



Fargo Affordable Housing Analysis Findings

Presented to: Community Development Committee

Presented by: Mary Bujold | Maxfield Research & Consulting LLC

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Project Scope

OBJECTIVE

Provide analysis of Affordable Housing Needs for Downtown Fargo and adjacent core neighborhoods

APPROACH

Identify current housing market conditions and assess priorities for the development of affordable housing

PROJECT DELIVERABLES

- Short (2026) and long-term affordable housing needs to 2030
- Identification of development priorities
- Suggested concepts to address priority needs

KEY DATES

- Data collection: 3rd quarter 2021
- Draft: October 2021
- Final: TBD

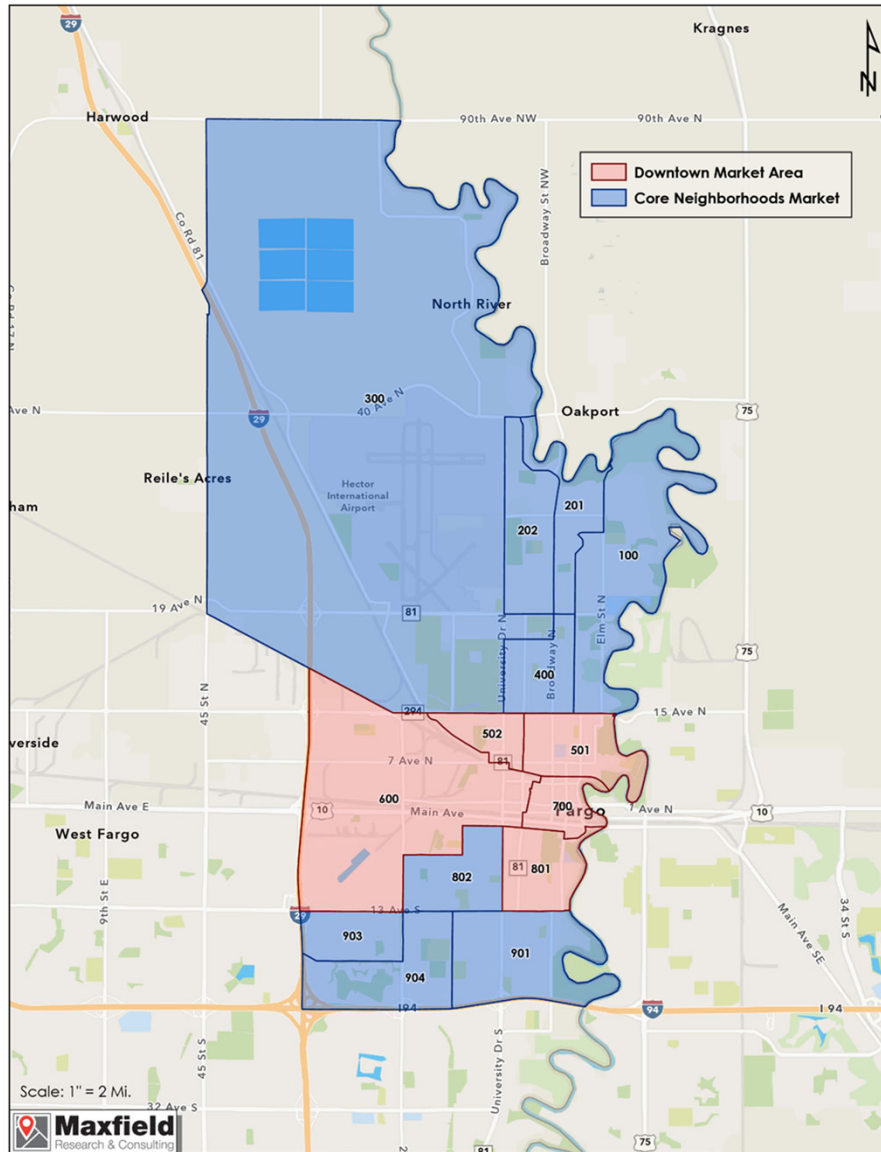


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End User Benefits

- Guide policy making decisions
- Assist in allocating funding resources for housing priorities
- Assist banks and lending institutions in considering current market dynamics and development parameters
- Codify anecdotal discussions with consistent and verified data
- Better define the relationship between affordable housing and economic development (i.e. job growth)
- Identify needs to accommodate future growth
- Suggest / Recommend housing priorities

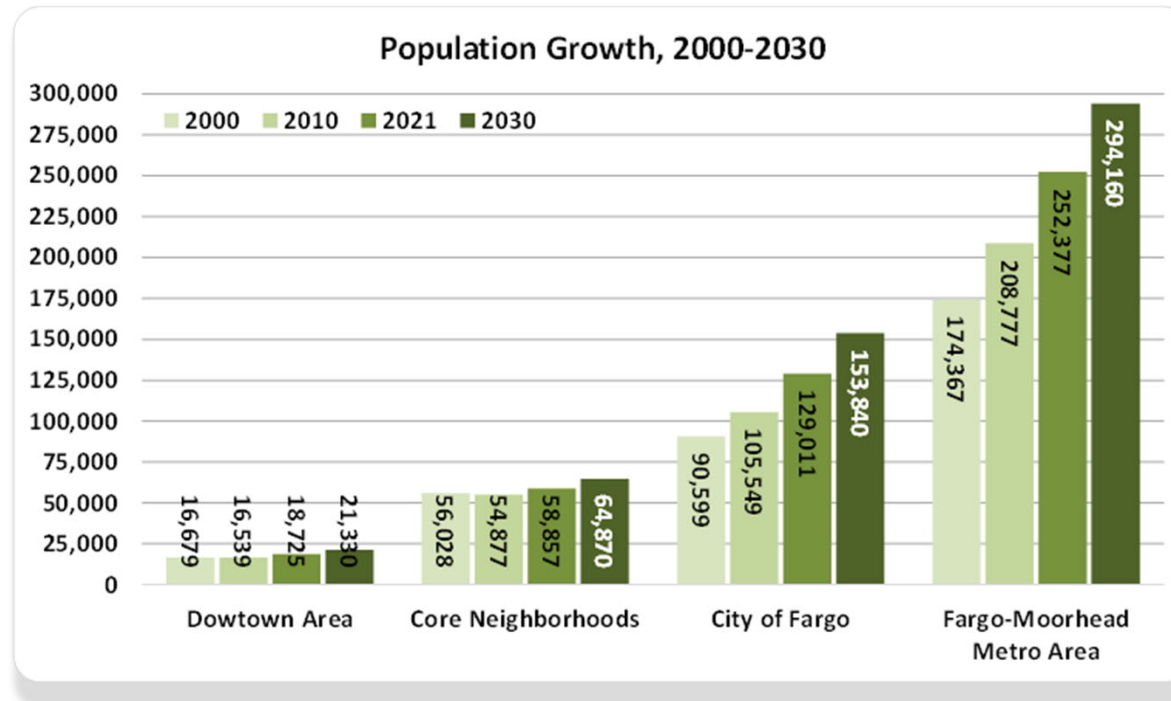
Downtown Fargo and Core Neighborhoods



The Areas surveyed were established as aggregations of Census Tracts for a refined analysis. Areas were identified in cooperation with the City of Fargo:

- Downtown Fargo
- Core Neighborhoods
North
South

Population Trends & Projections – 2000 to 2030



From 2000-2010, Downtown and Core Neighborhoods lost population
From 2010-2021, Population increased due to renewed focus on housing development through in-fill and redevelopment.

Growth in the Downtown and Core Neighborhoods is supported by overall growth in the MSA.



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Rents Affordable by Median HH Income

Monthly rent levels are calculated from the median household income and reflect a 30% allocation of income to housing costs which is the HUD benchmark for housing affordability.

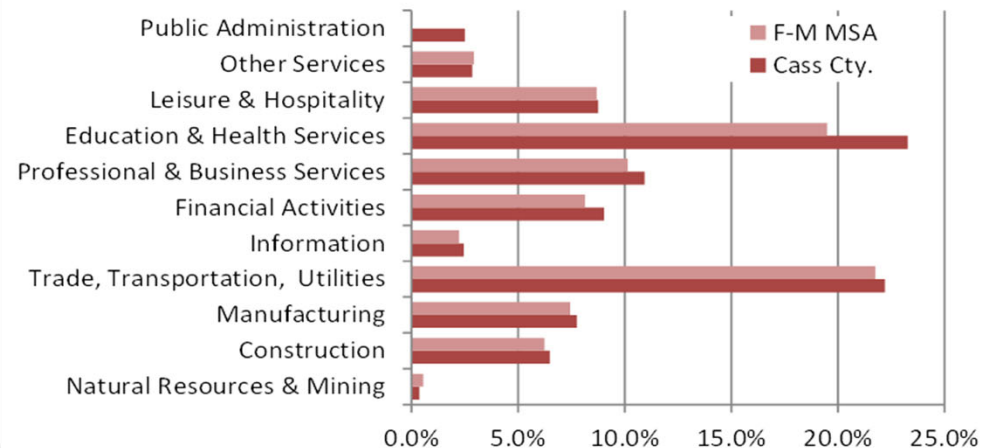
RENTS AFFORDABLE BY INCOME DOWNTOWN AREA AND CORE NEIGHBORHOODS 2021 INCOMES BY AGE							
	Age of Housholder						
	Under 25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
DOWNTOWN AREA							
Median Income	\$20,033	\$40,457	\$51,339	\$51,288	\$39,143	\$33,051	\$21,317
Monthly Rent	\$501	\$1,011	\$1,283	\$1,282	\$979	\$826	\$533
CORE NEIGHBORHOODS							
Median Income	\$23,391	\$43,980	\$58,171	\$61,592	\$55,348	\$48,836	\$30,787
Monthly Rent	\$585	\$1,100	\$1,454	\$1,540	\$1,384	\$1,221	\$770
Sources: ESRI; Maxfield Research and Consulting LLC							

F-M Metro Area and Cass County

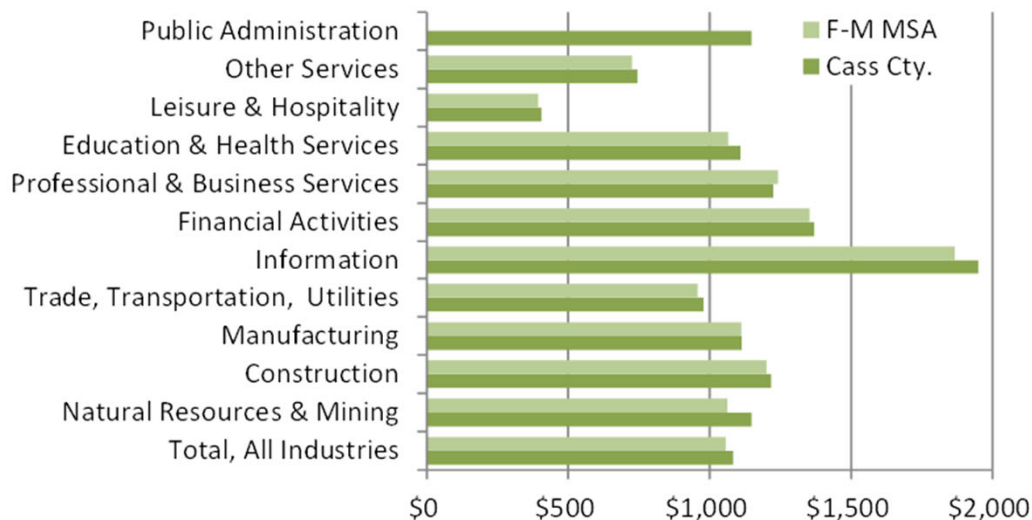
Employment

- Highest proportion of jobs in Education and Health Care, followed by Trade, Transportation and Utilities

2020 Employment: % of Total



2020 Average Weekly Wage



Average Weekly Wage

Wage

Rent

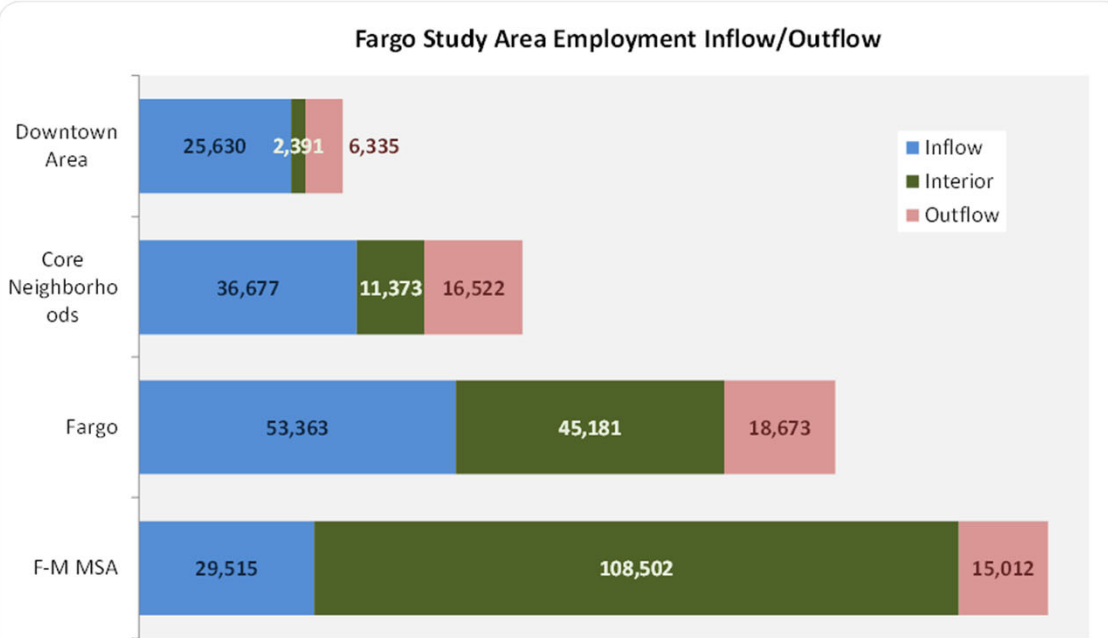
- Information - \$1,866 = \$2,426/mo.
- Education & Health Services - \$1,241 = \$1,613/mo.
- Trade, Transportation, Utilities - \$957 = \$1,244
- Leisure & Hospitality - \$394 = \$512/mo.



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Downtown Fargo is a job importer

- The Downtown is a significant importer of workers – 75% of Downtown workers commute to Downtown for work
- Same is true for the Core Neighborhoods



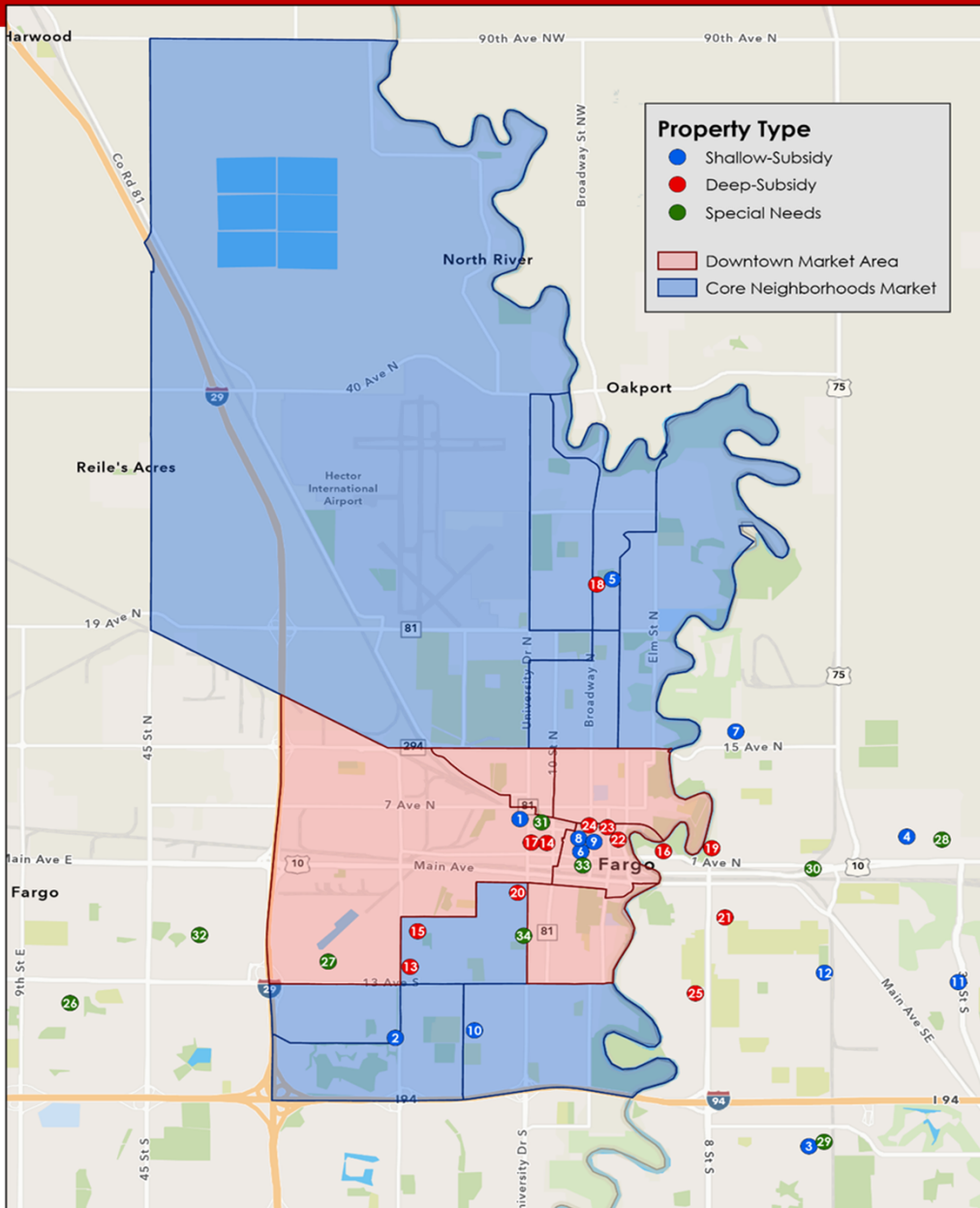
Worker Incomes

- Downtown and Core Neighborhoods have slightly higher proportions of workers with incomes of \$3,333 or higher
- Limited supply of new affordable owned housing for younger workers
- Significant need for starter homes and affordable apartments to serve younger workers, singles and families
- Labor availability was cited as a major impediment to hiring



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Income Based and Supportive Housing Inventory



Existing Affordable Housing is clustered in the Downtown Area

- deep-subsidy (50% or less AMI)
- shallow-subsidy (50%-60% AMI)

Shelters and Supportive Housing is spread out across F-M Area

- Three in Downtown Fargo
- One in the South Core
- Five in the remainder of FM

Properties outside the Market Area

- Not included in demand
- Compare broader market



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NOAH Housing Summary

NOAH units in Downtown and Core Neighborhoods

Properties are market rate only; no subsidies

Identify the number of units available at different income levels

TABLE RM-7 MULTIFAMILY MARKET RATE RENTAL DEVELOPMENTS NATURALLY OCCURRING SUMMARY FARGO DOWNTOWN AREA & CORE NEIGHBORHOODS September 2021									
Unit Type	Market Rate Affordability by AMI						Total Units	Total <60%	Pct. <60%
	30%	50%	60%	80%	100%	120%			
STUDIO/EFF.	62	299	92	1	--	--	454	453	99.8%
1 BR	131	697	516	54	--	--	1,398	1,344	96.1%
2 BR	575	806	243	75	3	--	1,702	1,624	95.4%
3 BR	62	357	83	53	1	--	556	502	90.3%
4BR	--	--	33	33	--	--	66	33	50.0%
Subtotal	830	2,159	967	216	4	--	4,176	3,956	94.7%
Pct. Of Total	19.9%	51.7%	23.2%	5.2%	0.1%	--			
Pct. Of Affordability Category									
STUDIO/EFF.	7.5%	13.8%	9.5%	0.5%	--	--		11.5%	
1 BR	15.8%	32.3%	53.4%	25.0%	--	--		34.0%	
2 BR	69.3%	37.3%	25.1%	34.7%	75.0%	--		41.1%	
3 BR	7.5%	16.5%	8.6%	24.5%	25.0%	--		12.7%	
4BR	--	--	3.4%	15.3%	--	--		0.8%	
Source: Maxfield Research & Consulting, LLC									



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Housing Providing Supportive Services

Emergency Shelters

- Fargo – 193 beds
 - Downtown – 78 beds
 - Core – 35 beds
- Moorhead – 155 beds

Permanent Support

- Fargo – 100 units
 - Downtown – 88 units
- Moorhead – 83 unit
- West Fargo – 30 units

Transitional Housing

- Fargo – 31 units
 - Downtown – 31 units



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Requests for Services – Homeless Population

Rent payment assistance is the most identified housing need in Fargo at 61.5% followed by rental deposit assistance (12%) and homeless shelter (11%). Low income/subsidized rental housing was identified by 4% of the contacts in Fargo.

In Clay County, rent payment assistance was identified by 77% of contacts along with homeless shelter (8%) and rental deposit assistance (5%).



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Aff Hsg Demand – Dwntn/Core Neighborhoods

Total Demand from New and Existing Renter Households-2021 to 2030

Deep-Subsidy (<30% AMI)	-	875 - 1,066 units
Shallow-Subsidy (30%-60% AMI)	-	930 - 1,132 units
Moderate-Income (60%-80% AMI)	-	738 – 899 units

Excess Demand for Affordable Housing – 2021 to 2030

Deep-Subsidy (<30% AMI)	-	755 - 1,027 units
Shallow-Subsidy (30%-60% AMI)	-	1,104 - 1,393 units
Moderate-Income (60%-80% AMI)	-	923 - 1,124 units



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Interview Comments

Permanent Supportive Housing

- An increasing number of people are seeking supportive housing in FM-Metro Area because of a lack of resources and services in NW MN and NE ND
- Need for additional PSH to reduce “bounce backs” to reduce chronic homelessness. It is estimated that 75% of those using emergency shelters are repeat clients
- Severe lack of resources to assist homeless that have mental health and/or substance abuse challenges.
- Minorities are over-represented among the homeless.
- There is an overall lack of funding and funding of PSH usually requires a complex set of funding resources.

Affordable Rental Housing

- Need for affordable rentals between 60% and 80% of AMI, but will compete with new market rate and existing NOAH units
- A strong economy has created a severed shortage of housing and growth is anticipated to continue, resulting in a lack of housing to fill specific needs
- Lack of affordable housing constrains economic growth
- Need for family housing as well as housing for singles
- Need for deep-subsidy rental serving households w/incomes far below 50% of AMI

Priorities

- Promote new housing development to fill gaps in the housing continuum in the Downtown and Core Neighborhoods
- Focus financial resources on housing products where it is difficult to secure funding through other state and federal programs, to meet the need for gap financing
- Increase social and supportive services, supportive services should serve multiple properties
- Increase supportive housing for women and families
- Target affordable rental housing at 60% to 80% of AMI, but consider non-traditional funding resources as this is an area not readily served by other traditional programs such as LIHTC and HUD Programs
- Consider methods to provide for affordable for-sale housing (60% to 100% of AMI) and/or assist potential buyers with purchase and/or rehabilitation of the existing housing stock
- Promote & expand the financial, land use and development “tool kit”



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Questions & Comments

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