needs for the homeless. It establishes a permanent viable location for such key services with capacity to significantly expand while also presenting all involved with a strong ability to leverage the new facility to secure additional funding support for such services in a planned and coordinated effort.

The ability to carry out the Souris River Decision Support Tool, Economic Resilience Strategic Planning, and Funding and Financing Strategies presents the opportunity for the City to redeploy those funds to address unanticipated higher costs for an important project. Plans are in place to guide the City in implementing best practices in resilient economic development growth with a focus on the downtown, resources have been identified and manual on best practices in applying for grants has been developed accessible to any Minot organization to pursue funding and resources in support of projects and activities to address unmet needs from the flood as well as promote resilience measures, and a tool to facilitate decisions on best flood control management practices has been prepared for use by parties involved in Souris River Management.

Since originally conceived as part of the 2016 CDBG-NDR Action Plan relocating City Hall and police communications into a vacant office building located within the City's downtown was viewed as important to protecting the capacity to respond to future floods with City Hall having come precariously close to being flooded in the 2011 flood. However, in the five years that have passed in bringing this project to fruition the need for relocating City Hall has expanded well beyond the importance of protecting critical City service response from future floods to also being a major force in sustaining much needed growth in the downtown which itself was seriously impacted by the 2011 flood and has continued to face unmet economic related needs.

Since the acquisition of the primarily vacant office building to relocate City Hall into the heart of the downtown, significant new private sector investment has been evident throughout the downtown culminating in the announcement last month of acquisition by a developer of the other long vacant major office building in the downtown with plans in place to convert it mixed use. This office building is across the street from the location to which City Hall is being located.

Therefore, adding the unspent planning funds to the City Hall project to address Covid Pandemic adverse impacts in the form of marked increased construction costs assures addressing the benefits of both moving critical City services and communication out of harms way but also assuring leveraged private sector investment in the downtown to further address the adverse impacts caused by the 2011 flood.

With the intended goals met for the planning activities without need for use of all the funds and the modest redeployment of the available funds to the two remaining primary projects in the CDBG-NDR Action Plan, no significant changes are occurring in the cost benefit analysis from the original Action Plan and subsequent Substantial Amendments.

CDBG-NDR Amendment #7 Budget Table				
Project	Activity	Existing Budget	Proposed Reallocation	New Budget Amount
Project 1 – Reduce Flood Risk	Acquisition related activities	\$21,017,778.00	\$0	\$21,017,778.00
	Ecological Restoration	\$357,525.00	\$0	\$357,525.00
	Souris River Decision Tool	\$599,697.00	(\$96,069.50)	\$503,627.50
	TOTAL	\$21,975,000.00	(\$96,069.50)	\$21,878,930.50

Project 2 – Build Resilient Neighborhoods	Multi-Family Affordable Rental	\$23,897,000.00	\$0	\$23,897,000.00
	Single Family Affordable Home	\$8,807,750.00	\$0	\$8,807,750.00
	Family Homeless Shelter	\$3,041,500.00	\$306,675.00	\$3,348,175.00
	Affordable Housing Master Plan	\$299,250.00	\$0	\$299,250.00
	TOTAL	\$36,045,500.00	\$306,675.00	\$36,352,175.00

Project 3 – Foster Economic Resilience	Center for Technical Education	\$3,540,000.00	\$0	\$3,540,000.00
	Public Facilities Relocation	\$7,750,000.00	\$472,593.49	\$8,222,593.49
	TOTAL	\$11,290,000.00	\$472,593.49	\$11,762,593.49

Project 4 – Planning	Housing Supply/Demand Study	\$299,025.00	\$0	\$299,025.00
	Economic Resilience Plan	\$299,025.00	(\$119,446.99)	\$179,578.01
	Vulnerable Population Study	\$306,675.00	(\$306,675.00)	\$0.00
	IMPLAN Economic Model	\$99,900.00	\$0	\$99,900.00
	Funding Strategies Plan	\$273,375.00	(\$257,077.00)	\$16,298.00
	TOTAL	\$1,278,000.00	(\$683,198.99)	\$594,801.01

Project 5 – Administration		\$3,752,270.00	\$0	\$3,752,270.00
TOTAL GRANT BUDGET		\$74,340,770.00	\$0	\$74,340,770.00

Public Comment is now open for CDBG-NDR Action Plan Substantial Amendment #7. The text of the amendment can be found on the City’s CDBG-DR/NDR Page under the Action Plan heading for NDR where it will be separately listed as Substantial Amendment #7. The full Action Plan is available at the same site. Public comments should be addressed to Emily Berg Assistant Grant Administrator either through email at Emily.berg@minotnd.org, City of Minot, PO Box 5006, Minot, ND 58702.