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COMMUNITY DEVELOPMENT COMMITTEE
Tuesday, May 17, 2022 | 2:30PM
City Commission Chambers
AGENDA

1. Approve Agenda & February 15, 2022 Minutes
2. Approve March 2, 2022 Subcommittee Minutes
3. Public Comment
4. Staff Report and Work Plan Overview Discussion
5. Recap of Maxfield Study: Affordable Housing Needs Analysis for Downtown Fargo
6. Recap and Update of Last Year's Partner Presentations
7. Discussion on Housing Ad-Hoc Committee and Future Goals
8. Adjourn-Next Meeting August 16, 2022

Community Development Committee meetings are broadcast live on cable channel TV Fargo 56 and can be seen live at www.FargoND.gov/streaming. They are rebroadcast each Monday at 12:00 p.m. and Thursday at 3:30 p.m.

People with disabilities who plan to attend the meeting and need special accommodations should contact the Planning Office at 701.241.1474. Please contact us at least 48 hours before the meeting to give our staff adequate time to make arrangements.

Minutes are available on the City of Fargo Website at www.FargoND.gov/communitydevelopmentcommittee.

**COMMUNITY DEVELOPMENT COMMITTEE
MINUTES**

Regular Meeting:

Tuesday, February 15, 2022

The Regular Meeting of the Community Development Committee of the City of Fargo, North Dakota, was held in the Commission Chambers at City Hall at 2:30 p.m., Tuesday, February 15, 2022.

The Community Development Committee Members present or absent were as follows:

Present: Commissioner John Strand, Mayor Tim Mahoney, Michael Redlinger, Linda Klebe, Samantha McDonald, Ken Enockson, Rocky Schneider (Fargo Planning Commission), Jennifer Benson (Fargo Board of Education), Chris Brungardt (Fargo Housing & Redevelopment Authority), Thomas Hill (United Way), Mark Puppe (HBA FM), Cindy Graffeo (Downtown Community Partnership)

Absent: None

Chair Strand welcomed Members to the meeting and introductions were made.

Item 1. Approval of Agenda & Minutes

Chair Strand noted he would like to add Item 4c. to the Agenda for General Community Development Committee Guidance.

Member Mahoney moved the agenda be approved as amended. Second by Member Redlinger. All Members present voted aye and the motion was declared carried.

Member Hill moved the minutes of the November 16, 2021 Community Development Committee meeting be approved as presented. Second by McDonald. All Members present voted aye and the motion was declared carried.

Item 2. Public Comment

Resident Christopher Coen spoke regarding affordable housing and rental management issues.

Member Schneider present.

Item 3. Downtown/Core Neighborhood Housing Needs – Presentation by Maxfield Research

a. Application of findings discussion, BSI Inc. & Planning Staff

Planning Director Nicole Crutchfield introduced the topic and provided a brief background.

Mary Bujold, Maxfield Research & Consulting, LLC, presented on the housing needs assessment that was conducted regarding short and long term needs.

Due to technical difficulties the presentation wasn't able to be completed and Ms. Crutchfield stated the presentation information will be distributed to the Board Members.

Dan Madler, Beyond Shelter, Inc CEO, provided an overview of the presentation and noted that the need is for decisions to be prioritized for the greatest long term investment for the greatest number of households.

Item 4. Downtown Development Updates – Jim Gilmour

a. Riverfront Renewal Area

Director of Strategic Planning and Development Jim Gilmour provided an overview of three city-owned downtown properties in the redevelopment process. He noted that proposals have been received through an RFP process.

b. Overview of RFP process and status updates

Brief presentations were provided on the Park East site by Tom Berning with EPIC Companies, Dan Madler with Beyond Shelter, Inc., and Jon Youness with EagleRidge Development.

Presentations were given for the 419 3rd Street North site by Tyrone Grandstrand, Authentic Housing, and Keith Leier, Kilbourne Group.

The property located at 4th Street and 3rd Avenue had presentations given by Heather Whalen and Byron Schevers, Lloyd Company, and Kevin Bartram, MBA Development.

c. General Community Development Committee Guidance

Chair Strand noted with these public assets to be potentially developed, there are many options to consider.

Mr. Gilmour stated that the Renaissance Zone Authority and the Economic Development Incentives Committee will further review these proposals next week.

Discussion was held on the proposals regarding income blending in the downtown, timeliness, resource funding, transportation and parking options, meeting the City's priorities with the greatest return, affordable housing, the riverfront renewal plan, and making the best use of the riverfront corridor and reinvesting in the rest of the community.

Chair Strand stated that an ad hoc committee to further review and provide input on the proposals and develop a road map for the Committee going forward would be a place to start and asked for volunteers.

Members Benson, Graffeo, Klebe, Hill, Brungardt, and McDonald volunteered to serve on an ad hoc subcommittee to discuss broad policy recommendations and approaches.

Member Mahoney moved to form the ad hoc subcommittee. Second by Member Redlinger. All Members present voted aye and the motion was declared carried.

Item 5. Staff Updates

a. HUD schedule update

b. Resource information

These items were not heard.

Item 6. Adjourn: Next Meeting – May 17, 2022

The time at adjournment was 4:02 p.m.

COMMUNITY DEVELOPMENT SUBCOMMITTEE MINUTES

Special Meeting:

Wednesday, March 2, 2022

A Meeting of the Community Development Subcommittee of the City of Fargo, North Dakota, was held in the Commission Chambers at City Hall at 11:00 a.m., Wednesday, March 2, 2022.

The Community Development Subcommittee Members present or absent were as follows:

Present: Samantha McDonald, Jennifer Benson (Fargo Board of Education), Chris Brungardt (Fargo Housing & Redevelopment Authority), Thomas Hill (United Way), Cindy Graffeo (Downtown Community Partnership)

Absent: Linda Klebe

Also Present: Mayor Timothy Mahoney, Assistant City Administrator Michael Redlinger

Item 1. Election of Chair

Member Brungardt nominated Thomas Hill to serve as Chair of the subcommittee. Second by Member Graffeo. All Members present voted aye and the motion was declared carried.

Member Hill directed the conversation to discuss the purpose and direction of the subcommittee.

Discussion was held on building policy to review housing needs, establishing bylaws and boundaries for the Community Development Committee, advocating for community needs, and long-term City goals.

Discussion continued on establishing priorities and a scope of work, clarification on the purpose of the Community Development Committee, and having a voice at the appropriate time and place for recommendations.

Mayor Mahoney provided a background on the Community Development Committee, and noted now is the time to lay out what to do moving forward.

Member Graffeo moved that this subcommittee defer an opinion on the current three RFP proposals and for the Community Development Committee to build a process to have a voice in the future. Second by Member Hill. All Members present voted aye and the motion was declared carried.

Item 3. Riverfront Development Plan

Director of Strategic Planning and Development Jim Gilmour led a conversation on properties that would be coming available in upcoming years.

The subcommittee discussed defining their role in reviewing plans, developing a model to evaluate proposals, and determining the next phase for the Community Development Committee.

Assistant Director of Planning and Development Mark Williams stated that many of the Boards and Commissions of the City have established bylaws, the Community Development Committee

does not, but establishing bylaws and a mission would help to define the role of the Community Development Committee.

Mr. Gilmour noted the importance of identifying and filling the gaps from existing committees.

Discussion was held on evaluating other cities and what they are doing, looking at the current housing study, being a partner with City staff and other City Boards, defining next steps and best practices, historical context of the Community Development Committee, and a timeline for a next meeting.

Mr. Williams spoke on behalf of the Planning Department work plan.

Mr. Gilmour shared info on upcoming properties that could use insight.

The subcommittee agreed to have City staff provide a presentation on the historical context of the Community Development Committee and the bylaws of other City Boards at the regularly scheduled meeting of the Community Development Committee in May.

Discussion was held on the quarterly meetings of the Community Development Committee.

Item 4. Procedure for sale of City properties

Discussion was held on how the RFP process works for the sale of City properties.

Mr. Gilmour provided an overview of the RFP and implementation process.

Member Hill stated the importance of doing thoughtful strategic community development.

Item 5. Economic Development Incentives

This item was covered during the previous discussion items.

Item 6. Discussion of Future Meetings

The subcommittee will schedule a meeting after the regularly scheduled Community Development Committee meeting in May.

Item 7. Adjourn

The time at adjournment was 12:29 p.m.



Fargo Affordable Housing Analysis Findings

Presented to: Community Development Committee

Presented by: Mary Bujold | Maxfield Research & Consulting LLC

February, 2022

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

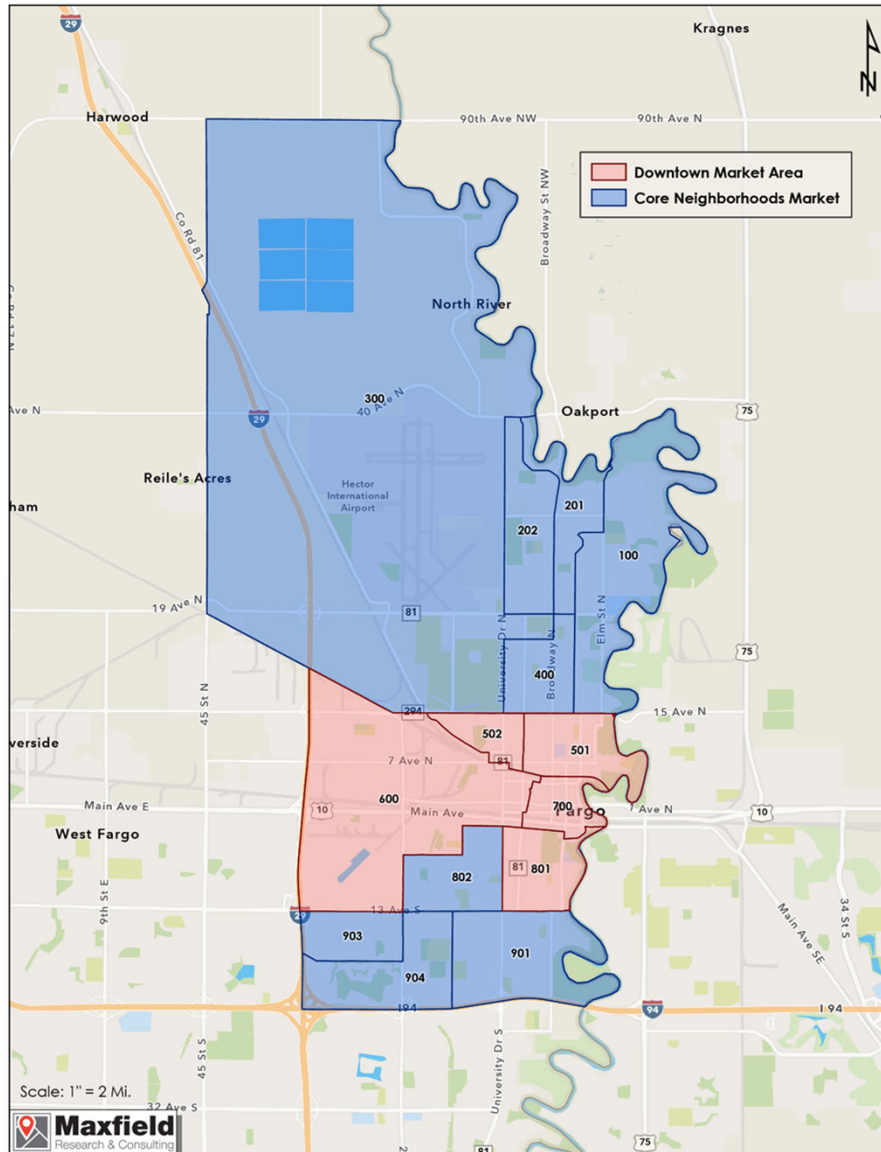
- Data collection: 3rd quarter 2021
- Draft: October 2021
- Final: TBD



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

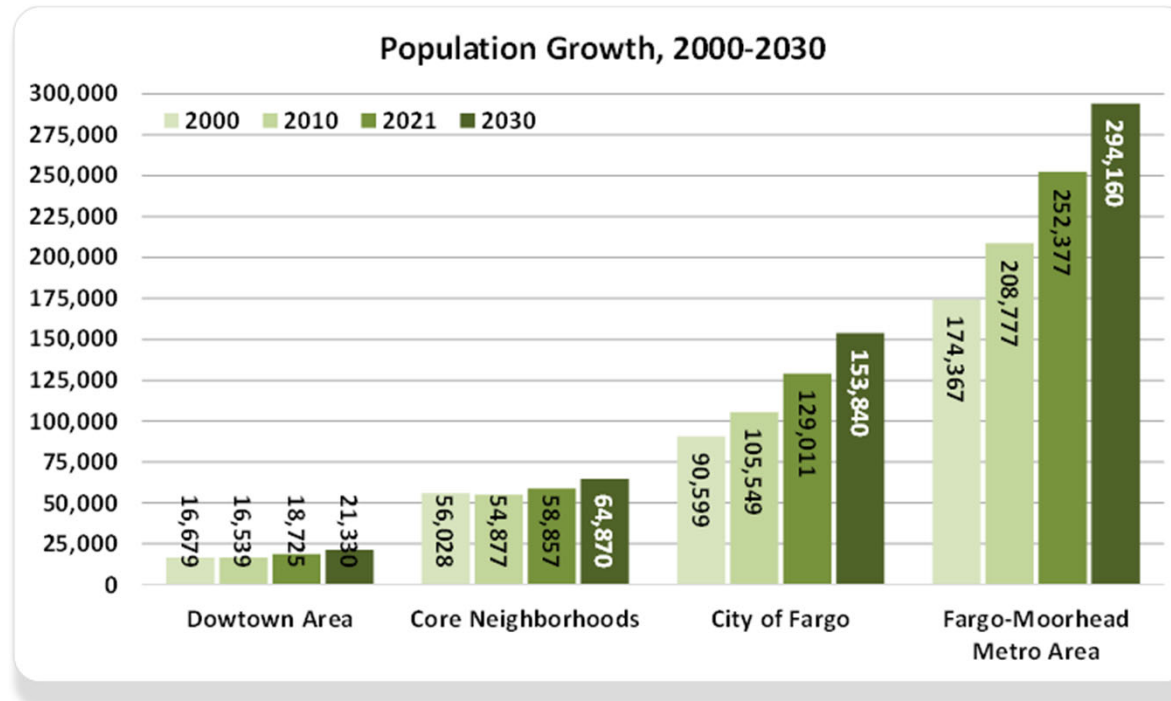
Downtown Fargo and Core Neighborhoods



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.

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

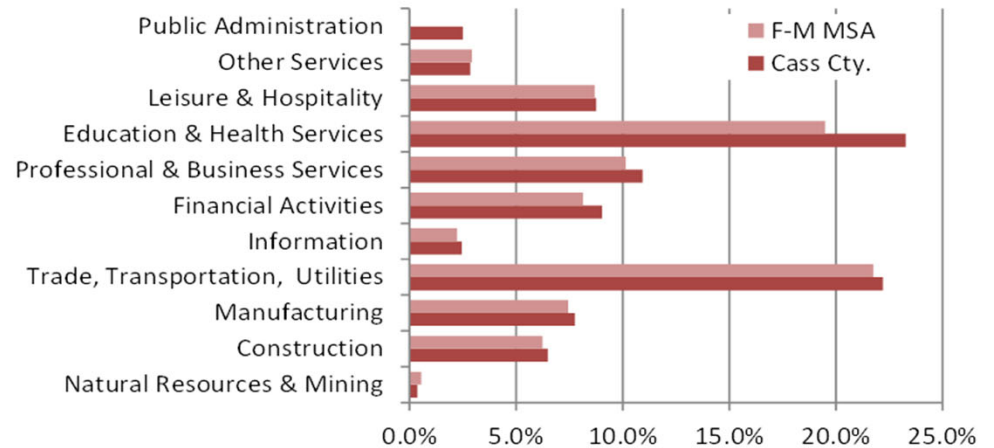
Sources: ESRI; Maxfield Research and Consulting LLC

F-M Metro Area and Cass County

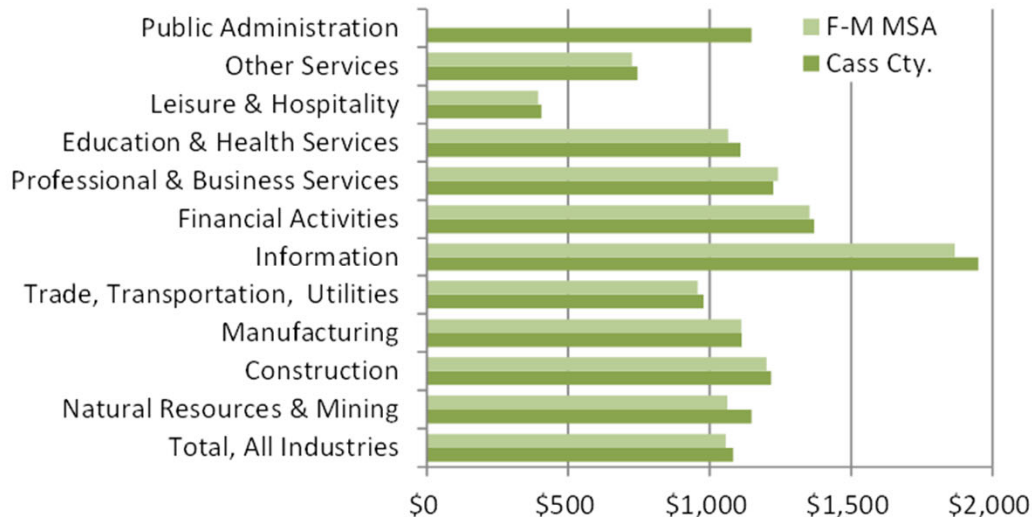
Employment

- 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

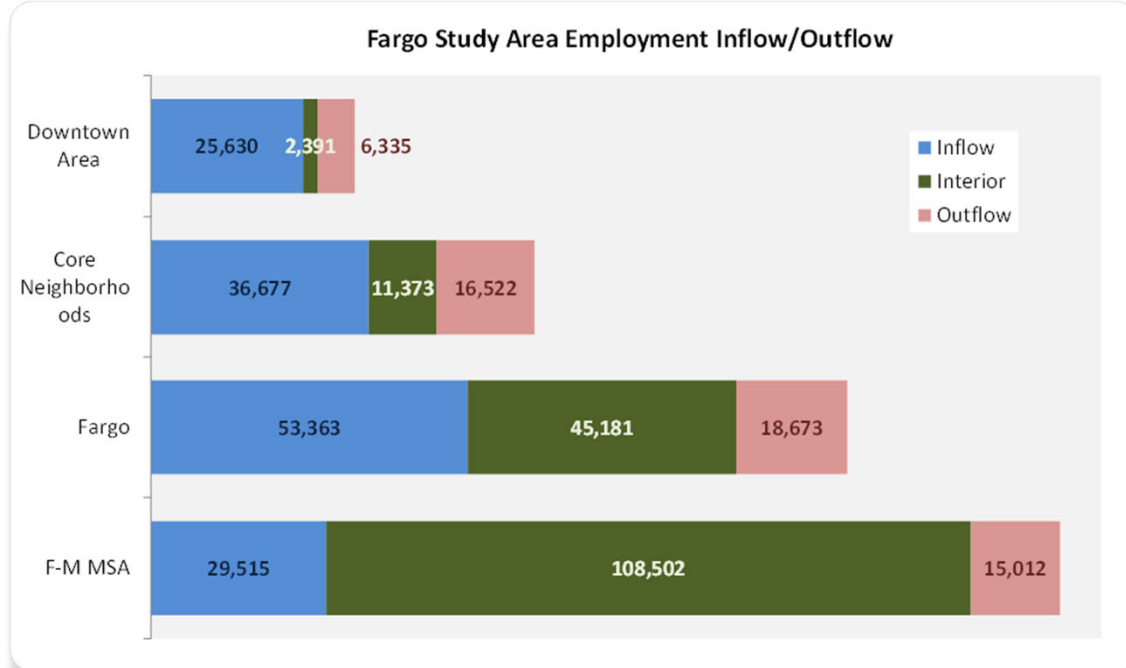
- | | <u>Wage</u> | <u>Rent</u> |
|------------------------------------|-------------|---------------|
| • Information | -\$1,866 | = \$2,426/mo. |
| • Education & Health Services | -\$1,241 | = \$1,613/mo. |
| • Trade, Transportation, Utilities | -\$957 | = \$1,244 |
| • Leisure & Hospitality | -\$394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



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Downtown Fargo is a job importer

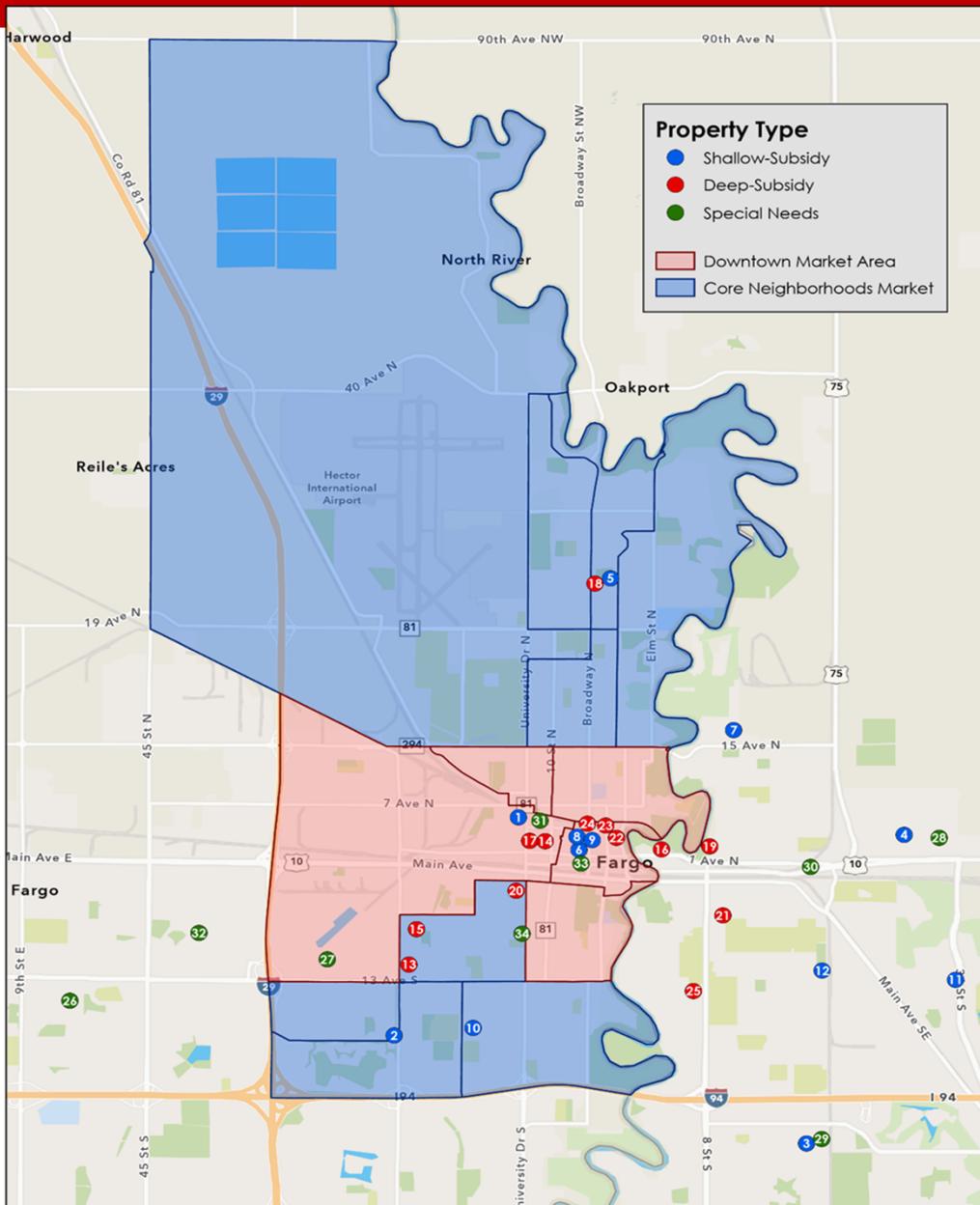
- The Downtown is a significant importer of workers – 75% of Downtown workers commute to Downtown for work
- Same is true for the Core Neighborhoods



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

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



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

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

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%).



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

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”

Questions & Comments

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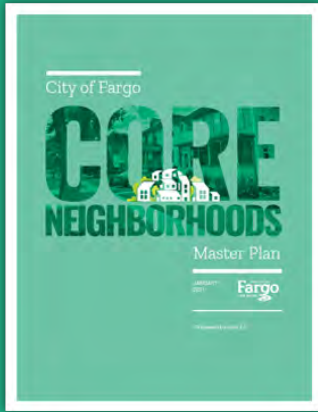
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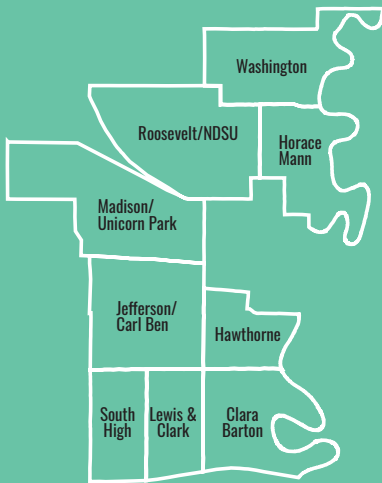


Maxfield
Research & Consulting



Core Neighborhoods Master Plan

Implementation Plan for 2022-23



The City of Fargo's Core Neighborhoods Master Plan (CNMP) was developed during 2020 through a citizen-guided process. It was unanimously adopted by the City Commission on May 17, 2021, and was highlighted as one of six main initiatives in the City's 2022 budget.

This inaugural implementation plan outlines the actions to undertake during 2022 and 2023 to put the CNMP into effect. It serves as a model for the type of annual action planning that will be needed to ensure that CNMP partners are successfully coordinated and that activities are being prioritized and resourced.

It is organized into two parts, both of which should be assessed and updated each year based on levels of progress achieved, the experiences of implementation partners, and emerging challenge or opportunities.

PART 1:
Organizing
Framework for
Implementation

PART 2:
Action Plan
for Areas of
Focus

City of Fargo



CORE NEIGHBORHOODS MASTER PLAN



Prepared by czbLLC

PART **1**

Organizing Framework for Implementation

Throughout the CNMP, high levels of coordination within and beyond City Hall are identified as a necessary ingredient for successfully boosting quality of life and confidence in Fargo’s core neighborhoods. This a result of the wide ranging factors that contribute to neighborhood health, from infrastructure and amenities to code enforcement and policing. Accomplishing anything of significance across such a large and diverse area with thousands of different property owners requires an interdepartmental and interdisciplinary approach.

To begin the process of forming and fine-tuning an organizing framework for CNMP implementation, this Implementation Plan for 2022-23 recommends the following components and processes as a starting point.

1. Designate a **CNMP Manager**

Clear lines of accountability are a must for successful implementation, and the CNMP identifies the designation of a coordinator or manager as the top near-term priority so that a point-person can be readily identified by all partners. This position should reside within the Department of Planning & Development to ensure that implementation has a clear home within City Hall.



- As a 2022 budget item, a Neighborhood Planner has been designated as a new full-time employee within the Department of Planning & Development and will partner with other department staff to coordinate plan implementation with the City Administrator’s office.

2. Form a CNMP Working Group

A primary task of the CNMP Manager would be to convene and coordinate an interdepartmental and interagency working group of implementation partners. The exact composition of this working group could shift over time depending on the nature of implementation at any given time. It may be helpful to categorize participation by the frequency with which a partner will need to be involved. Some departments will be frequent participants owing to the programs and activities they oversee. Others will be involved less frequently or on an ad hoc basis.



The following is a provisional concept for CNMP Working Group membership, as well as recommendations for meeting types and frequency:

CNMP Working Group		
	Involved Departments and Entities	<ul style="list-style-type: none"> Planning & Development Inspections Housing Reinvestment Entity (to be created) City Administration Public Works/Forestry Engineering Public Health Police Park District and School District Metro COG Community Land Trust
	Frequency of Involvement	<ul style="list-style-type: none"> FREQUENT OCCASIONAL

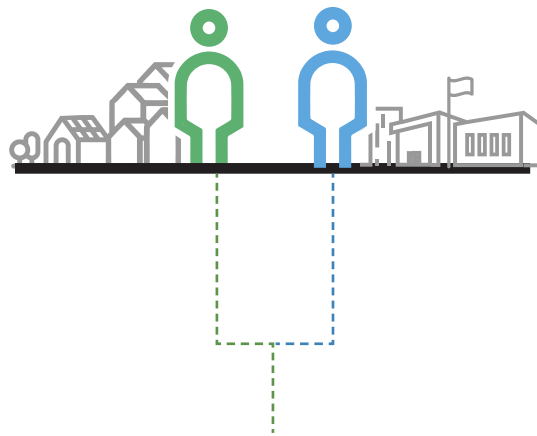
- CNMP Working Group should be convened and coordinated routinely by the CNMP Manager
- Participation should be customized to reflect areas of focus and the timing of implementation activities; periodic meetings of the full working group should be used to maintain awareness and lines of communication
- Meetings should have focused agendas:
 - Assignment of tasks
 - Updates on tasks
 - Identification of obstacles
 - Issues for elevation to Administration or other departments
- Working Group should consist of department heads and other relevant staff from involved departments; CNMP Manager should have non-department head staff as counterparts in involved departments for informal day-to-day communication

3. Establish Lines of Reporting and Accountability Within City Hall

The CNMP Manager, as a City employee within the Department of Planning & Development, will hold informal authority within City Hall to oversee implementation of this 10-year focus of the City Commission. Ultimate accountability will reside in the City Administrator's Office. It will be crucial, therefore, to have a process defined by which the CNMP Manager reports to the City Administrator and to elected and appointed commissions.

The following is a provisional concept for this chain of command and accountability:

Interface between
CNMP Manager and
City Administrator's Office



- ✓ Convene a meeting every two months where the CNMP Manager and City Administrator review implementation progress and needs to address at the highest levels of City government.

- ✓ Attendance by selected department heads at these meeting should be considered on an as-needed basis.

Interface between
City Staff and **Elected or Appointed Commissions**

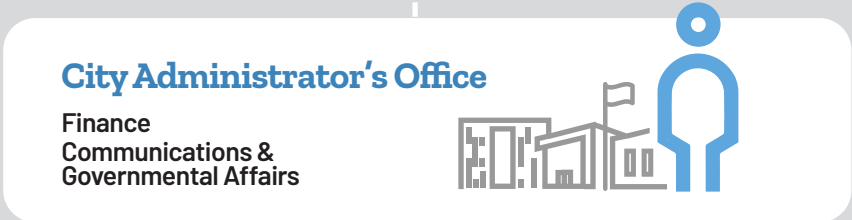
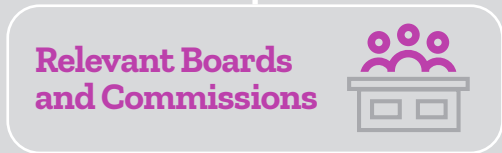


- ✓ Schedule semi-annual updates to the City Commission by the CNMP Manager and City Administrator.

- ✓ Provide updates to other relevant boards and commissions on an as-needed basis.

- ✓ Incorporate other boards and commissions as work engages their mission.

Proposed Organizational Framework for CNMP Implementation



CNMP Working Group		
<p>Involved Departments and Entities</p>	<p>Planning & Development</p> <p>Inspections</p> <p>Housing Reinvestment Entity</p>	<p>Public Works/Forestry</p> <p>Engineering</p> <p>Public Health</p> <p>Police</p> <p>Park District and School District</p> <p>Metro COG</p> <p>Community Land Trust</p>
	<p>Frequency of Involvement</p>	<p>FREQUENT</p>

PART 2

Action Plan for Areas of Focus

Based on the list of top implementation steps identified by the CNMP, two steps have been identified for special focus during 2022—in addition to the designation of a CNMP Manager. Both of these steps represent foundational actions that will provide capacity and systems necessary to realize CNMP outcomes. These steps include:

- Establish a new housing reinvestment entity
- Strengthen existing code enforcement processes as a prelude to expansion

Focus #1 Establish a new housing reinvestment entity

The CNMP recommends a series of housing reinvestment tools as one of five components of an overall CNMP Toolkit. More specifically it calls for a capacity to intervene at up to 235 properties over the coming decade—using a variety of potential program types—to prevent vulnerable blocks from declining and to shore up the marketability of Fargo’s oldest housing stock.

Based on further analysis in 2021, czbLLC recommended that an entirely new entity—sponsored by the City of Fargo and other partners—be established to oversee these activities. If work to establish this entity begins in 2022, it is estimated that operations can begin in 2023 and that full operating capacity will be possible by 2024.

The following outline summarizes specific actions to take during 2022, and into 2023, to bring this new entity into existence. Fargo’s Department of Planning & Development will play the lead role on establishing the entity.

Step 1: Confirmation of Direction

Timing: Quarter 1, 2022

During this step, answers should be sought to the following questions:

- Is a new organization (or the reactivation of a dormant organization) the course the City of Fargo wants to take?
- Does this course of action have the complete support of the Fargo City Commission?
- Is there enough probable interest in partnering with such an organization being expressed by key constituencies in the core neighborhoods and the wider community?

If the creation of a new entity is a confirmed direction, the following details will need to be defined in preparation for the entity's creation:

- Mission
- Authorities
- Profit or nonprofit status
 - If nonprofit, should it be c-3, 4, or 6?
- Re/development functions
- Lending roles
- Equity roles
- Geography of activity
- Ownership
- Funding
- Operations

Step 2: Complete Pre-Establishment Activities

Timing: Quarter 2, 2022

As direction is confirmed and details about the entity's mission and roles become well-defined, work should begin on the following in advance of formal work to set up the entity. :

- Preliminary board
 - Structure
 - Recruitment
- Staffing
 - Structure
 - Recruitment
- Preliminary Five-Year Budget
 - Uses
 - Sources

Step 3: Formally Establish and Incorporate the Entity

Timing: Quarters 3 and 4, 2022

During Step 3, actions should be taken to formalize direction confirmed and decisions made through Steps 1 and 2. These include:

- Standing up the new organization
 - Draft Articles and By-Laws
- Arrangement of organizational details
 - Confirmation of provisional board of directors;
 - Selection of interim executive director
 - Formalize a five-year funding commitment
 - Take care of corporate filings (IRS and ND State Corporation Commission)
 - Set up bank accounts
 - Choose office space
- Arrangement of operating details
 - Provisional slate of 2023 projects
 - Draft standard operating procedures

Step 4: Begin Operations

Timing: Quarter 1, 2023

A more detailed action plan for 2023 should be developed at the end of 2022 and be informed by details determined throughout the entity establishment process. The following actions, however, can be anticipated during the first quarter of 2023 :

- Recruit and hire a permanent executive director
- Confirm a schedule for adding additional staff capacity throughout 2023
- Initiate the 2023 slate of provisional projects
- Begin full program design

Focus #2

Strengthen code enforcement processes as a prelude to expansion

Public health and safety tools are one of the five components of the overall CNMP toolkit, and code enforcement plays an important role in establishing standards for public health and safety in neighborhoods. If well-designed and consistently enforced, those standards provide predictability and boost the confidence of property owners and residents.

The CNMP recommends an incremental series of upgrades to code enforcement processes in Fargo. It recognizes that steps such as the implementation of a rental license and inspection system—which the CNMP calls for—will require methodical work over the course of a few years to build stronger relationships between code enforcement partners and to establish a higher level of public understanding about the function and limits of code enforcement.

The following outline summarizes specific actions to take during 2022 to strengthen code enforcement processes in order to build a foundation for more advanced work going forward. Fargo’s Code Enforcement Task Force and associated department representatives will play the lead role on establishing the entity.

Step 1: Code Enforcement Review and Oversight

Timing: December 2021 through April 2022

This initial step includes a full audit of how code enforcement currently works in the City of Fargo. Work by a consortium of partners in City Hall—including Planning, Legal, Health, Police, Inspections, and Administration—will undertake the following steps:

- Review existing internal processes for code complaint intake
- Gain an understanding of departmental collaboration and results
- Understand existing procedural or legal constraints
- Create recommendations for improvements to align code enforcement functions with the incremental steps recommended by the CNMP

Step 2: Code Enforcement Action Plan

Timing: May 2022 through December 2022

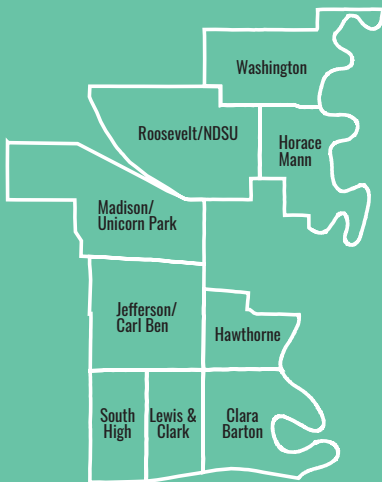
Based on recommendations developed during Step 1, put together a detailed action plan to inform the 2023 budget cycle and the work plans of individual departments that contribute to code enforcement functions. The plan should provide direction on the following:

- Optimal staffing levels in each department and a timeline, with budget implications, for achieving those levels.
- An organizing framework to ensure necessary levels of coordination and communication by contributing departments, including the relationship between a code enforcement consortium and the CNMP Working Group.
- A refined timeline for implementing recommendations from the CNMP, including the expansion of outreach and communication with neighborhoods, the initiation of periodic sweeps, and the transition to a license and inspection system for rental properties.



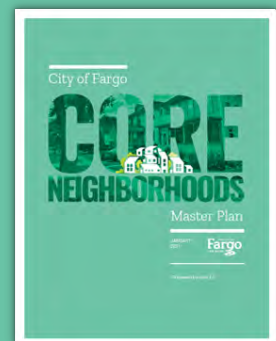
Implementation of Housing Reinvestment Activities in Fargo's Core Neighborhoods

Considerations and Recommendations



The third component of the toolkit for Fargo's Core Neighborhoods Master Plan is a set of housing reinvestment tools that are intended to promote healthier levels of reinvestment and confidence in the core neighborhoods. The tools would provide financial resources to participating property owners and help to stimulate neighbor-to-neighbor engagement. Over a ten-year period, the plan estimates that intervention in upwards of 235 core neighborhood properties will be needed to elevate standards and bolster the marketability of Fargo's oldest housing stock (see pages 52 and 53 of the Plan for a complete overview).

This memo provides an outline of considerations and factors for the City of Fargo to weigh as it prepares to implement the housing reinvestment portion of the plan, as well as czb's recommendations to guide near-term actions.



City of Fargo



CORE NEIGHBORHOODS MASTER PLAN



Prepared by czbLLC

CONSIDERATION

#1

Should these programs be income-restricted so that only low-income or moderate-income households can participate?

An important feature of the recommended reinvestment tools in the Core Neighborhoods Master Plan is that they would **not** have income qualifications. This would make the tools different from the vast majority of publicly-supported housing programs in Fargo or anywhere. This fundamental difference requires careful consideration to ensure that the programs are designed and executed in ways that match their goals.

Why is it important that there be no income-restrictions? The goal of the housing reinvestment tools in the Core Neighborhoods Master Plan is to boost investment in the housing stock in ways that will raise standards and improve the marketability of Fargo’s core neighborhoods. With sufficient levels of confidence, existing or prospective property owners—regardless of income—will be willing to make investments that make the housing stock stronger. Ensuring that there is a sufficient supply of affordable housing opportunities in the core and other neighborhoods is an important but separate goal that requires its own tools.

czb’s Recommendation:

No income restrictions should apply at this time, but as market conditions evolve, this issue can be revisited and reconsidered.

CONSIDERATION

#2

Should this effort be restricted to Fargo’s core neighborhoods, or should it work on a larger scale?

Market weakness and disinvestment in the core are inseparable from subsidized greenfield development at Fargo’s edges. Failure to fundamentally rethink how development occurs (land use plan, entitlements, subsidies, zoning) on the fringe invariably assures weakness in the core unless regional strength is durable.

Efforts to strengthen demand in older neighborhoods should therefore begin and maintain a focus on the core. Over time, investments in the core should be reinforced by complementary investments and policymaking on a more regional basis. And as the model for core neighborhood reinvestment is tested and desired outcomes are realized, the potential for expanding those programs to other areas with similar market characteristics may be considered.

czb’s Recommendation:

From day one, the focus of new housing reinvestment programs should be on Fargo’s core neighborhoods. However, if a new entity is created to oversee this work, czb would encourage that the charter for such an entity be drafted at the outset so as to permit such an organization to work on a citywide basis if/when the need arose.

Should these programs be administered by an existing entity or a brand-new entity?

For the recommended programs to be carried out as intended, they should be designed and administered by an entity with an explicit demand focus, whose mission is in complete alignment with the program's goals of retaining owners in the core, encouraging existing home owner reinvestment, stimulating increases in property values, and repositioning the city's core neighborhoods to successfully compete for households in the future.

There are currently no entities in Fargo that have a track record along these lines, or have the volume of in-house spec-writing and up-selling capacity needed to reach scale. Nor are there entities with the flexible resources that allow them to function as owner, developer, investor, or lender—all in service of raising housing values.

Any of the several existing entities that might be considered a fit (City of Fargo Planning Department's Community Development Division; Cass Clay Community Land Trust; Fargo Housing & Redevelopment Authority; and Beyond Shelter, Inc., for example) tend instead to focus on meeting the housing needs of low- to moderate-income households, which is a potential subset of the revitalization work needed, but a subset all the same. More specifically, the nature of the problem addressed by such a mission (insufficient income to afford market-rate housing) is fundamentally different from the problem that would be addressed to strengthen demand (insufficient willingness or financial rationale to invest in marketable upgrades to older residential properties in older neighborhoods).

Mission matters because it determines how an entity pursues and manages resources. Entities focused on human services and low- to moderate- income housing programs use specific federal and state resources with highly restricted uses. To a large extent, those entities exist in order to obtain those resources and implement federal and state housing programs at the local level.

A set of programs designed to strengthen demand would require different resources than those used to support affordable housing programs. Where would those resources come from? The three most common sources for housing programs with no income limits are (1) local levels of government that commit local resources (not federal or state grants) to achieve demand-related goals, (2) philanthropic organizations that wish to achieve demand-related goals in specific areas, and (3) financial institutions that want to stimulate investments in local housing.

While it is not impossible to configure an entity to focus on two very different missions simultaneously, and to manage very different sets of resources to be used in highly specialized ways, it would be very difficult for any entity (anywhere) to do this well and not to allow either mission to be diluted.

czb's Recommendation:

Start a new entity from scratch whose mission from day one would be to strengthen demand in Fargo's core neighborhoods. The board of directors and staff of the organization would be focused on that mission alone.

CONSIDERATION

#4

What form of corporate organization would be optimal to carry out a mission to strengthen demand in Fargo’s core neighborhoods?

The implementation of strategies to strengthen demand in Fargo’s core neighborhood will likely require—as explained under Consideration #3—funding from a combination of public and private resources, such as local government, foundations, and financial institutions. Consequently, a nonprofit development corporation with either a 501(c)(3), (c)(4), or (c)(6) status, depending on a variety of factors, would be optimally positioned to enter into public-private funding partnerships to advance this mission in Fargo.

czb’s Recommendation:

Go through the required steps to either re-purpose an existing (and possibly dormant) nonprofit organization or, alternatively, create a new nonprofit development corporation, mindful that the process will take six to nine months depending on processing speeds. In addition to getting a multi-year funding commitment from both the city and the private sector, and building a consensus in the community about the purpose of such an organization, initial steps would include:

1. Appoint a registered agent
2. Recruit incorporators and initial directors, following IRS and state requirements
3. Prepare and file articles of incorporation
4. Name the organization to begin registration with the State of North Dakota

What capacities and skillsets would the entity need to carry out its mission?

The capacities and skillsets needed for this entity to successfully carry out its mission can be divided into two groups—those that would need to exist on staff and those that would need to be provided by a board of directors:

Board of Directors: At a minimum, the board of directors should have a set of individuals who collectively offer the following assets:

Political authority and legitimacy

- With the City of Fargo likely to be the single largest sponsor of the entity’s activities, the board of directors must reflect the City’s investment by having City officials on its governing body. They will play a critical role ensuring that the entity has support within City Hall and that City and housing reinvestment strategies are reinforcing each other whenever possible.
 - Board membership should also be extended to other major sponsors as they emerge—whether that be another public sector entity (such as county or state), a philanthropic partner, a local financial institution, or NDSU.
-

Financial expertise

- Representation from local banks will help provide a measure of financial literacy on the governing board, especially as it regards lending and investment actions by the entity. This capacity may or may not be filled by a sponsoring bank.
-

Development expertise

- Representation from the local construction and development community will help provide a measure of development literacy on the governing board and all that it entails—from spec-writing, to bidding, to cost estimating, etc.
-

Staff: Expertise and capacity on staff should be a reflection of the day-to-day work of the entity—as well as the scale at which the entity would be operating, which includes programming across nine neighborhoods with 30,000 residents and an expectation that roughly 235 properties will receive direct interventions over 10 years.

Financial management and accounting:

- With resources coming from public entities (among others) and disbursed on a combination of small community-building projects and larger construction projects, the entity must be able to steward, track, and report on these resources—and have the confidence of its sponsors that funds will be carefully managed.
-

Construction project management:

- Small and moderately-sized rehab projects will be at the heart of what the entity does. It must therefore have solid project management capacity with the ability to navigate project scoping, contracting, and quality control for multiple projects at once.
-

Neighborhood engagement:

- The Core Neighborhood Master Plan calls for a “Neighborhood Coordinator” position that would, ideally, be housed within the new housing reinvestment entity and be charged with coordinating activities and programs that would improve neighborhood health by boosting leadership capacity and levels of resident pride. This function would also play an important role in recruiting participants for housing reinvestment programs.

Partnership building and community relations:

- The entity cannot achieve its mission on its own. Everything it does will involve building new partnerships or strengthening existing partnerships so that the collective efforts of multiple entities are greater than the sum of their parts.
-

czb’s Recommendation:

To ensure that the new entity encompasses the capacities and skillsets outlined above, czb recommends that the following list be considered a starting point for an initial board of directors:

1. Mayor
2. City Commissioner
3. City Commissioner
4. Bank Representative
5. Bank Representative
6. Development community
7. Development community
8. Attorney
9. Other stakeholder or sponsor

czb also recommends that the staff of the fully-fledged entity be comprised of the following positions:

- Executive Director
- Office Manager/Administrative Assistant
- Development/Construction Coordinator
- Neighborhood/Outreach Coordinator

What resources would the entity need to administer and deploy the programs recommended by the Core Neighborhoods Master Plan?

The resources necessary for this entity to successfully carry out its mission can be divided into two groups—resources for administration and operation and resources for projects and programming. For both groups of resources, sequencing will be an important sub-consideration

Administration and Operations

No matter how much money is allocated towards projects and programming, meaningful projects cannot be conceived, developed, and completed without sufficient—and sufficiently creative—administrative capacity. Based on the projected staff needs recommended under consideration #5 (four full-time positions), the expected cost of a full-fledged housing reinvestment entity with neighborhood engagement functions would range from 400,000 to \$500,000 per year (inclusive of direct and indirect costs).

Projects and Programming

There would be two general categories of projects or programs that the entity would implement each year:

1. Residential Property Rehab

- The entity’s long-term goal is to directly intervene with as many as 235 properties over 10 years—distributed across the program types outlined in the plan—to support rehab projects that raise standards in the core neighborhoods and improve the marketability of its housing stock. The projects are likely to include a combination of smaller projects (under \$20,000), moderately-sized projects (\$20,000 to \$75,000) and larger projects (\$75,000 and over)—all of which would require the following:
 - i. That the project follows a scope of work approved by the entity, ensuring that the work performed is of standard-raising quality.
 - ii. That the cost of the project be shared, with at least 50% coming from the owner and the remaining 50% covered by entity capital in the form of equity sharing, conditional grants, or other financial tools.
 1. Lower contributions from owners, depending on need, may be considered, but “skin in the game” should be mandatory.
 2. Lower contributions, if considered, may require deed restrictions such as a minimum number of years the homeowner must remain in the house without a required pro-rata repayment schedule, first right of refusal for City acquisition at appraised value, equity gain limitation to ensure future affordability, etc.
- On average, the entity would have to participate in 20-25 projects per year to maintain the pace recommended by the Plan. If the average rehab project has a total cost of \$30,000, the entity would want to have access to roughly \$350,000 to \$500,000 per year (or \$3.5 million to \$5.0 million over ten years) to match owner resources. Depending on the nature of each project, some of that capital would be repaid (and revolve to other projects), some would be conditionally gifted.

2. Neighborhood Engagement, Leadership, and Beautification

- In addition to engagement work performed by the neighborhood coordinator position, the entity would want to develop programs that use resources to stimulate engagement and small-scale neighborhood improvements.
- A budget of approximately \$20,000 per year (or \$200,000 over 10 years) would provide sufficient resources to support a series of neighborhood events, small beautification projects, small grants for clustered curb appeal projects by residents, and a range of other possibilities.

czb's Recommendations:

In its first full calendar year of operation, with a full-time staff of four, anticipate a need for at least \$400,000 for administration and operations, \$350,000 for capital to support rehab projects, and \$20,000 to support neighborhood engagement efforts (or \$770,000 altogether). It is estimated that this phase of operation will be possible by 2024, if 2022 and 2023 are used to set up the organization and ramp up its capacity.

As a start, consider the following sources to cover the entity's costs, with an aim for more diversified sponsorship as the entity matures:

- City of Fargo: \$670,000
- Foundations: \$75,000
- Local/Regional Banks: \$25,000

For guidance on the application of these considerations and recommendations, see **Part 2 of the CNMP Implementation Plan for 2022-23.**



Other Activities to Monitor

While this CNMP Implementation Plan calls for attention to be focused on the creation of a housing reinvestment entity and on strengthening code enforcement functions, other actions will take place during 2022 that will have an impact on CNMP implementation and should be monitored to ensure they align with the principles and vision outlined by the CNMP. These include:

Growth Planning and Land Development Code (LDC) Updates

Work will be in 2022 on updates to Fargo's growth plan and to its LDC. This work will be informed by a number of recent and ongoing studies—including the LDC Diagnostic completed in 2021. The CNMP, which includes land use recommendations and ties growth on the periphery to conditions in the core, should heavily influence these updates.

Fargo Transportation Plan

This comprehensive transportation planning initiative began in 2021 and will be completed during the spring of 2022. Given the presence of Public Infrastructure Investment Tools as one of the five components of the CNMP's toolkit, this plan should provide direction on 'next steps' for several transportation-related activities identified in the CNMP.

10th & University One-Way Pair Study

Work will begin with the support of FM MetroCOG and the City Engineering Department to study the impacts of the one-way roadways and the feasibility of conversion to two-ways.

Housing Market Studies and HUD Action Plans

The City of Fargo is creating an economic model to analyze future land use changes. Additionally, FM MetroCOG is undertaking a housing needs assessment metro-wide and the City of Fargo and Beyond Shelter have undertaken a supportive service housing needs analysis.



Fargo's Core Neighborhoods Master Plan calls for a **proactive, long-term effort to support residential reinvestment.**

What was learned during the planning process that led to this recommendation?

Over 1,500 properties in the core neighborhoods—or **1 in every 6**—are slipping or distressed

An exterior survey of property conditions in 2020 found that over 1,500 properties showed visible signs of disinvestment, such as peeling paint, worn siding, a porch or roof in need of repair, and other signals of deferred maintenance. In some areas, these properties constituted more than 50% of the residential stocks. Apartment buildings, small single-family houses, and absentee-owned properties were more likely than others to show signs of neglect.

Overall, it was estimated that just these 1,500 properties represent at least \$50 million in deferred maintenance

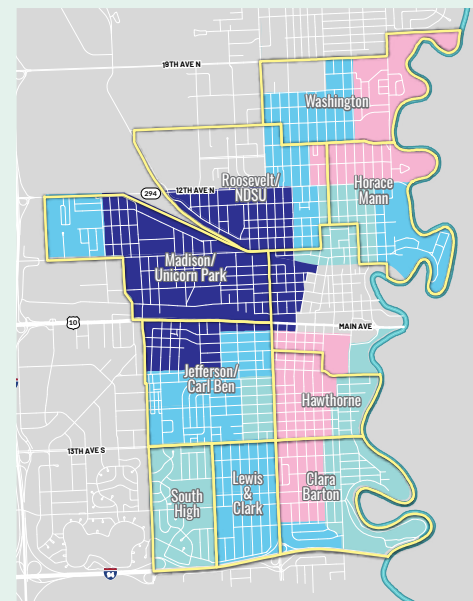
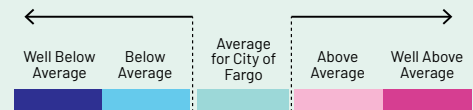


Core neighborhoods tend to have **weaker levels of demand** compared to the Fargo average

An analysis of market strength throughout the city showed that seven out of nine core neighborhoods had areas with below average levels of demand for housing—as measured by land values, housing prices, owner-occupancy rates for single-family homes, and investment in home improvements.

This means that, in much of the core, property owners are not likely to get the market signals they need to feel confident about investing in their properties to the degree that is likely necessary to erase years of deferred maintenance. Even if they have the financial capacity to invest in major updates and improvements—and many of them do—they are likely to confront a gap between the value of their improvements and the post-improvement appraised value of the property.

Market Typology by Block Group



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What exactly did the plan recommend to support long-term residential reinvestment?



Create new housing reinvestment capacity to flexibly and proactively intervene with approximately **225 homes and 10 apartment buildings** over a 10-year period.



Based on current levels of disinvestment, the plan proposes direct and strategic intervention at a modest number of properties in order to bolster confidence and a willingness to reinvest in core neighborhood housing markets. The plan also identifies blocks throughout the core that represent the strongest candidates for targeted reinvestment work.

The plan estimates that a commitment of \$4 million in project capital from the City of Fargo over 10 years can be used to directly leverage private investment through a variety of tools administered by a new entity that specializes in strengthening core neighborhood housing markets.

Potential tools identified by the plan include:



- Owner-Occupant Home Improvement Program**
- Home Turnaround Program - Acquisition and Renovation**
- Home Turnaround Program - Acquisition and Demolition**
- Apartment Revitalization and Affordability Preservation Program**
- Neighborhood Leadership & Engagement Program**
- Small Grants for Clustered Curb Appeal Improvements**

How might these residential reinvestment tools work in practice?

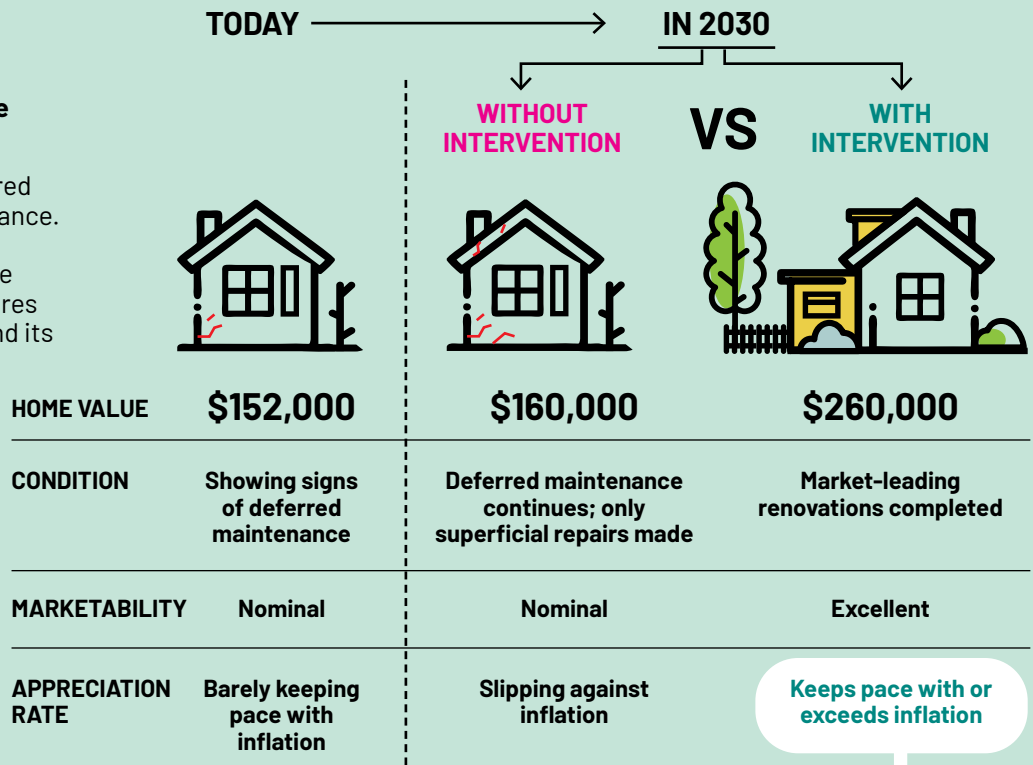
The bottom line for any reinvestment tool in Fargo's core neighborhoods is that **it has to bolster the willingness of property owners**—regardless of income—to make market-leading investments in their properties and/or bolster the confidence of property owners in close proximity to the site of intervention.

FOR EXAMPLE

A 2 bedroom / 1 bathroom home in Jefferson / Carl Ben

This home is likely to have endured many years of deferred maintenance. Obsolete systems, an outdated kitchen, the presence of only one bathroom, and many other features limit the home's marketability and its capacity to contribute to a stronger neighborhood.

Without proactive intervention, the probability of a healthy turnaround is limited.



Owner-Occupant Home Improvement Program

OR

Home Turnaround Program - Acquisition and Renovation

The reinvestment entity partners with the property's current owner. A scope is drawn up that adds a bathroom and pantry, remodels the kitchen, and improves the exterior. The entity oversees contractor selection and ensures that the work is to specification. The \$80,000 value of the improvements are covered by a \$40,000 home improvement loan from the owner's bank and a \$40,000 loan from the reinvestment entity that converts to a grant if the owner stays in the house for another five years.

The reinvestment entity acquires the house to keep it from being purchased by an absentee owner—a common trend for small houses in the neighborhood. An \$80,000 investment is made by adding a bathroom and pantry, remodeling the kitchen, and improving the exterior. After the improvements are made, the entity markets the house to a first time homebuyer.

Small Grants for Clustered Curb Appeal Improvements

Whether the reinvestment entity partners with an existing property owner or acquires and renovates the property on its own, it would also work to build capacity and pride on the rest of the block by providing small matching grants for exterior improvements if 75% of the property owners agree to make visible upgrades of any size.

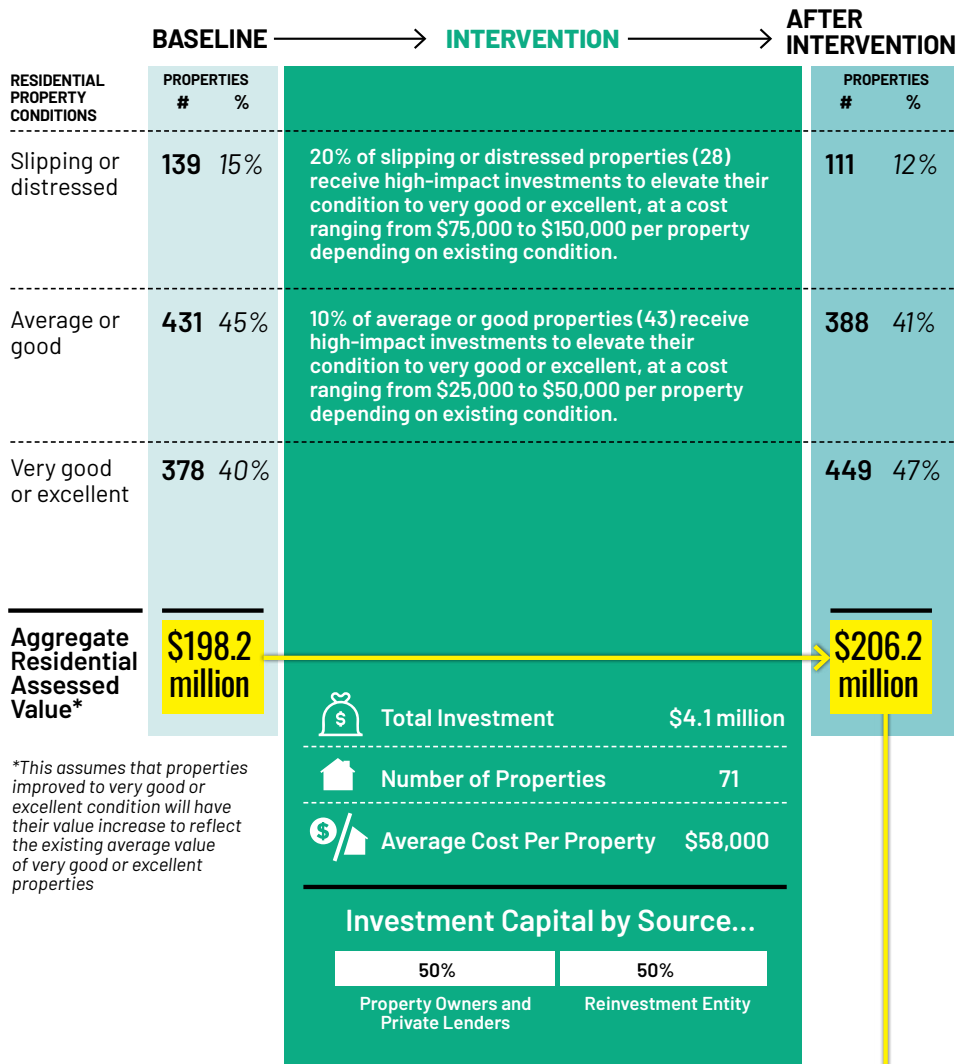
What return on investment should the city anticipate from such an effort to support residential reinvestment?



HORACE MANN NEIGHBORHOOD

A return on investment would not be realized from one or a handful of interventions but from **sustained work** that improves confidence, builds neighborhood capacity, and brings investment in core neighborhoods into line with levels of investment experienced in newer neighborhoods.

This thought experiment for Horace Mann shows several returns on investment in addition to a stronger tax base.



**This assumes that properties improved to very good or excellent condition will have their value increase to reflect the existing average value of very good or excellent properties*

Estimated Return on Investment

\$8.0 million gain in taxable residential value compared to \$4.1 million invested in property improvements

Disruption of a gradual increase in the share of slipping or distressed properties, as well as the share of average to good properties that would be vulnerable to slippage

This estimate does not account for the following returns that would be likely to accompany this intervention:

Investments made by property owners on their own, spurred by visible improvements elsewhere in the neighborhood

Stabilization and growth in owner-occupancy rates due to the rising share of properties in very good or excellent condition



ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING

City of Fargo, North Dakota



COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

MARCH 2022

DRAFT

Introduction

As a recipient of federal housing and community development funds, the City of Fargo is required to certify that it is affirmatively furthering fair housing. To certify, it must:

- Complete an Analysis of Impediments to Fair Housing Choice for its jurisdiction
- Take actions to overcome the effects of any impediments identified through the analysis
- Maintain records reflecting the analysis and actions taken

This report provides an Analysis of Impediments to Fair Housing (AI) for the City of Fargo for Program Years 2020-2025. The purpose of the AI is to identify the primary impediments to fair housing choice and to suggest actions that will reduce or eliminate them.

The federal government defines an “impediment to fair housing” as “any actions, omissions, or decisions taken that restrict housing choices because of:

- Race
- Color
- Religion
- Sex
- Disability
- Familial status
- National origin

Additional categories that the North Dakota Housing Discrimination Act (N.D.C.C. 14-02.5) protects include:

- Marital status;
- Age (40 years of age or over)
- Receipt of public assistance
- Being pregnant
- Securing custody of a minor
- Status as a victim of domestic violence in certain circumstances

HUD interprets the objectives of affirmatively furthering fair housing to include:

- Analyzing and working to eliminate housing discrimination in the jurisdiction
- Promoting fair housing choice for all persons
- Providing opportunities for racially and ethnically inclusive patterns of housing occupancy
- Promoting housing that is physically accessible to, and usable by, all persons, particularly individuals with disabilities
- Fostering compliance with the nondiscrimination provisions of the Fair Housing Act

Community Participation Process

The City of Fargo conducted an online survey that was available to residents and other community stakeholders which garnered 321 responses. The majority of respondents identified as white (88%), most of whom were women (70%). A total of 6% of people identified as American Indian/Alaskan Native, 4% as Black or African American, 3% as Hispanic/Latino, 3% as more than one race, and 2% as Asian. In terms of earnings, 44% of respondents said they earned \$75,000 per year or more, 43% earned between \$30,000 and \$74,999, and 14% earned less than \$30,000.

The City also held interviews with subject matter experts and focus group discussions. Participants included community residents, members of organizations covering a range of services including economic development and job training, social services, housing, elderly and vulnerable populations, the Continuum of Care, and fair housing. The focus groups covered a broad range of topics including housing, community development, and fair housing.

Section 1: Demographic Patterns

This section examines demographic patterns of Fargo over the last decade. It looks for any trends toward geographic segregation of certain protected classes or income. If a census tract has a protected class makeup that is 20 percentage points higher than the city overall, it is considered “concentrated” by HUD, which may indicate a segregated area.

Concentrations or segregation may arise from several reasons, including:

- Historic policies, such as racially restrictive covenants; laws limiting civil rights of people of color, particularly Native Americans in North Dakota; and redlining
- Preferences for living in ethnic enclaves
- Discriminatory practices, e.g., landlords steering certain people to certain areas
- Lack of discriminatory practices
- Lack of barriers that disparately impact protected classes, e.g., affordability, disability accessibility, access to public transit

Race & Ethnicity

People of color in Fargo are generally integrated throughout the city. There are no areas of Fargo that meet the technical definition of “concentrated” for Black, Native American, Asian, or Hispanic residents. However, one area has moderate concentration: At census tracts west of I-29 near West Acres, people of color make up approximately 52% of people, compared to their 17.3% makeup of the city’s overall population. See Figures 1-A through 1-F. This includes:

- A Black population of 24%, which is 17 percentage points higher than their citywide makeup of 7%; the Black population in these tracts is over 6x greater than it was in 2010
- An Asian population of 16.3%, which is 12.9 percentage points higher than their citywide makeup of 3.4%; the Asian population in this tract is nearly 4x greater than it was in 2010

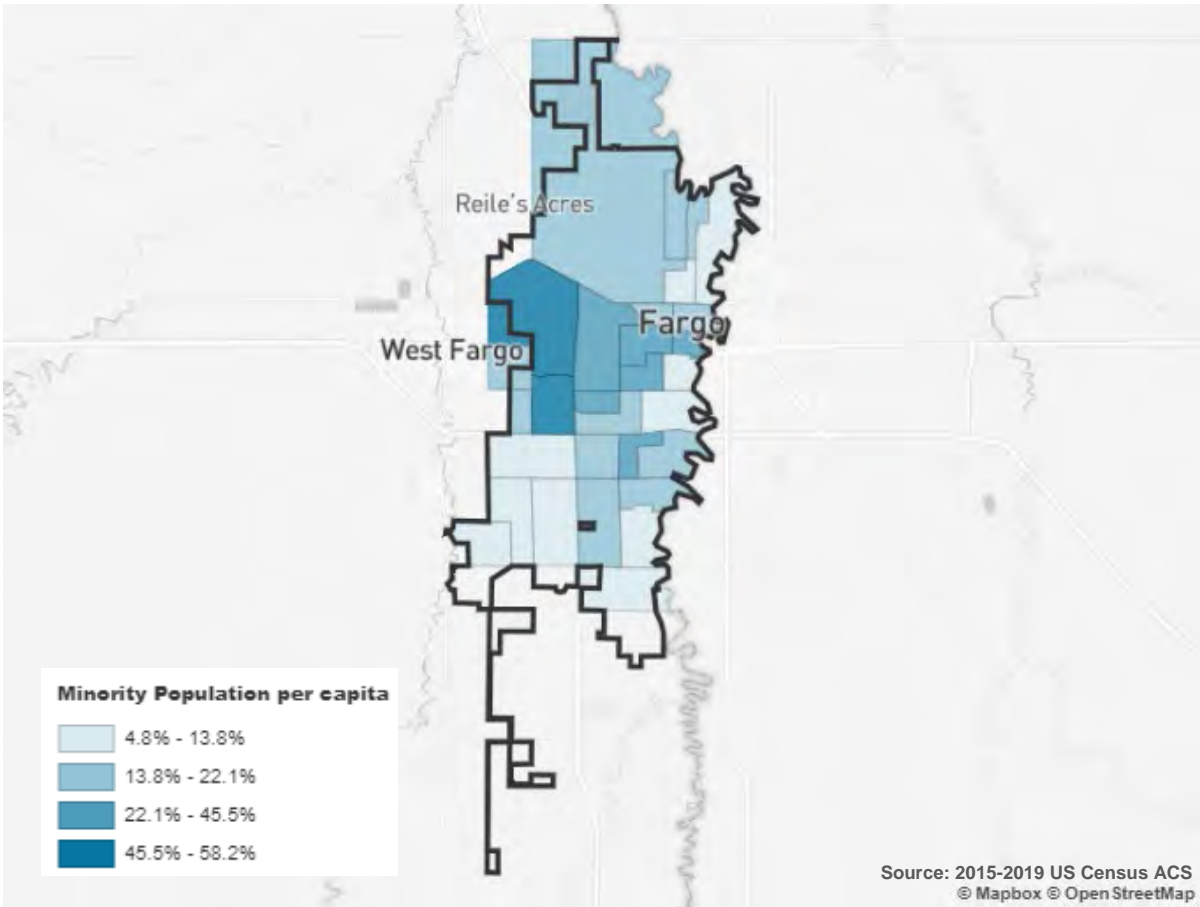


Figure 1-A. % Non-White Population by Census Tract

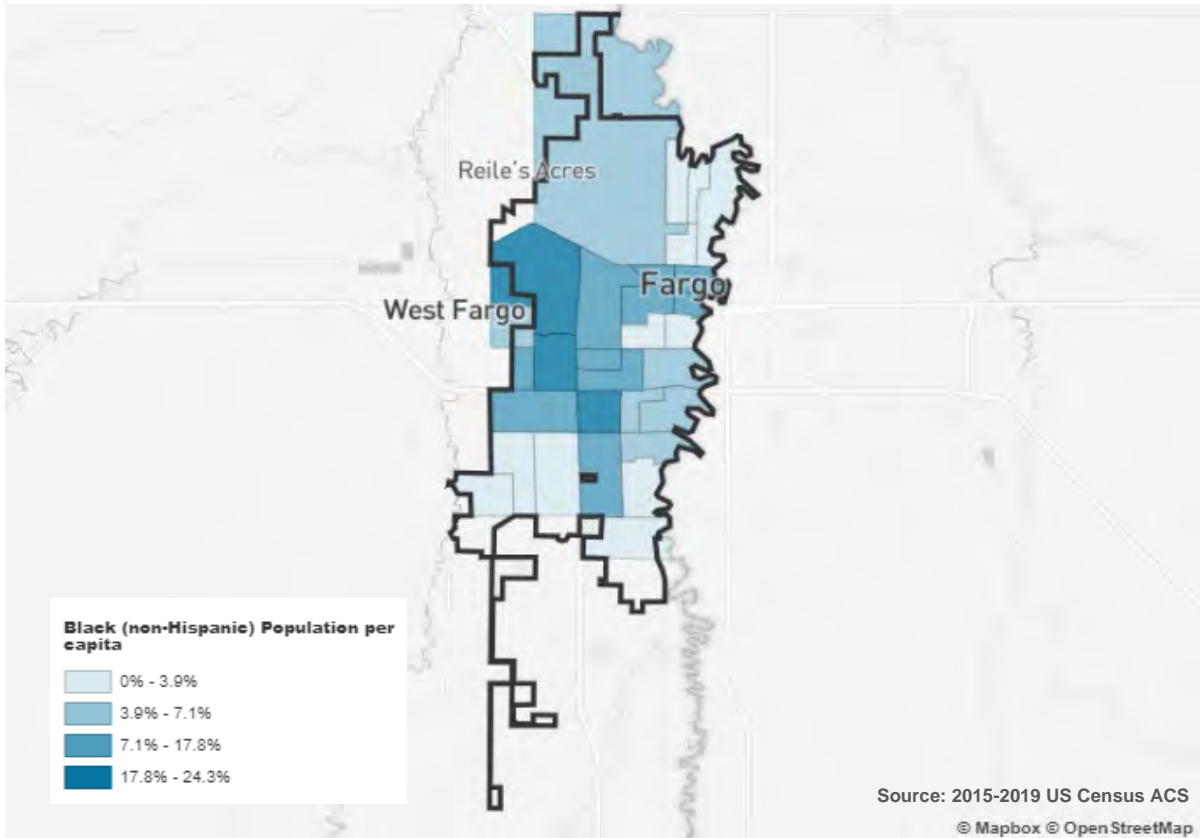


Figure 1-B. % Black Population by Census Tract

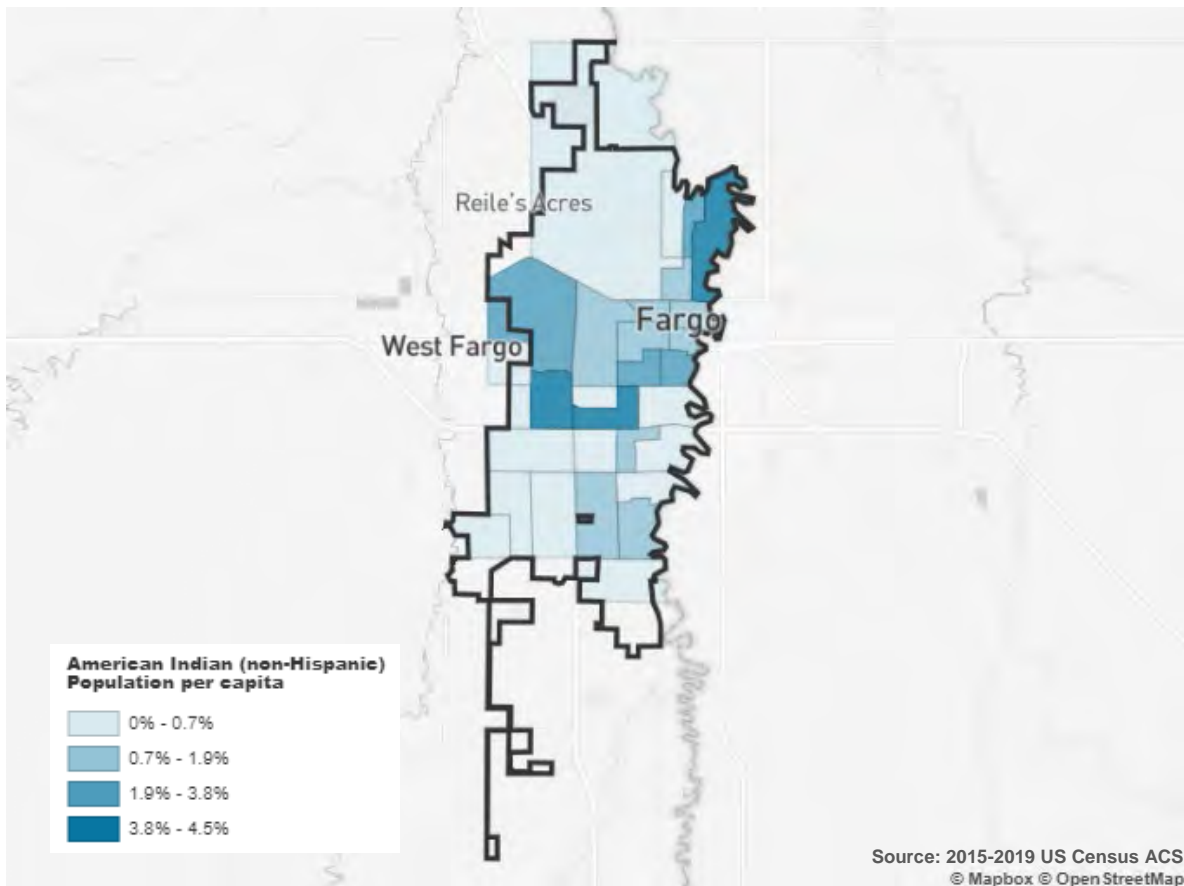


Figure 1-C. % Native American Population by Census Tract

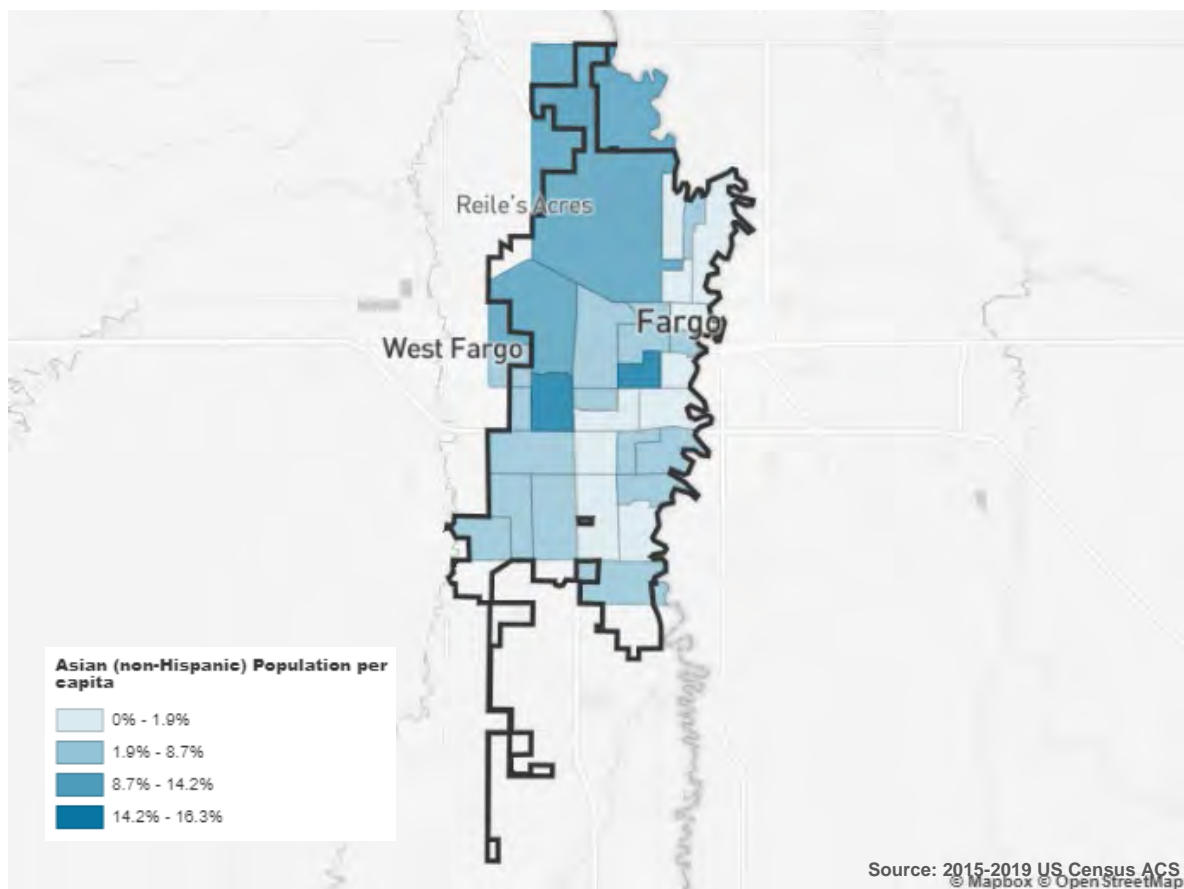


Figure 1-D. % Asian Population by Census Tract

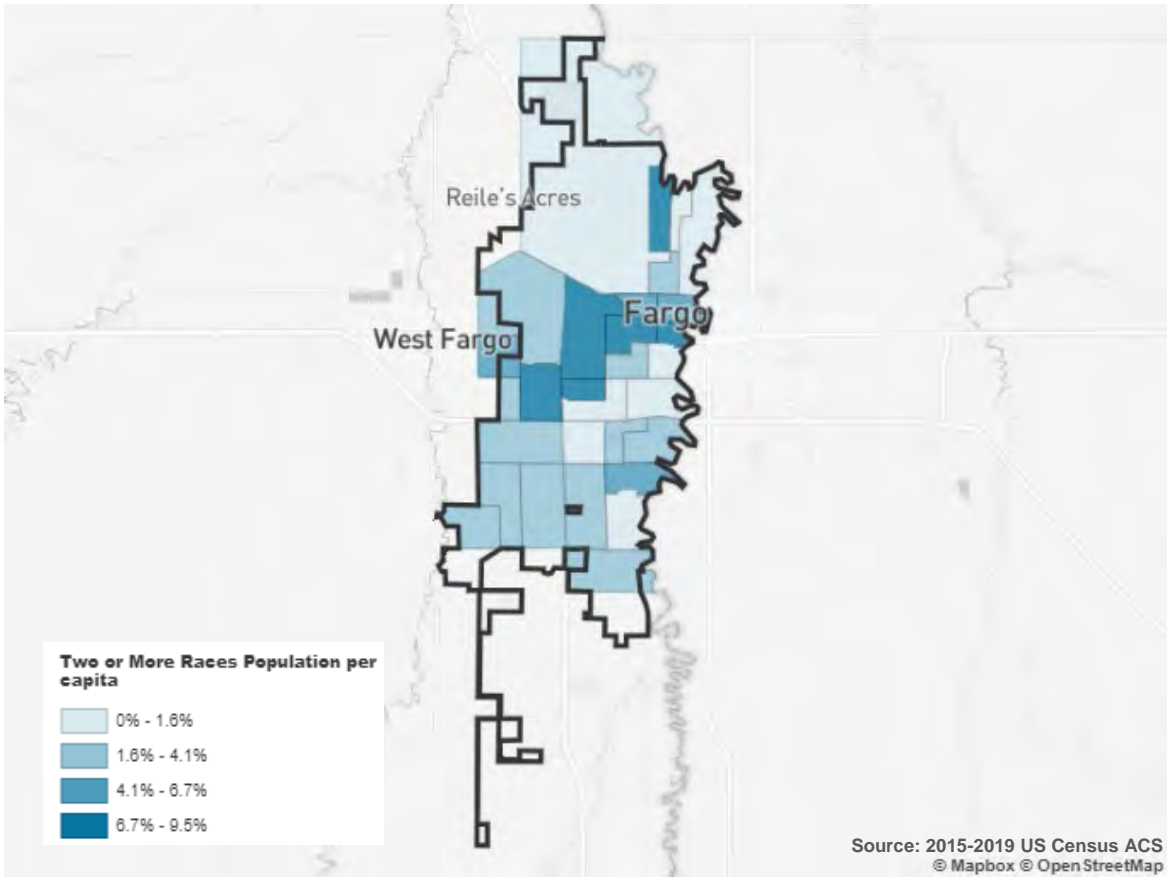


Figure 1-E. % Two or More Races Population by Census Tract

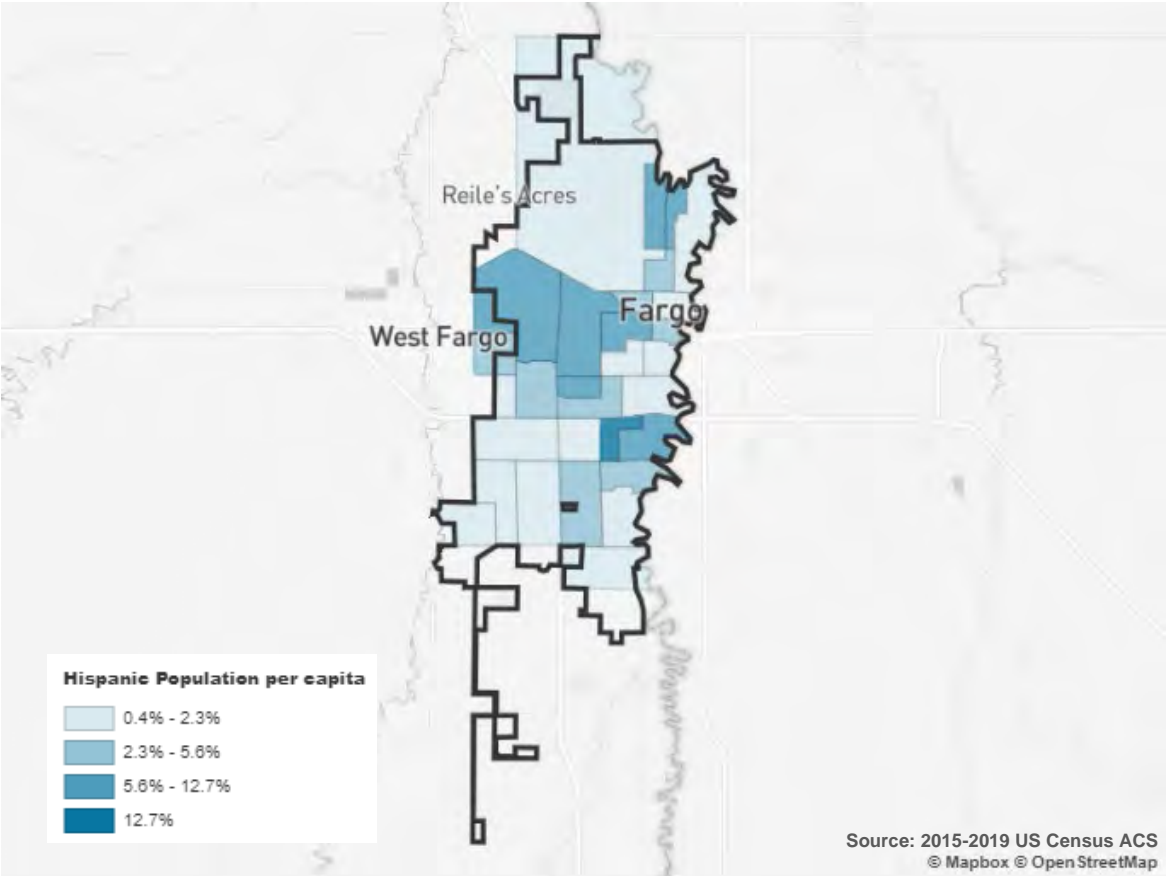


Figure 1-F. % Hispanic Population by Census Tract

National Origin

Residents who are “foreign born” (i.e., anyone not a U.S. citizen at birth) are generally integrated throughout the city, but two tracts meet the technical definition of “concentrated,” located west of I-29 near West Acres. Here, people who are foreign born make up approximately 32% which is over 20 percentage points higher than their citywide makeup of 9%. See Figure 1-G.

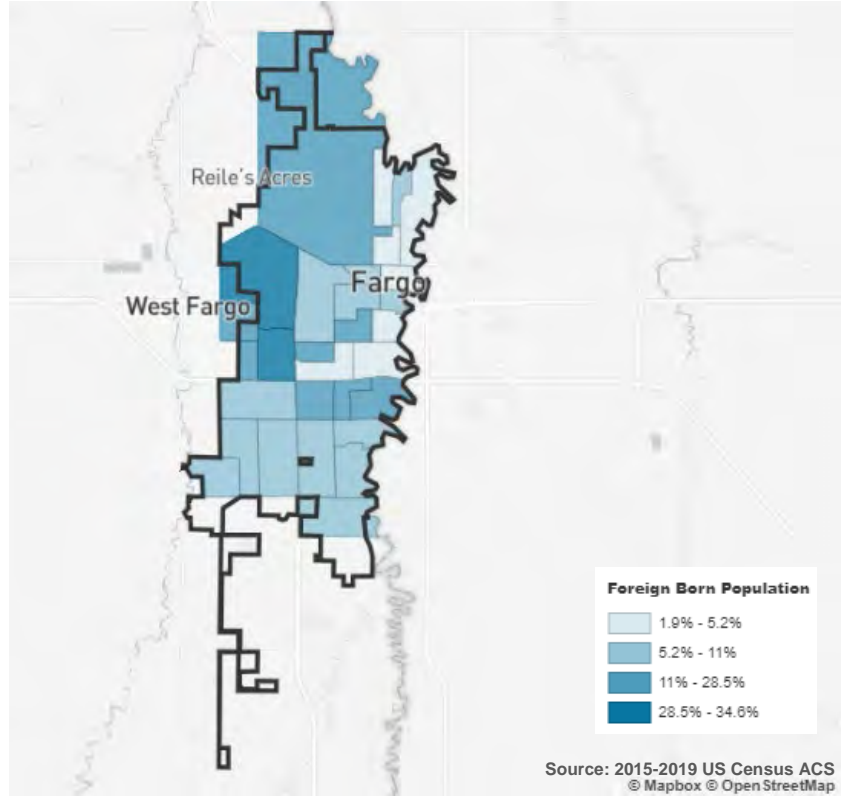


Figure 1-G. % Foreign Born Population by Census Tract

Analyzing “language isolated” households can indicate a disparate impact on households of different national origins. A language isolated household is defined as a household in which no persons 14 years or over speaks English “very well.” No tracts meet the technical definition of “concentrated,” but areas near Village West and Jefferson/Carl Ben are relatively concentrated, where language-isolated households make up 11% and 7.7% of households, as compared to their 2.3% citywide makeup. See Figure 1-H.

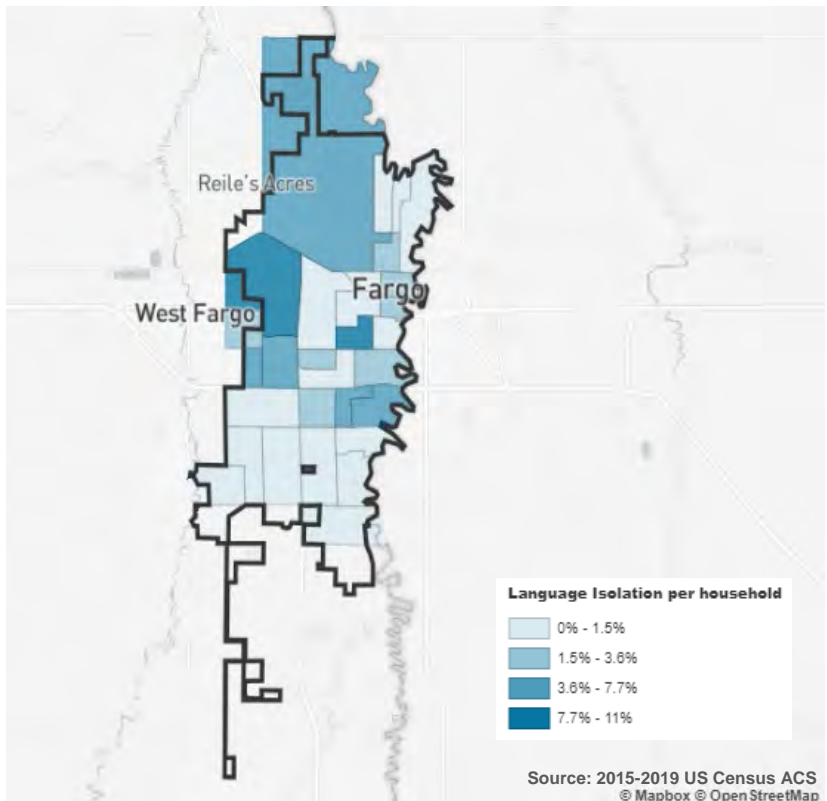


Figure 1-H. % Language Isolated Households by Census Tract

Disability

People with disabilities are generally integrated throughout the city as there are no areas of Fargo that meet the technical definition of “concentrated.” However, tracts in central Fargo around Jefferson/Carl Ben, Downtown, Lewis & Clark, and Clara Barton are moderately concentrated, comprising up to 19%, compared to their 9% makeup of the city’s overall population. Central-northern tracts have higher than average disability rates, as well as higher than average elderly rates. There is very little variation between the disability rates based on race or ethnicity. See Figure 1-I.

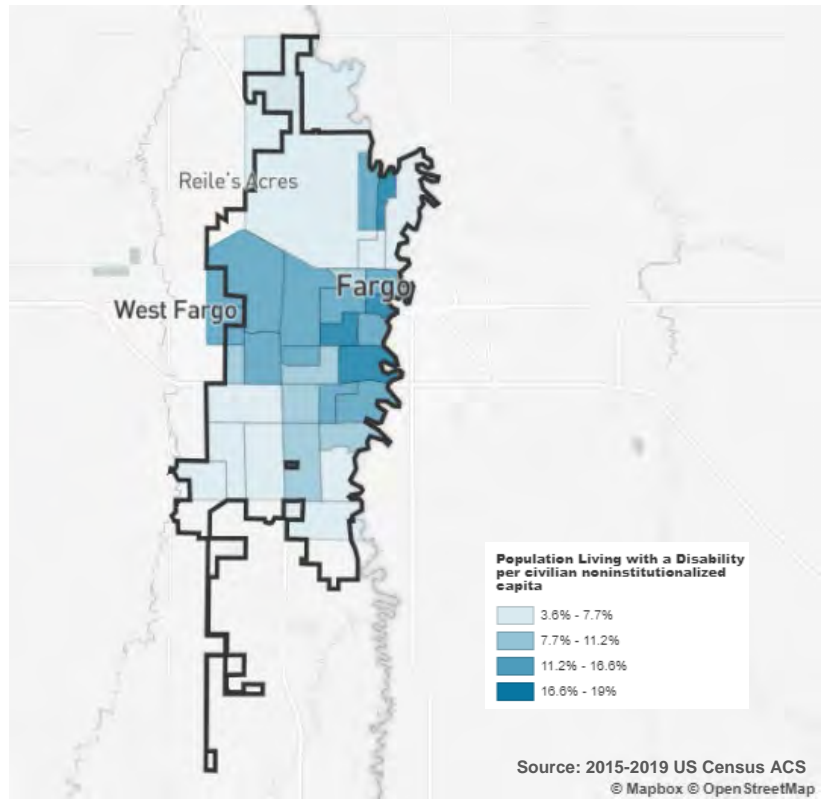


Figure 1-I. % Living with Disability Population by Census Tract

Age

Households with people age 65 and over are generally integrated throughout the city as there are no areas of Fargo that meet the technical definition of “concentrated.” However, several eastern tracts are moderately concentrated, with senior households making up nearly 29%, compared to their 19.1% makeup of the city’s overall population. See Figure 1-J.

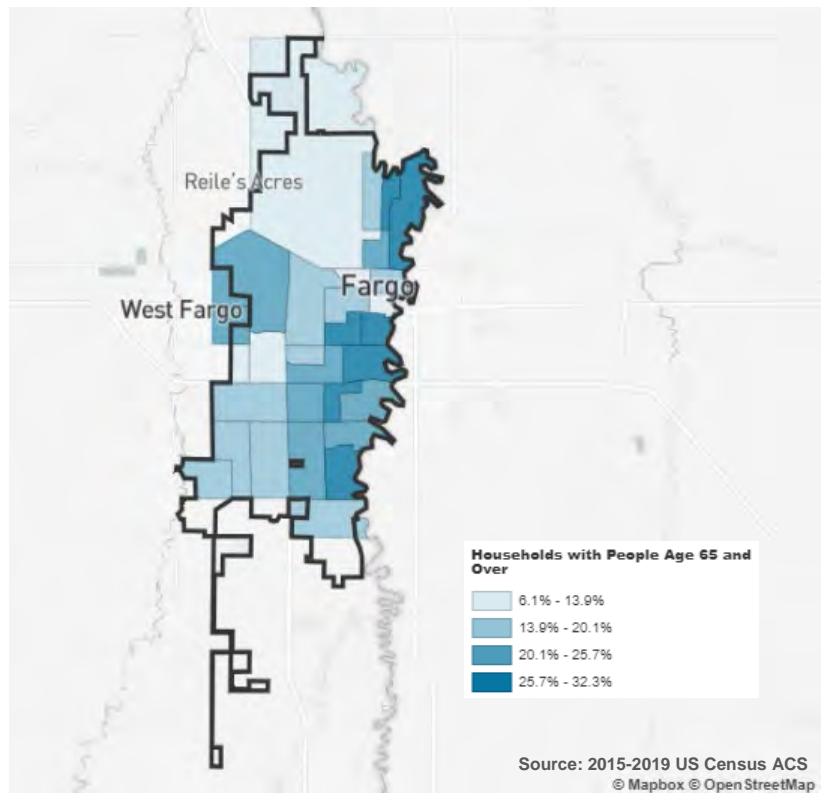


Figure 1-J. % Households with People Age 65 and Over by Census Tract

Receipt of Public Assistance

While there are several interpretations of “Public Assistance,” in this case “Households Receiving Food Stamps/SNAP” is used, which make up 8% of total households. One tract west of I-29 near West Acres is almost considered concentrated, with 26.2% of its households receiving public assistance. The tract to its north and tract around Downtown are moderately concentrated, with households receiving SNAP making up over 10 percentage points more households than average. See Figure 1-K.

Similar trends exist for renter households that receive Housing Choice Vouchers and Public Assistance Income. In contrast, households receiving public assistance are underrepresented in several tracts south of I-94, as well as near Madison/Unicorn Park, where they make up less than 1% of the rental population, as compared to their 5.2% makeup citywide. See Figure 1-L and M.

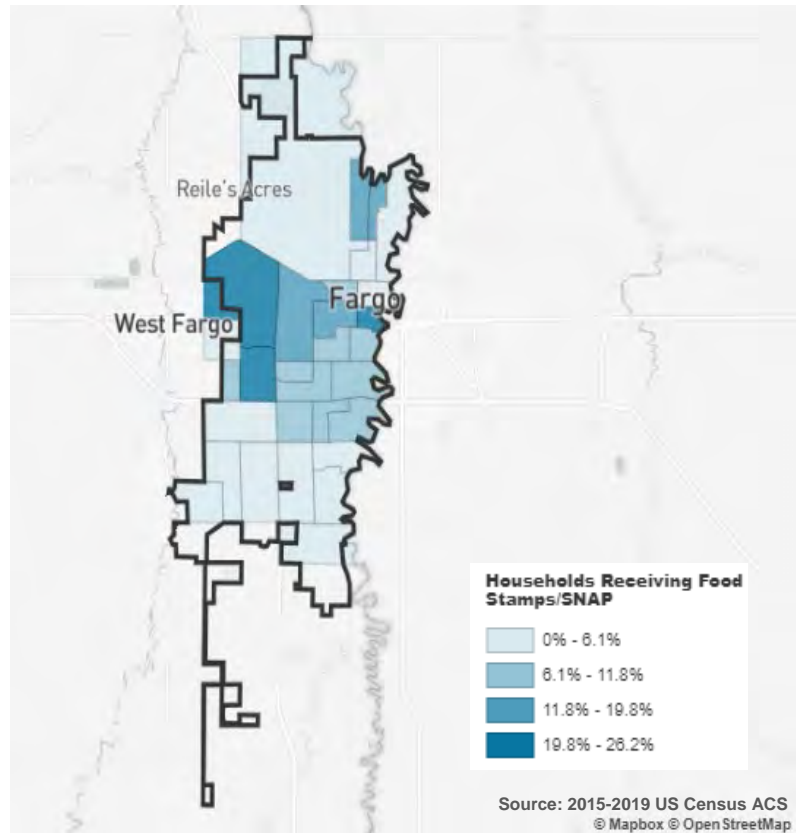


Figure 1-K. % Households Receiving Food Stamps/SNAP by Census Tract

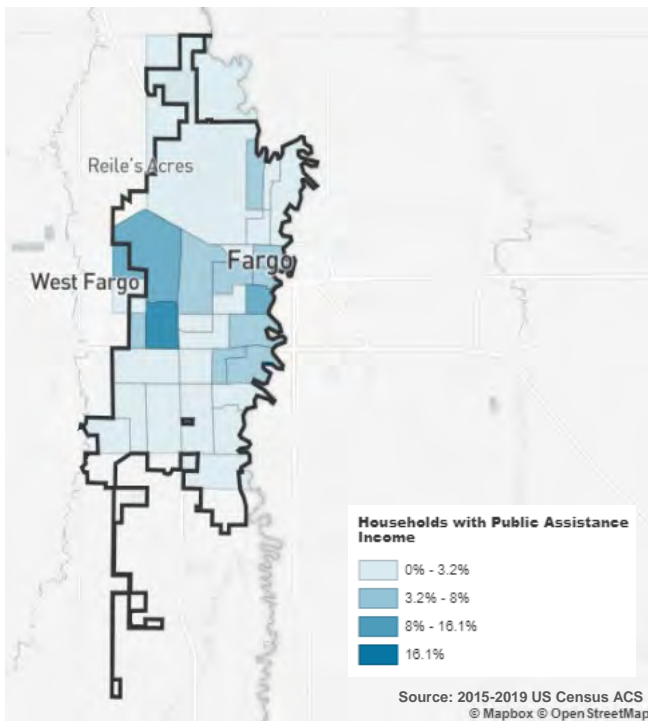


Figure 1-L. % Households Receiving Public Assistance Income by Census Tract

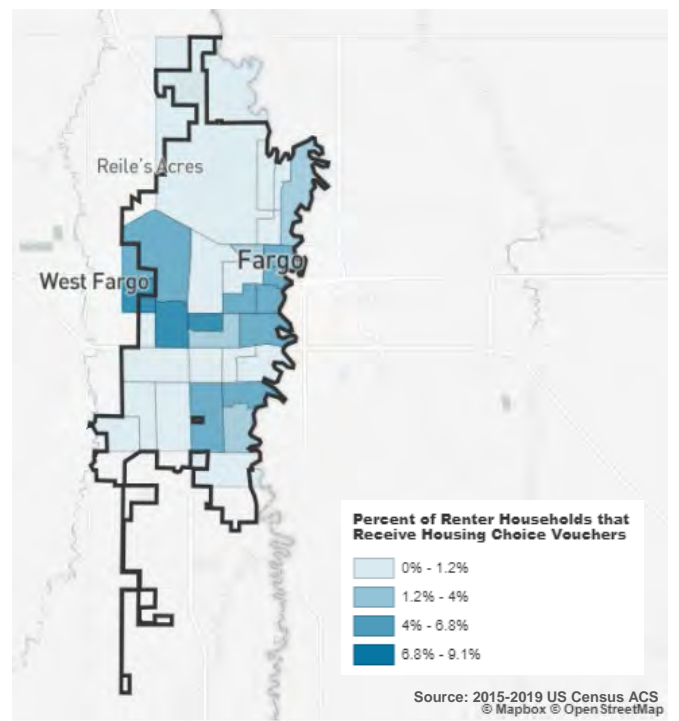


Figure 2-M. % Households Receiving Housing Choice Vouchers by Census Tract

Racially or Ethnically Concentrated Areas of Poverty (R/ECAPS)

While poverty status is not a protected class, HUD encourages examining economic opportunity at the neighborhood level beginning with an assessment of “racially or ethnically concentrated areas of poverty,” also known as R/ECAPs. HUD’s definition of an R/ECAP for Fargo is:

- A census tract that has a non-white population of 20% or more and a poverty rate of 40% or more OR
- A census tract that has a non-white population of 50% or more and the poverty rate is three times the average tract poverty rate for the county (31.8%), whichever is lower

Fargo does not have any tracts that meet the technical definition of R/ECAP, but tracts near West Acres, Village West, Madison/Unicorn Park, and Jefferson/Carl Ben are moderately racially or ethnically concentrated areas of poverty. See Figure 1-N below.

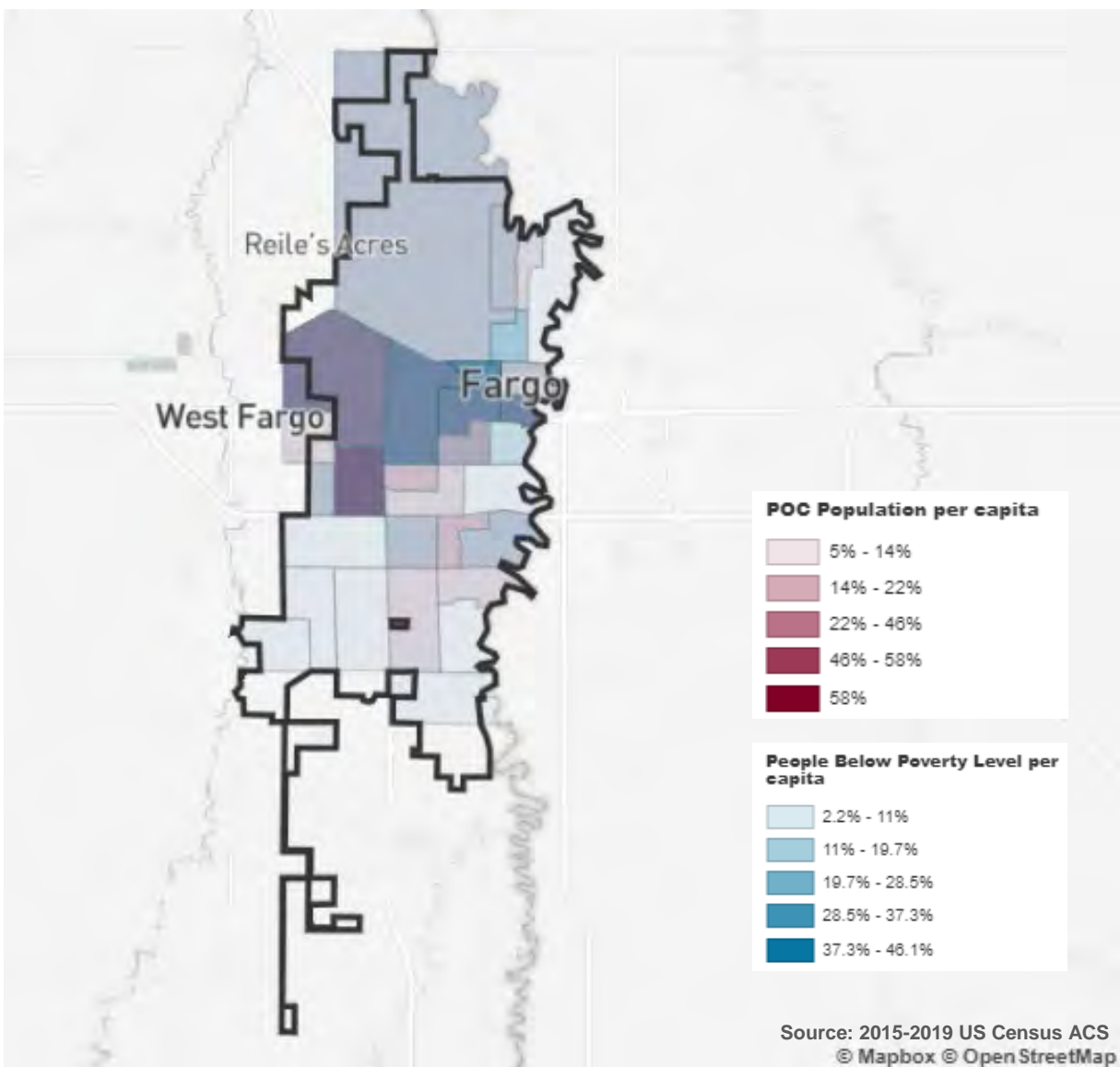


Figure 3-N. % Population in Poverty and Non-White by Census Tract

Section 2: Disproportionate Housing Needs

This section examines if any protected classes in Fargo have disproportionately high housing needs based on the following indicators:

- Housing cost burden
- Homelessness
- Risk of eviction or foreclosure
- Poor housing conditions
- Apartment denials
- Homeownership
- Access to credit
- Awareness of fair housing rights
- Experience with housing discrimination

Housing Cost Burden

According to HUD, households paying over 30% of their monthly household income towards housing costs (renter or owner) are considered to be “cost burdened.” Households paying over 50% of their monthly income are considered to be “severely cost burdened.” When a household is cost burdened, they are at an increased risk of homelessness and a substandard living environment. Figure 2-A presents the number and share of households experiencing cost burden by race and ethnicity, with comparison to Grand Forks and Sioux Falls.

Figure 2-A. Share of Households with Housing Cost Burden by Race & Ethnicity

	Fargo, ND				Grand Forks, ND				Sioux Falls, SD			
	# house-holds	# with any cost burden	% with any cost burden	% with severe cost burden	# house-holds	# with any cost burden	% with any cost burden	% with severe cost burden	# house-holds	# with any cost burden	% with any cost burden	% with severe cost burden
White, non-Hispanic	46,320	11,930	26%	12%	21,365	6,665	31%	15%	61,330	13,735	22%	10%
Black, non-Hispanic	2,925	1,530	52%	21%	1,170	450	38%	16%	3,245	1,335	41%	14%
Asian, non-Hispanic	1,530	385	25%	14%	660	145	22%	11%	1,240	299	24%	4%
Native Amer., non-Hisp.	510	195	38%	21%	455	295	65%	33%	1,100	430	39%	23%
Hispanic, any race	1,020	510	50%	13%	705	195	28%	14%	2,385	580	24%	10%
Other, Non-Hispanic	1,050	315	30%	6%	640	350	55%	34%	965	430	45%	27%
Total	120,205	14,865	12%	6%	57,163	8,100	14%	7%	155,933	16,809	11%	5%

In Fargo, there are several protected classes that are disproportionately cost burdened:

- Overall, approximately 14,865 households (12%) in Fargo are cost burdened, including 6% that are severely cost burdened
- Over 1 in 2 (52%) Black households are cost-burdened, which is a higher rate than both Grand Forks (38%) and Sioux Falls (41%). Black households are twice as likely to be cost burdened than White households and nearly twice as likely to be *severely* cost burdened
- Over 1 in 2 (50%) Hispanic households are cost-burdened, which is a higher rate than both Grand Forks (28%) and Sioux Falls (24%). Hispanic households are twice as likely to be cost burdened than White households and about the same likelihood to be *severely* cost burdened.

- Over 1 in 3 (38%) of Native American households are cost burdened, and 1 in 4 are severely cost burdened. Native households are nearly twice as likely to be severely cost burdened than White households. These rates are less than Grand Forks and similar to Sioux Falls
- About 1 in 4 (25%) Asian or Pacific Islander households are severely cost burdened, similar to Grand Forks Fargo and higher than Bismarck. These rates are about the same as White households in Fargo
- About 1 in 4 (26%) of non-Hispanic White households are cost burdened
- About 30% of non-Hispanic households of another race are cost burdened

Of the City’s community survey, 38% of respondents said they spend over 30% of their income on housing (including insurance and utilities), and of those, 12% said they spent more than 50%.

When asked what the most common issues they had faced in the last two years was related to their housing and neighborhoods, the most common responses at 30% were that they were dissatisfied with services and that they had difficulty paying the rent or mortgage; 23% said that they had to make trade-offs between essential expenses to meet their housing payments. Several survey participants commented on housing cost burden when asked, “Please share any additional comments regarding fair housing or discrimination.” Some responses include:

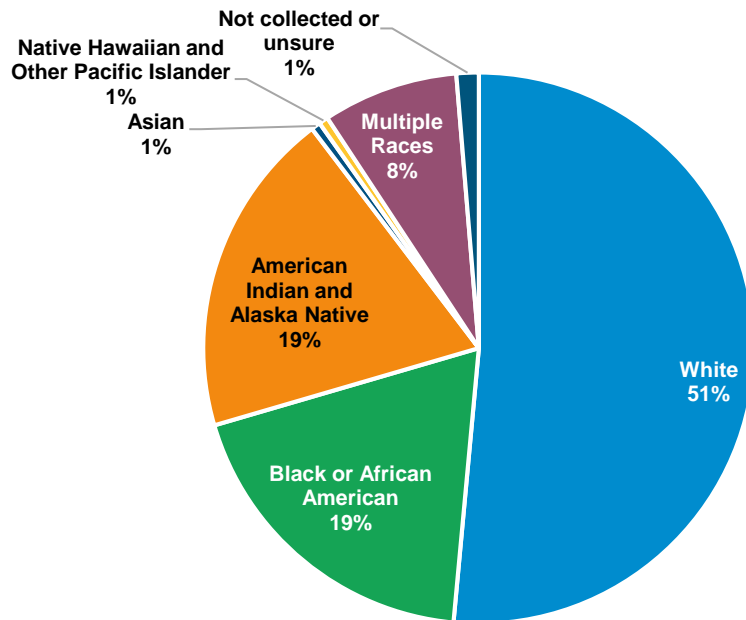
1	There should be more assistance for the lower middle class.
2	I think Fargo's apartment housing is so expensive that people cannot afford it and we need more lower cost options that have human conditions.
3	I work in homeless services and while there are wonderful landlords there still are several who are not willing to work with the homeless which then leaves these individuals to move into decrepit and demoralizing housing options.
4	Availability is the issue. There are not enough low-income units in the community in safe neighborhoods
5	lots of empty expensive apartments and reasonable apartments are hard to come by or in bad neighborhoods
6	if fair doesn't mean affordable then what's the point? I'm definitely not treated fairly, but it wouldn't change anything if I was. when the rent is too high it just makes us all vulnerable. the stress eats away at my ability to love my family and enjoy being with friends. it just hollows my entire existence out.
7	The city needs to allow builder to build what they want and what WE want so we can afford to buy and rent.
8	800 people a night are homeless in the Fargo area. The wait list for Section 8 is like 3 years long. THIS is a huge problem. Housing is a human right. We need housing for all, not giant buildings with studios starting at 900. And it would be helpful to have this housing were services are located, mostly downtown, OR vastly improve the bus system and provide vouchers for people, courtesy of the city, to ride the bus to access the services that they need to succeed. People cannot overcome issues of abuse, drugs, alcohol, poverty, or anything, until they have safe and secure housing. Fargo could effectively eliminate these issues if they start by providing housing to every single person. I don't know how to do that, but that is what needs to happen.
9	The housing first model is the only way we can reduce homelessness and bring any sort of stability to vulnerable population. We are using jails to house our mentally challenged citizens as agencies play hot potato with their lives. We gave veterans living outdoors but we don't want to consider utilizing any city property to create tiny house enclaves for their housing and mutual support of each other. I fully understand these are very, very challenging and often unpopular individuals, but we can be leaders and innovative instead of doing the same failed projects over and over and expecting a different outcome.
10	The cost of living in Fargo is higher than i think some people believe but that's for everyone
11	There is a lack of wages for the increased cost of housing. Especially for lower and middle class. I put 3/4 of my income to renting and paying daycare. With total monthly expenses there is not a lot left ant the end of the month.
12	Eliminate specials.

Homelessness

There are significantly higher rates of homelessness in Fargo for people of color. People of color made up nearly 50% of the 3,130 individuals who received homeless services in the FM area in 2020, compared to their 17.3% makeup of Fargo (see Figure 2-B). This includes:

- 19% of homeless population identifies as Black or African American, as compared to 7% city overall
- 19% of the homeless population identifies as Native American, as compared to 1.2% city overall
- 8% of homeless population identifies as multiracial, as compared to 3.1% of the city overall
- 9% of homeless population identifies as Hispanic/Latino, as compared to 3% city overall

Figure 2-B. Beneficiaries of Homeless Services by Race, 2020

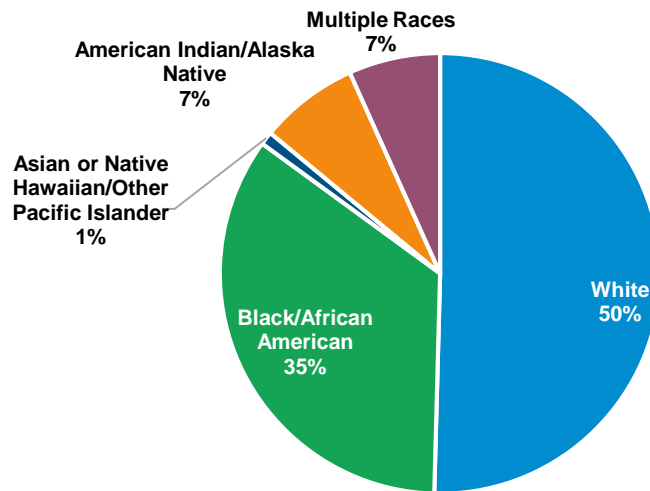


Risk of Eviction or Foreclosure

Certain protected classes disproportionately experience evictions or risk of evictions. This is evidenced by demography of who has used the City's CDBG emergency housing assistance programs and landlord-tenant mediation services in the past two years designed to prevent evictions and foreclosures. While data is unavailable for the specific reason for the eviction or foreclosure, the disparate impact on minority groups is cause for concern (see Figure 2-C). This includes:

- People of color comprised over 50% of people who received assistance through City CDBG emergency housing assistance programs, as compared to their 17.3% citywide makeup
- People identifying as Hispanic/Latino made up 7.9% of people who received assistance through City CDBG emergency housing assistance programs, as compared to their 3% citywide makeup
- People with disabilities comprised 25.3% of people who received assistance through City CDBG emergency housing assistance programs as compared to their 10% citywide makeup
- People of color comprised over 40% of people who received assistance through City tenant-landlord mediation services, as compared to their 17.3% citywide makeup
- People with disabilities comprised 35.1% of people who received assistance through City tenant-landlord mediation services, as compared to their 10% citywide makeup

Figure 2-C. Beneficiaries of City Emergency Housing Programs by Race, 2020-2021



In addition, in 2018 and 2019, the High Plains Fair Housing Center began to notice an increase in calls from people who were in the process of being evicted or were evicted as a direct result of behaviors related to their disabilities, in particular mental illness. Through a series of housing discrimination testing based on mental disabilities, they found evidence of various ways in which people with disabilities were treated differently than others, as noted in the following section.

Apartment Denials

While data is unavailable for specific reasons for rental application denials, some of the top frequently cited barriers are likely to have disparate impact on certain protected classes for reasons outlined below.

Criminal Background: Although HUD has issued [guidance for housing providers concerning limiting reliance on criminal history](#) to ensure fair housing compliance, background checks and criminal history continue to be a major barrier to housing, as reported by the High Plains Fair Housing Center. This is likely to have a disparate impact on members of certain protected classes, as there is a disproportionate amount of Native Americans and persons of color in the prison system in North Dakota.

Security Deposit, 3x Rent Income Required, and/or Credit Rating: Increasingly, landlords are relying on credit ratings as criteria for renting and charging higher security deposits for those without good credit rating. Similarly, more and more often, landlords are requiring that a renter’s income be three times the rent. While this practice is applied equally, it may have a disparate impact on members of minority groups, particularly those who are considered language-isolated or living on a fixed income such as those with a disability on Social Security and Disability Income.

New American leaders have frequently critiqued these steep deposit requirements, implicating a disproportionate effect on New American community members who are majority Black/African American and Nepali. They explain that many immigrant families do not understand why landlords are requiring larger deposits, proof of three times rent income, and/or a higher credit rating or a co-signer.

Homeownership Rates

In Fargo, several protected classes are significantly underrepresented in homeownership rates. This is especially troublesome as homeownership is considered an essential tool for wealth-building.

Overall, approximately 24,637 households (44%) in Fargo own their homes; 56% rent. Approximately 50% of White householders own their home. In comparison, there are severe disparities for other races, including:

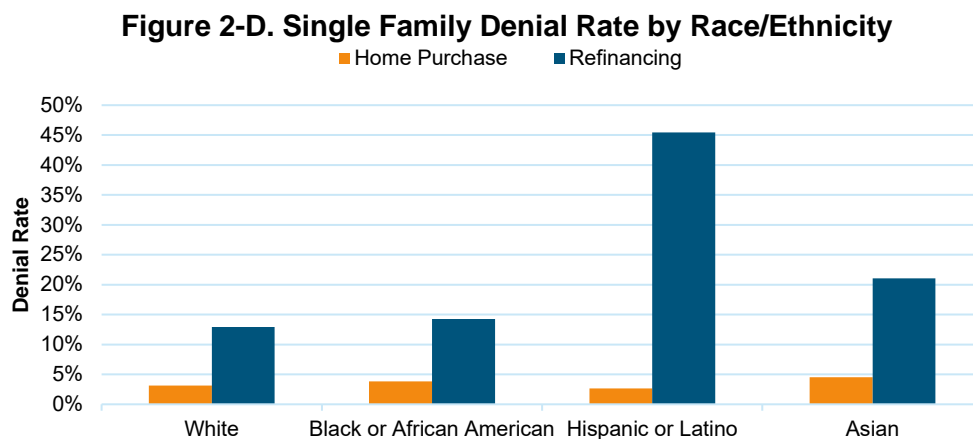
- Only 3% of Black householders are homeowners; white households are over 16 times as likely to own their home as Black households. Black households make up just 0.5% of total homeowners in Fargo, compared to their 7.7% citywide makeup
- Only 14% of Native American householders are homeowners
- Only 22% of Asian householders are homeowners
- Only 24% of householders of another race or multiple races are homeowners
- Only 16% of householders of Hispanic or Latino origin are homeowners

Access to Credit

One contributing factor to homeownership disparities is lack of or limited access to credit. In 2017, there were approximately 6,000 applications within Fargo for home loans to purchase, refinance or make home improvements for a single-family home, not including manufactured homes. Approximately 380, or 6%, of all applications were denied. The top denial reasons reported¹ within the City were:

- Debt-to-income ratio (28%)
- Credit history (26%)
- Lack of collateral (22%)
- Incomplete applications (11%)

Denial rates for single family loans in Fargo vary by race and ethnicity. Figure 2-D shows that White applicants were the least likely to be denied relative to other groups as of 2017. Asian applicants were most likely to be denied for a home purchase loan while Hispanic applicants were most likely to be denied for a refinance loan.



¹ Financial institutions are not required to report reasons for loan denials, although many do so voluntarily. Also, while many loan applications are denied for more than one reason, HMDA data reflects only the primary reason for the denial of each loan.

While there are several factors, one contributing factor to homeownership disparities overall may be due to religious exclusions related to credit lending. Due to their belief system, many Muslim families cannot use conventional mortgages to purchase a home, because the payment of interest is prohibited. There are limited alternative options locally for these families to purchase a home.

Another contributing factor to disparities in credit lending may be due to differential knowledge about how to access credit, including loan opportunities designed to help minimize disparities, such as the Section 184 Indian Home Loan Guarantee Program. Based on anecdotal reports, there are few residents nor lenders who are knowledgeable about this program or how to access credit in general.

Poor Housing Condition

While there is limited data available to measure poor housing condition, interviews suggest that persons of color, people with disabilities, and language-isolated people are disproportionately impacted.

The High Plains Fair Housing Center reports that language barriers continue to be a major issue in housing, particularly for residents who receive differential treatment due to limited ability to communicate maintenance needs.

In interviewing a service provider who provides outreach services for Native American residents, it is reported that many clients are living in very poor housing conditions due to landlords not caring about maintenance and not being able to afford other options.

Representatives from Freedom Resource Center also note that it is very challenging to find adequately accessible housing for people living with disabilities, and that there is not enough housing that meets individuals' mobility, sensory and/or accessibility needs. There is also increasing awareness and concern for a significant shortage of supportive service providers, especially for those with chronic mental illnesses.

For the community survey, 26% of respondents said that their plumbing, electric, appliances and other items in their homes did not work and that they were not able to make necessary repairs to their homes. Twenty-five percent (25%) cited difficulty paying their utilities and houses in poor condition as a problem.

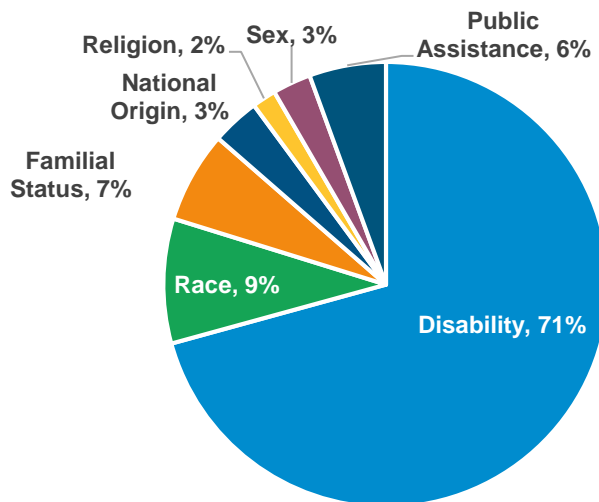
Experience with Housing Discrimination

Complaints regarding fair housing practices can be filed with HUD or the North Dakota Department of Labor and Human Rights (NDDLHR). The High Plains Fair Housing Center (HPFHC) also has intake specialists who work directly with clients to remedy potential violations of fair housing laws by assisting them through the administrative complaint process.

At every agency, the most common basis for complaints in recent years has been overwhelmingly Disability, followed by Race and Familial Status. Retaliation was the second-most common at the ND Department of Labor, which refers to the Fair Housing Act's prohibition of retaliating against any person because they reported a discriminatory housing practice. Detailed data regarding the form of the discrimination is unavailable due to database limitations.

In 2021, HPFHC over doubled the annual amount of Fargo intakes it took (84) in comparison to the past five years' average (41), most likely indicating raising awareness about fair housing rights and HPFHC services but also possibly indicating raising rates of discrimination. See Figure 2-E for breakdown of HPFHC intakes by basis.

Figure 2-E. HPFHC Intakes by Basis, 2016-2021



Between 2017-2021, NDDLHR closed 26 Fargo-based fair housing complaints. The bases of the complaints included 20 Disability, 3 Race, and 3 Familial Status. Of the 26 closed cases:

- 3 were withdrawn
- 16 were conciliated, i.e., settled by proposing mutually acceptable terms/compromises to avoid taking a case to trial
- 5 were deemed “No Cause” i.e., the agency determined the complainant does not have enough of a case for them to enforce, but they maintain the option to pursue through private court
- 2 are ongoing

When Familial Status is the basis, the most common form of discrimination is steering to a lower level; lease non-renewal with noise complaints cited; or application denial with some landlords saying they do not rent to families with children.

When Public Assistance is the basis, it is typically related to denying applicants with Public Housing Vouchers and more recently, ND Rent Help. There is currently no strong case law in North Dakota about whether vouchers are included as a source of public assistance income. NDDLHR issued a ruling several years ago that property owners cannot state they do not accept housing assistance, but they never ruled on whether a company has to take a housing voucher.

Similarly, interpretations for protections on the basis of Sex can be ambiguous in terms of its inclusion of sexual orientation and gender identity. On January 20, 2021, President Biden issued an executive order directing all federal agencies to interpret protections against discrimination based on sex to include discrimination based on sexual orientation, gender identity, and gender expression, and HUD issued a memorandum supporting implementation of this change. However, further codification of this change must take place to firm its implementation and changes in interpretation at later administrations.

Also, there is often misunderstanding as to the extent of protections for Disability, especially as it relates to mental health, drug addiction and alcoholism, and establishing basis while maintaining the confidentiality of certain medical information.

According to the community survey, when asked whether they were aware of any housing discrimination incidents, 98 (31%) of respondents said, “Yes” and 26% said, “Not Sure”. Respondents cited the following bases of the incident:

- Criminal background (46%)
- Sexual orientation (39%)
- Race/ethnicity (39%)
- Income level (34%)
- Gender identity (29%)

According to the survey, the large majority of incidents (84%) occurred in apartment complexes, and 89% cited the landlord or property manager as the responsible party.

Awareness of Fair Housing Rights

In the City’s community survey, 41% of respondents reported that they are **not** aware of their fair housing rights. Over 44% were “Somewhat Familiar” and 18% were “Not Familiar” with fair housing and anti-discrimination laws. When asked “I believe that people are protected by federal, state, or local fair housing or anti-discrimination laws because of...”

- Over 70% of respondents indicated awareness of current laws that protect against housing discrimination on basis of: Race, Ethnicity, Religion, Age, Sex (i.e., being male or female), and Familial Status (such as having children or being pregnant)
- Respondents were less aware (between 50%-70%) of protections on the basis of Sexual Orientation, Marital Status, National Origin, and Disability
- Respondents were least aware (under 50%) of protections on the basis of Source of Income (i.e., public assistance) and Gender Identity
- Between 24%-43% of respondents also indicated awareness of protections on the basis of Income Level, Ancestry, Criminal Background, and Income Level, which are *not* technically protected classes

Out of the 31% of survey respondents that said they were aware of an incident, 38% did not report the incident. The most common reasons to not report were:

- 19% said it was due to not knowing where to report it
- 12% said it was due to fear of retaliation
- 12% said it was due to uncertainty about their rights
- 33% said it was due to not thinking it would make a difference
- 11% said it was due to a lack of proof or specific information
- 6% said it was due to someone else already reporting it
- 7% said it was due to something else

Some notable responses include:

1	Apparently denying housing to an unmarried couple is legal in North Dakota
2	Because sexual orientation is not a protected class.
3	The family didn't want to report the incident because of their status as green card holders.
4	[I was] unsure of rights of people in recovery from substance use with a drug related criminal record
5	North Dakota has next to no protections for vulnerable populations and it isn't illegal to discriminate based on just about anything you personally don't agree with.

When asked if they are aware of opportunities in the community to learn about fair housing or anti-discrimination, 35% of respondents said, “Yes”, 50% said, “No”, and 15% said, “Unsure”.

When asked if they have ever participated in any fair housing or anti-discrimination education, 22% said, “Yes”, 74% said, “No”, and 4% said, “Unsure”.

When asked “Please share any additional comments regarding fair housing or discrimination” several responses related to stronger legal protections and enforcement, including:

1	We need to protect the LBGQT population and sexual orientation.
2	Sexual orientation and gender identity should be protected classes.
3	Unfortunately LGBT people have no legal protections in the state of ND, and I wish there were more awareness about this issue.
4	The state of North Dakota does not recognize LGBT status as protected. Legally, discrimination of LGBTQ individuals is perfectly legal. People cannot feel comfortable complaining, because it is in the landlord's rights to discriminate based on LGBTQ status. It's unfair and unethical.
5	People are said to be protected... but in practice they are not and few agencies seems to actually care. It's too easy for people to use some other obscure reason to not rent or make renting difficult, but really everyone involved knows why. And usually, the people who are being discriminated against do not have the time or resources to seek justice.
6	Legally, do [some] classes have protections depending on their location and local laws, yes. Whether or not they have those protections <i>in practice</i> is a whole different story, and oftentimes it doesn't matter if someone was obviously the victim of someone else breaking the law. People don't always have the time or resources to tackle a corrupt landlord in court.

Several other responses related to improving education about fair housing rights, including:

1	When a family is in crisis and needs housing, knowing their rights or navigating an unfair system is not a priority. It would be awesome if there was a phone number they could call or someone who could advise and help them know what rights they have on an ongoing basis.
2	There needs to be more educational opportunities related to [fair housing rights].
3	I wish our public educators could be provided more information about fair housing/anti-discrimination in some type of professional development.
4	I'd like to learn about fair housing anti-discrimination laws/rules/regulations.
5	I think it is important to educate landlords and lenders in fair housing and discrimination laws.

SECTION 3: Impediments and Action Items

This section identifies top current impediments to fair housing choice and recommended actions to reduce their effect. Per HUD's Fair Housing Planning Guide, impediments to fair housing choice are:

- 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
- Any actions, omissions, or decisions which 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

Impediment #1: Lack of knowledge and enforcement of fair housing rights

Recommended Actions:

- Provide support to the High Plains Fair Housing Center for fair housing outreach and education, especially related ambiguous areas of protections such as Sex, Disability, and Public Assistance Income
- Support state and local policies or memorandums that clarify ambiguous areas of protections such as Sex, Disability, and Public Assistance Income, as well as support HUD's guidance to limit reliance on criminal history criteria
- Provide support for legal and mediation services related to fair housing
- Encourage housing providers to develop language access plans, or lend support through the City's own Language Access Plan (see Appendix A) to support fair treatment of language isolated households

Impediment #2: Lack of equal access to credit lending and homeownership

Recommended Actions:

- Support affordable homeownership developers to affirmatively market and prioritize applications from members of protected classes
- Bring awareness to lenders about federally-backed Native American lending programs and barriers to accessing credit for new Americans
- Monitor HMDA data on mortgage loan denials and subprime lending activity, particularly for disparities for minority borrowers
- Support matched-pair testing for loan applications to identify any differences in treatment for members of protected classes
- Assist low-income homeowners with infrastructure assessments to help maintain the affordability of homeownership
- Provide down payment assistance to low- to moderate-income homebuyers to address difficulty in accessing homeownership opportunities due to rising home values

Impediment #3: Lack of housing choice for low- and moderate- income individuals

Recommended Actions:

- Work with local partners to create new housing and/or rehabilitate existing affordable housing throughout the community, including the preservation and replacement of the existing subsidized housing
- Prioritize city resources to expand the number of affordable rental housing units to serve the city's low and moderate income residents. City support may be direct, such as providing gap financing using HOME dollars or other public funds, or indirect, such as support infrastructure needs of affordable housing development through city investments
- Continue to monitor that city-funded rental developments implement affirmative marketing practices
- Explore risk mitigation fund for rental applicants with low credit ratings

Impediment #4: Greater Rates of Poverty among Minority and Vulnerable Populations

Recommended Actions:

- Support metropolitan efforts to address the transportation and other barriers to work that affect low-income individuals (i.e., child care, education, wage rates, etc.)
- Support skill-building and other opportunities designed to improve self-sufficiency and personal success (i.e., access to healthcare, job training, financial literacy, English language learning, driving skills, pre-GED, community gardening, entrepreneurship, leadership training)

Impediment #5: Obstacles in Accessing Appropriate Housing for People with Disabilities, Especially Chronic Mental Illness

Recommended Actions:

- Explore options for increasing support for accessible housing units
- Support increased funding for supportive services

Appendix A



LANGUAGE ACCESS PLAN City of Fargo, North Dakota



COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

MARCH 2022

DRAFT

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Purpose

The purpose of this Language Access Plan is to ensure timely, meaningful access for persons with Limited English Proficiency (LEP) to the City of Fargo’s Housing and Urban Development Department (HUD) funded programs and services. Individuals who have a limited ability to read, speak, write, or understand English may be entitled to language assistance for certain services, benefits, or encounters.

Policy Statement

The City uses annual Congressional appropriations and general set-aside funds to procure language assistance services following federal and local procurement processes. This procurement allows City staff to provide free language assistance services to persons with LEP whom they encounter or whenever an individual with LEP requests language assistance services. All personnel will inform members of the public that the City will provide language assistance services to persons with LEP free of charge.

The City’s Language Access Plan (LAP or Plan) will be publicly available on the City of Fargo’s Community Development homepage. Public comments will be received via email at Planning@FargoND.gov. The City continuously seeks to improve and expand the services it provides to enable persons with LEP¹ to communicate with the City in person, over the phone, in writing, or through electronic media.

¹ Although this Plan focuses on LEP language assistance, the City will apply certain aspects of its Plan to also ensure effective communication with individuals with disabilities, per Section 504 of the Rehabilitation Act of 1973.

Statutory Authority

As a recipient of federal finance assistance, the City of Fargo Community Development Division is required, under Title VI of the Civil Rights Act of 1964 and Executive Order 13166, to develop and implement a plan to ensure accessibility to its programs and services for persons who are not proficient in the English language.

Title VI of the Civil Rights Act of 1964 is the federal law that protects individuals from discrimination on the basis of their race, color, or national origin in programs that receive federal financial assistance. In certain situations, failure to ensure that persons who are LEP can effectively participate in, or benefit from, federally assisted programs may violate Title VI's prohibition against national origin discrimination.

Executive Order 13166, signed on August 11, 2000, directs all federal agencies, including HUD and its recipients, to work to ensure that programs receiving federal financial assistance provide meaningful access to LEP persons. To do so, federally assisted recipients are required to make reasonable efforts to provide language assistance, including 1) conduct a needs and capacity assessment (i.e. four-factor analysis); 2) develop a Language Access Plan; and 3) provide appropriate language assistance.

Needs and Capacity Assessment (Four Factor Analysis)

Recipients are required to take reasonable steps to ensure meaningful access to LEP persons. This "reasonableness" standard is intended to be flexible and fact-dependent. It is also intended to balance the need to ensure meaningful access by LEP persons to critical services while not imposing undue financial burdens on small businesses, small local governments, or small nonprofit organizations. As a starting point, a recipient may conduct an individualized assessment that balances the following four factors.

Factor 1: Determine the *number or proportion* of LEP individuals in the eligible service population.

Approximately 3,942 individuals have limited English proficiency, i.e., speak English less than "very well," in the city of Fargo, according to 2015-2019 American Community Survey 5-Year Estimates This represents 3.47% of the total population over the age of 5.

Based on HUD's "safe harbor" thresholds², Nepali is the only LEP language group in the city that may warrant automatic/regular translation of vital written materials. As outlined in Table A, Nepali is the largest LEP language group, comprising 0.897%³, or 1,020 persons, of the total population over the age of 5.

However, written translations are largely ineffective for the Nepali LEP language group due to high illiteracy rates. Interpretive services are more effective and in higher demand for the

² HUD recommends written translation for languages meeting the "safe harbor" threshold, i.e. if an LEP language group makes up 5% or 1,000 persons (whichever is less) of the total population of persons eligible to be served by CDBG programs.

³ This number has likely declined over the past two years due to an increase in Nepali residents resettling from Fargo to cities with more Nepali stores, services, places of worship, etc.

majority of largest LEP language groups, according to discussion with service providers that often serve the region's LEP residents, such as Family Health Care Center.

The top languages requested for interpretation at Family Health Care Center are Nepali, Somali, Arabic, Kurdish, and Swahili. The demand for Vietnamese, Bosnian/Croatian, and Russian language interpretation has decreased over the past few years, which Family Health Care Center staff attributes to the length of time first generation immigrants and their families have been within the United States.

Factor 2: Determine the *frequency* that LEP persons come into contact with the City of Fargo's HUD-funded programs.

The City does not provide direct client services through HUD-funded programs but do have contact with the public through its citizen participation processes. The City includes several agencies⁴ that serve persons with LEP on its contact list for notification about HUD public hearings and public comment periods. All notices of public hearing and public comment period for HUD plans include notice of availability of interpretation and translation services by request, but it has received no requests to date.

However, the City's HUD subrecipients carry out several direct client services and programs, increasing their frequency/likelihood of having contact with persons with LEP. Given the small proportion of persons with LEP in the community and per subrecipient reports, contact is still relatively rare. Subrecipients maintain their own array of resources to ensure service to persons with LEP and have not requested translation services support through the City to date.

Factor 3: Determine the *nature and importance* of the programs, activities, or services provided by the City of Fargo HUD program to LEP individuals.

The City administers numerous HUD programs that provide funds to subrecipients to implement critical housing and community development programs, all of which the City want to ensure are available to LEP communities. For instance, persons with LEP may interact with the City's HUD programs through receiving emergency subsistence payments, seeking eviction prevention legal counseling, or acquiring and maintaining residency with HUD-funded housing, which can all be fulfilled in non-English languages. For persons with LEP who seek HUD's housing and services, it is essential that subrecipients continue to provide interpretation services and request assistance from City staff when needed in order to make accommodations and ensuring meaningful access.

Factor 4: Determine the *resources* available to assist LEP individuals.

The City maintains budget flexibility to provide contracted third-party oral telephonic interpretation services, and written translation services, at no charge when requested. Subrecipients also maintain an array of LEP resources to ensure meaningful access to their services.

⁴ This may include, but is not limited to, Fargo Public Schools' Adult Education Center, Cultural Diversity Resources, and the New American Consortium. Many other organizations engaged in this work are already on the Planning & Development Department's community development mailing list.

Action Steps

The City will strive to ensure meaningful access for persons with LEP through the following measures.

1. Written and Oral Language Assistance Services

The City will continue to offer written and/or oral language assistance services through the following measures.

- a. All notices of public hearing and public comment period for HUD plans and programs will include the following statement:

*“City Hall Commission Chambers are accessible and can accommodate persons with disabilities. Alternative formats of this information or reasonable accommodations for persons with hearing loss, vision loss, disabilities or **limited English proficiency, including the availability of interpretation and translation services, will be made upon request (a 48 hour notice is required)**. Anyone who requires these services or an auxiliary aid to fully participate should contact the Planning and Development Department at 701.241.1474/ Planning@FargoND.gov, or the City of Fargo’s Section 504/ADA Coordinator 701.298.6966 to arrange for services. To access TDD/Relay service dial 701.241.8258.”*

- b. Interpretation services, within reason, will be provided for public meetings, if advance notice is provided to the City and such services are readily available.
- c. Written and/or interpretation services, within reason, will be provided for vital documents upon request, within a reasonable time period and as resources permit. Vital documents include, but are not limited to:
 - Leases and addendums
 - Application forms
 - Mortgagee letters, notices, forms
 - Letters or notices pertaining to the reduction, denial, or termination of services or programs or that require a response from the person with LEP
- d. When written and/or interpretation services are unavailable or unreasonable, the City may use [Google’s Translate program](#). Translations of all public notices and information published on the City of Fargo website are readily available by clicking the “Translate” icon on top of all City of Fargo webpages.

2. Staff Training

The City will continue to train staff annually and during new employee orientation on its responsibilities to the Language Access Plan, including training on:

- a. Notifying the public about language assistance services available and offered to the public
- b. Documenting language assistance requests

3. Subrecipients

All subrecipients performing work under City of Fargo HUD funding will be required to follow Title VI/LEP guidelines. Such assurance is made at the time the contract is established. Subrecipients will be informed to request LEP services from the City when necessary.

4. Assessment of Access & Quality

Every five years, the City will evaluate and update its Language Access Plan. Any updates made within the five-year timeframe will be recorded as an addendum to the LAP and then incorporated at the scheduled evaluation period. Updates may include:

- a. The latest LEP data per Census data and stakeholder consultation to determine the best resource allocation
- b. Best practices for continuous quality improvement regarding its language assistance services
- c. Data on number of language service requests
- d. Reviewing that all vendors providing language services include quality assurance and performance standards in the contracts for their services.



Housing Needs and Market Analysis for the Cass County, ND and Clay County, MN MSA

Interview

April 13, 2022

HR&A
Analyze. Advise. Act.

SRF

We have assembled a team with diverse experience to develop the Housing Needs and Market Analysis for the region.



PHILLIP KASH
Partner-In-Charge



ERIN LONOFF
Principal



CHRISTIANA WHITCOMB
Director



ANNA GALLICCHIO
Research Analyst



SCOTT HARMSTEAD
Project Director

HR&A is a real estate and public policy firm that works at the intersection of the public and private sectors in the Midwest and across the country.



Fargo Red River Diversion Recreation Plan
Fargo, ND



Indiana State Housing Study
Indiana



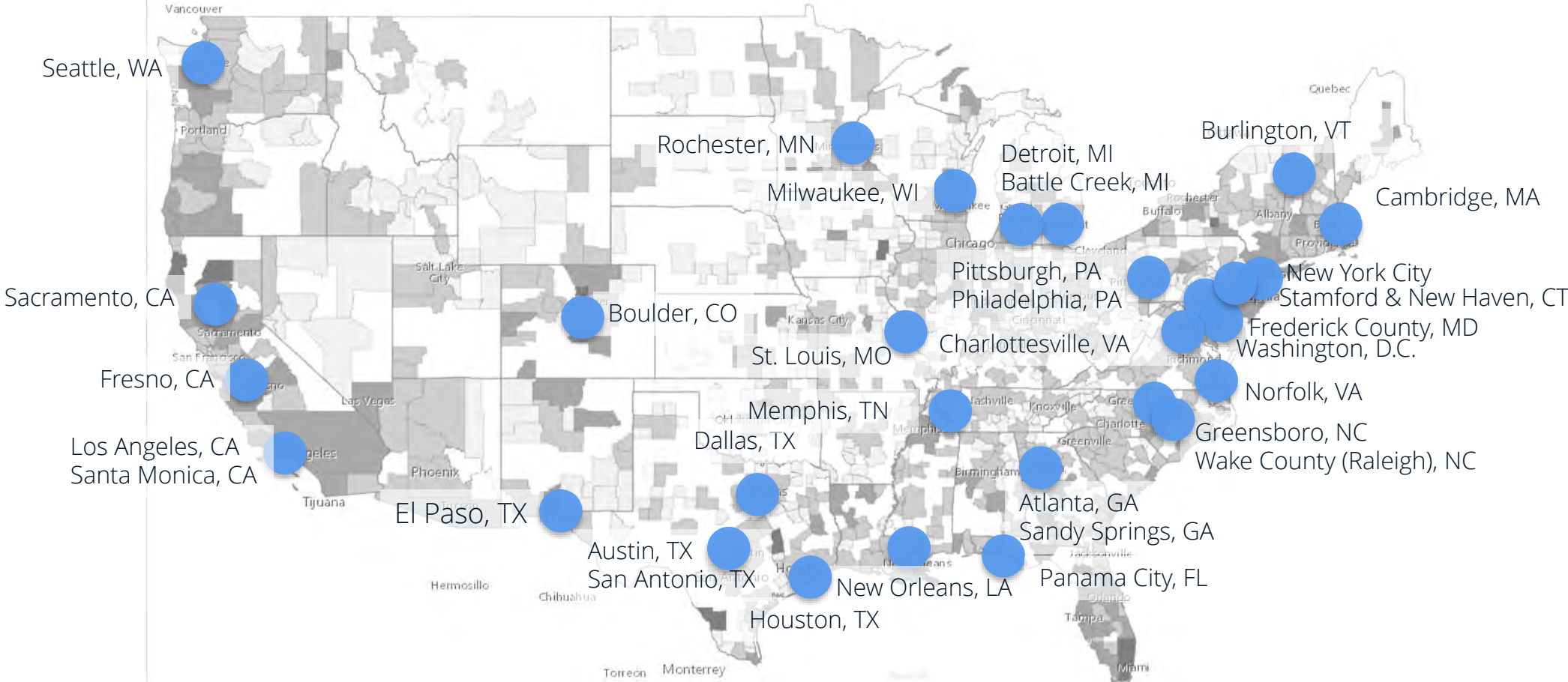
El Paso Regional Housing Plan
El Paso, TX



Milwaukee TOD Market Analysis
Milwaukee, WI

Detroit Long-Term Affordability
Feasibility Study and Plan
Detroit, MI

We bring national leadership in housing affordability.



We uniquely approach housing affordability issues at three comprehensive, mutually reinforcing levels.

HOUSING PLANS

Creating strategies and plans based on local needs and priorities



El Paso Regional Housing Plan



Detroit Long Term Affordability Study

HOUSING POLICIES & PROGRAMMING

Designing policies that align community goals with market conditions



Seattle Housing Policy and Affordability Calculator



New Orleans Incentives Strategy

HOUSING TRANSACTIONS

Advising on the development and preservation of housing



New York Housing Authority RFP Response



District of Columbia Housing Authority Greenleaf Redevelopment

An aerial photograph of a city street, likely in a residential area, with a blue overlay. The street runs diagonally from the bottom right towards the top center. On the left side of the street, there are several large, multi-story houses with gabled roofs and brick walls. On the right side, there are taller, modern apartment buildings with many windows. In the background, more city buildings and a construction crane are visible under a clear sky. The text "II. PROJECT UNDERSTANDING" is overlaid in white, bold, sans-serif font across the middle of the image.

II. PROJECT UNDERSTANDING

Economic opportunities in Fargo are driving higher income population growth and adding price pressure across the housing market.

Fargo has had high population growth. The supply of housing has not kept pace.



+21% population growth from 2010-2020

Fargo is attracting new, high paying jobs, increasing incomes across both counties



+35.7% Increase in Median Household Income

Renters are particularly impacted by housing cost burden.



41.5% of renters are paying more than 30% of their income on rent

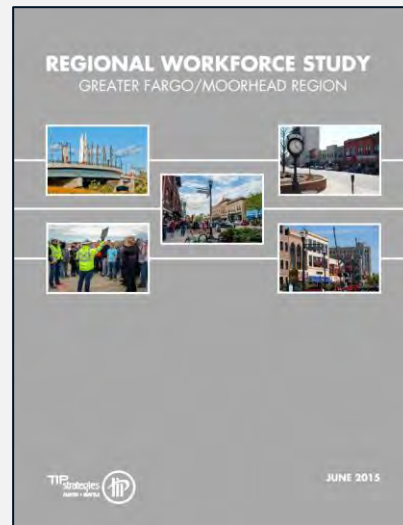
Loss of affordable starter home options, reducing housing opportunities for first-time homebuyers.



-61% decline in home housing stock priced below \$150,000

We will build on recent plans and studies to develop an actionable housing plan that addresses the region's affordability challenges.

ESTABLISHED VISION AND MARKET CONTEXT



OPPORTUNITY FOR FUTURE WORK

We will focus on how Cass County, ND, and Clay County, MN can achieve housing development and increasing housing option by creating **policy recommendations that are aligned with the regional vision and grounded in market reality.**

III. APPROACH

An aerial photograph of a city street, likely in a dense urban area. The street runs diagonally from the bottom right towards the top center. On the left side of the street, there are several large, multi-story buildings with gabled roofs and brick facades. On the right side, there are more modern, multi-story apartment buildings with balconies and large windows. In the background, a tall, dark skyscraper stands out against the sky. The entire image is overlaid with a semi-transparent blue filter. The text 'III. APPROACH' is written in a bold, white, sans-serif font across the middle of the image.

Our approach has six phases that will be completed over 7 months.

Week No.	1	3	5	7	9	11	13	15	17	19	21	23	25	27	28
Week Beginning	5/2	5/16	5/30	6/6	6/20	7/4	7/18	8/1	8/15	8/29	9/12	9/26	10/10	10/24	11/7
TASK 1: Project Management															
TASK 2: Data Collection															
TASK 3: Public and Stakeholder Input															
TASK 4: Existing Conditions Analysis															
TASK 5: Meeting Short Term Needs															
TASK 6: Beyond the Short Term															
TASK 7: Final Report Development															
TASK 8: Adoption Process															



We will work with Metro COG, Cass and Clay Counties, and the local municipalities to establish project goals from the outset.



TASK 1: PROJECT KICKOFF

- *Plan Purpose and Goals*
- *Data Request*
- *Timing and Work Plan*
- *Stakeholder Advisory Approach*

Our analysis will rely on multiple data sources and build upon prior studies and analyses.



TASK 2: DATA COLLECTION



Data Collection | HR&A will draw on our experience studying the economic trends and impacts affecting regions to enable local communities and the region best prepare for future economic challenges and opportunities.

**Southeast Minnesota
Regional Economic Study**

8

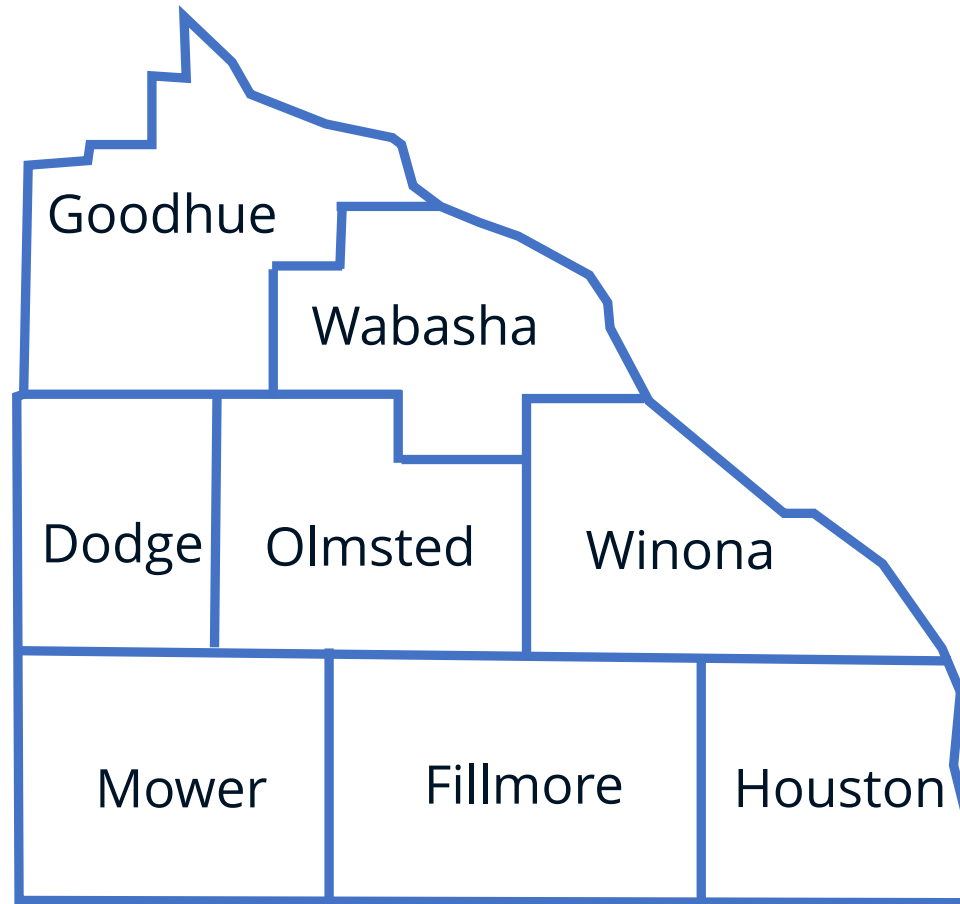
COUNTIES

368k

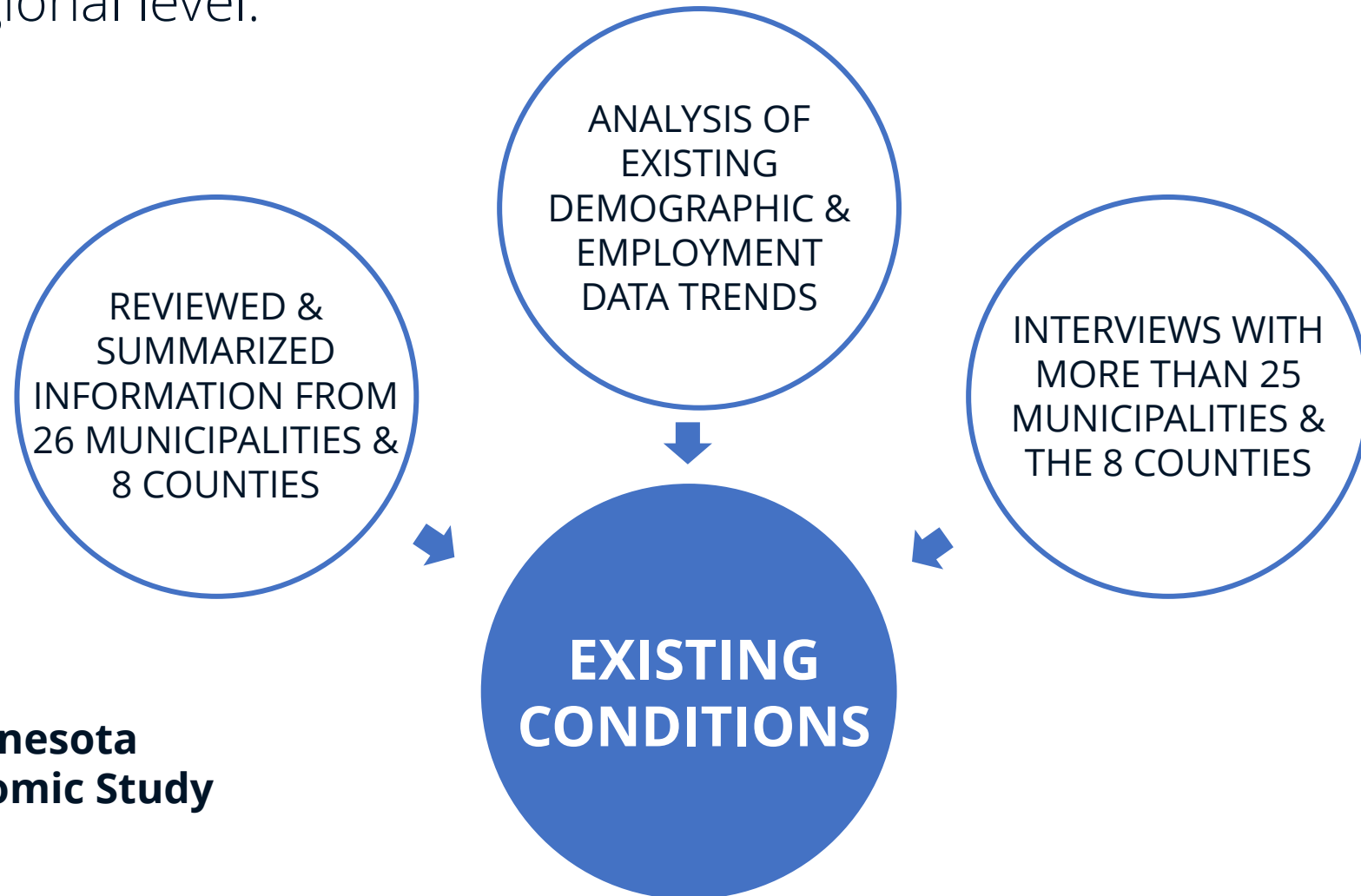
REGIONAL
POPULATION

78

MUNICIPALITIES, 65 OF WHICH
ARE SEMLM MEMBERS



Data Collection | We analyze large amounts of data and information from a variety of sources to identify current trends, challenges, and opportunities at the local and regional level.



**Southeast Minnesota
Regional Economic Study**

Stakeholders from diverse backgrounds can help to paint a full picture of housing conditions and priorities and help to build consensus around potential solutions.



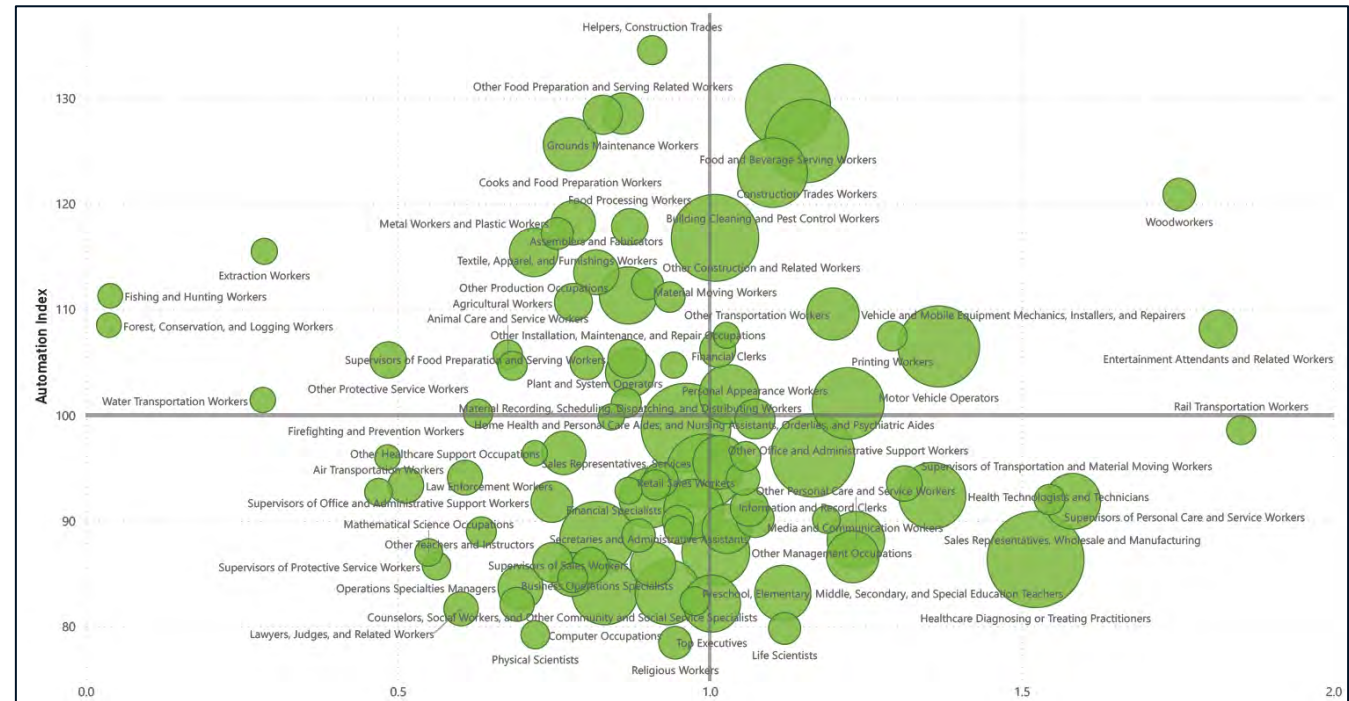
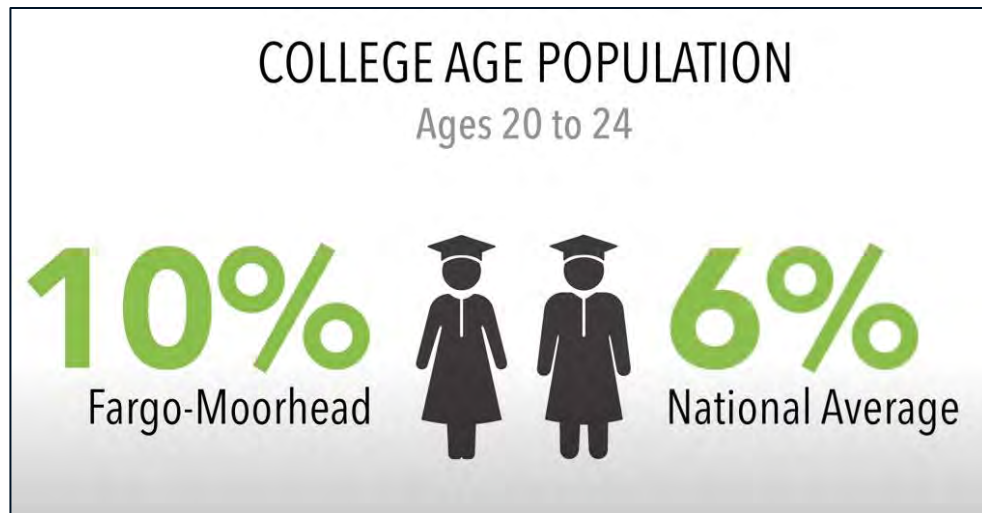
TASK 3: PUBLIC AND STAKEHOLDER INPUT

- Study Review Committee (SRC)
- Focus Groups
- Community Engagement



SRF's Planning Practice

- HR&A & SRF: Partners since 2013
- Extensive regional experience
- Established local presence



SRF's Approach to Stakeholder Engagement

Focus groups:

- Housing assistance organizations
- Housing finance organizations
- Major project development group
- Housing developers

Online survey:

Keys to Success:

- Survey design
- Promotion
- Leverage SRC/project partners & focus groups
- Social media
- Email blasts
- Mailers
- Flyers

Our housing needs analysis will assess current and future housing needs and analyze these needs by specific geographies to guide recommendations.



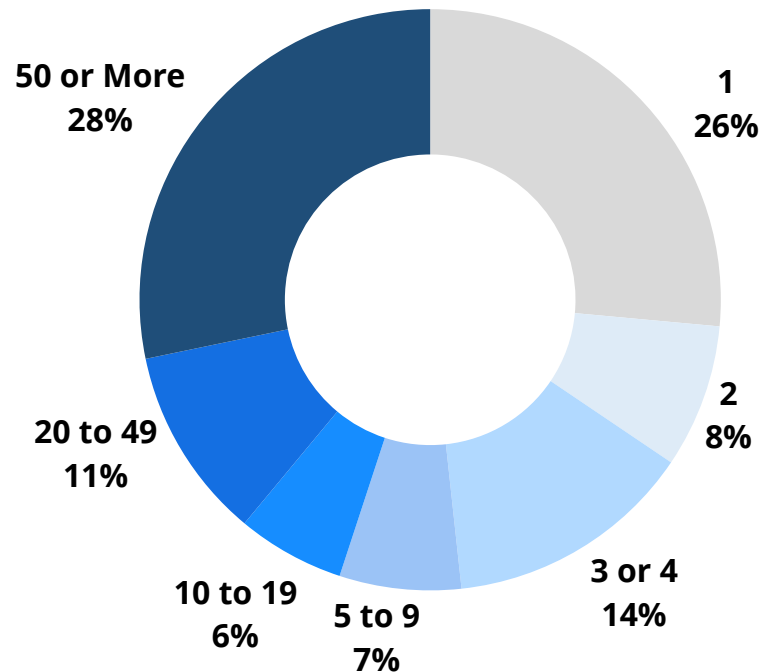
TASK 4: METRO-WIDE ANALYSIS OF EXISTING CONDITIONS

- *What are the characteristics of households moving to the region?*
- *What is being built? Who does that serve?*
- *What is the supply of naturally occurring affordable housing? Is that inventory at risk?*
- *What is the demand for different housing types? At what price points?*

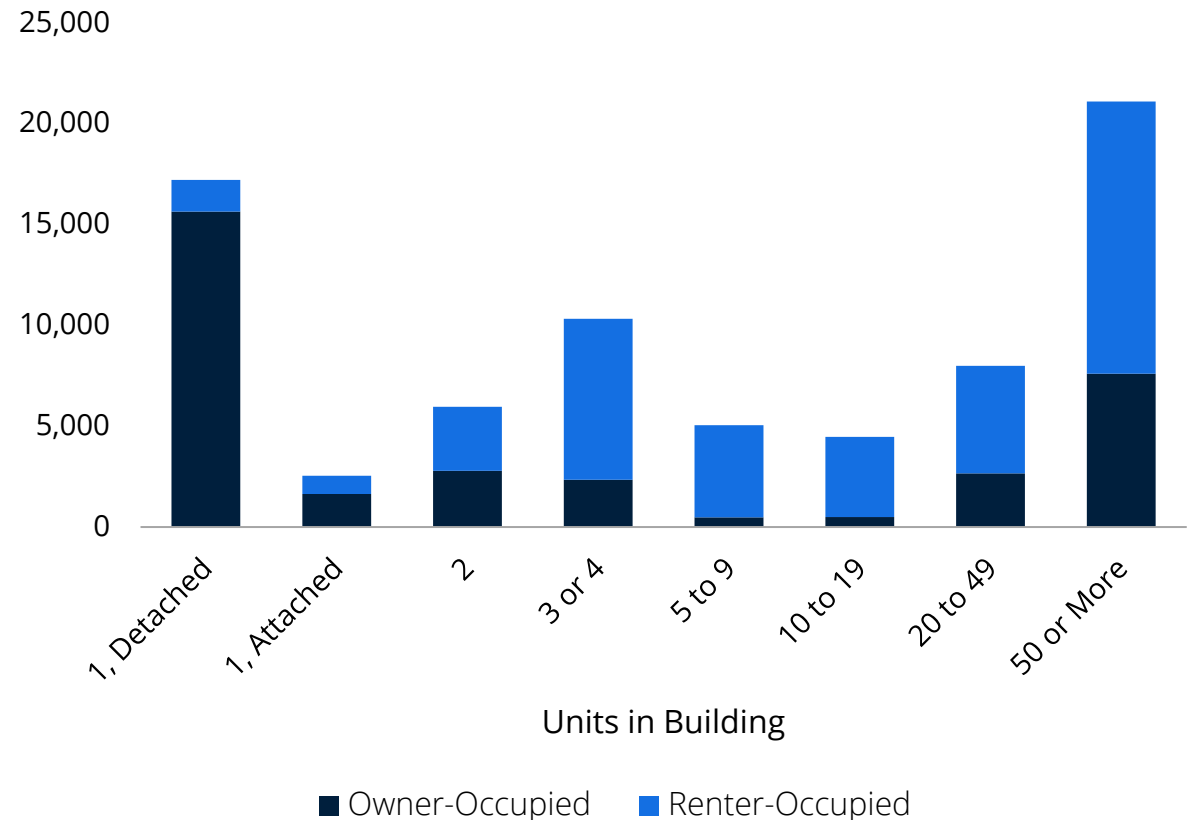
Housing Supply: We will analyze Census microdata, tax assessments and related data sources to develop a complete picture of the existing housing stock.

Memphis, TN Housing Types:

Number of Housing Units in Structure (2019)



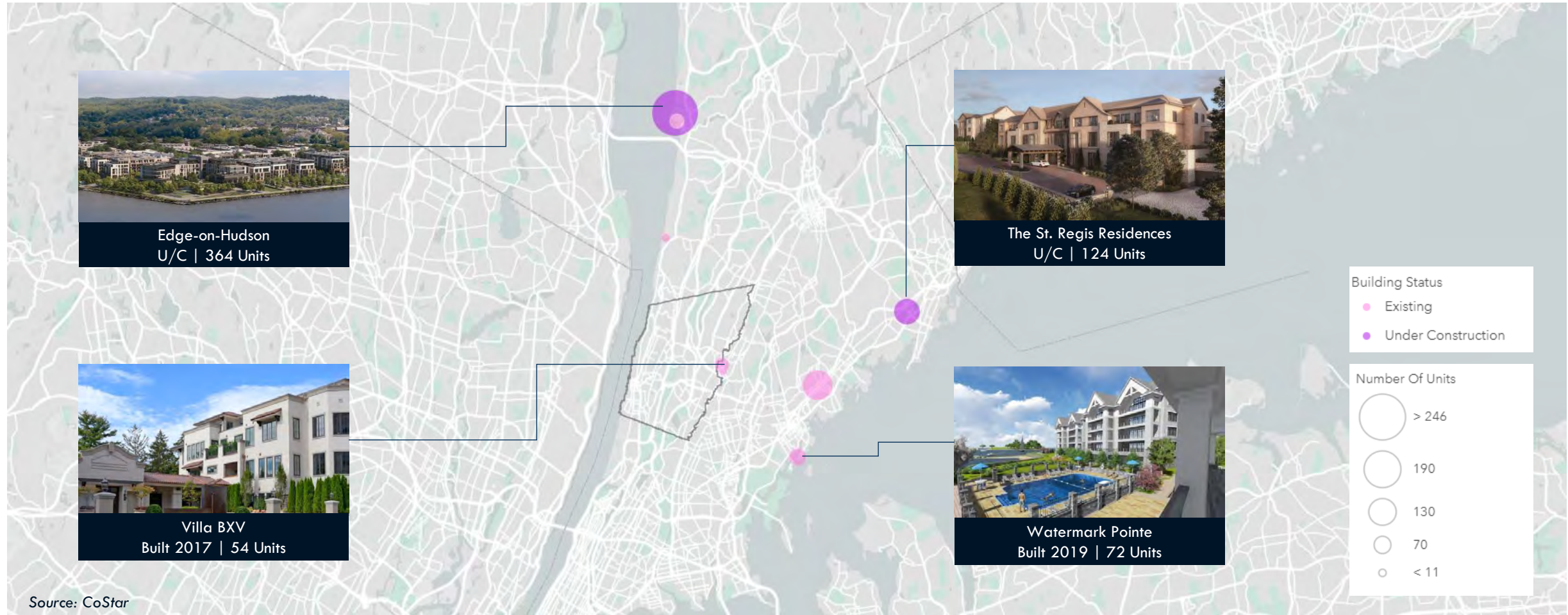
Tenure by Building Size (2019)



Source: ACS 2019, 1-Year Estimates. Note: Excludes mobile homes and boat, van, RV, etc.

Housing Supply: We use multiple real estate data sources to measure the development pipeline and sales and rental trends.

Example Recent For-Sale Development in Westchester County

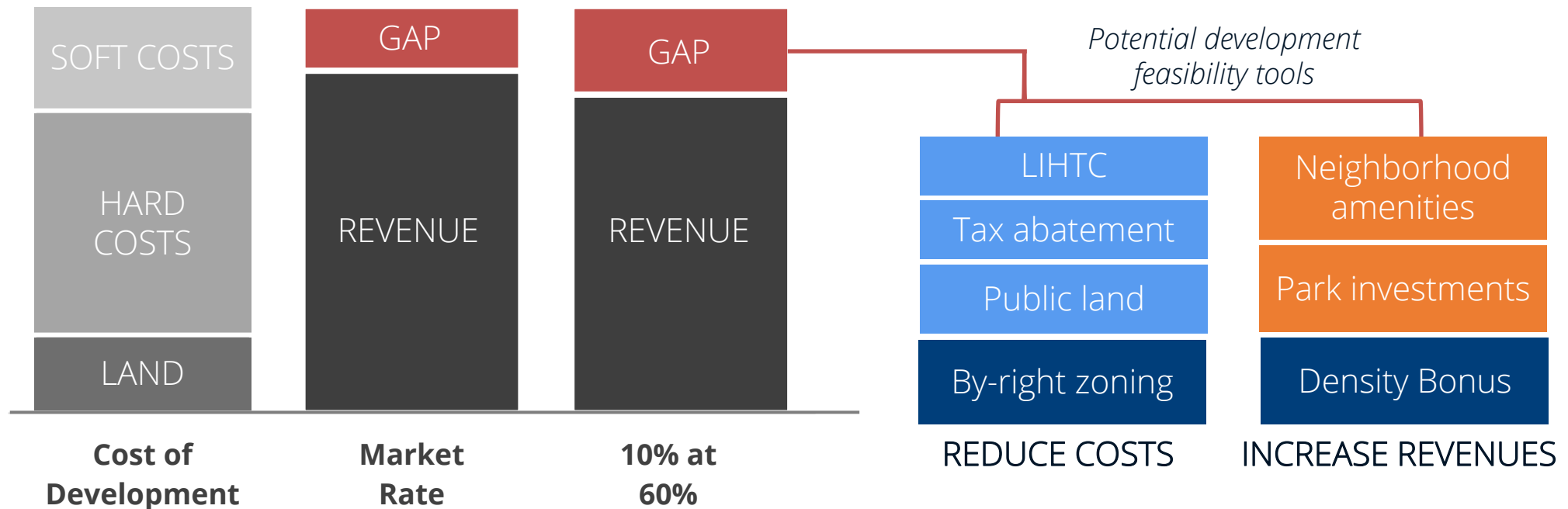


Source: CoStar

Housing Supply: We understand development economics and why different typologies are and are not being delivered in the market.

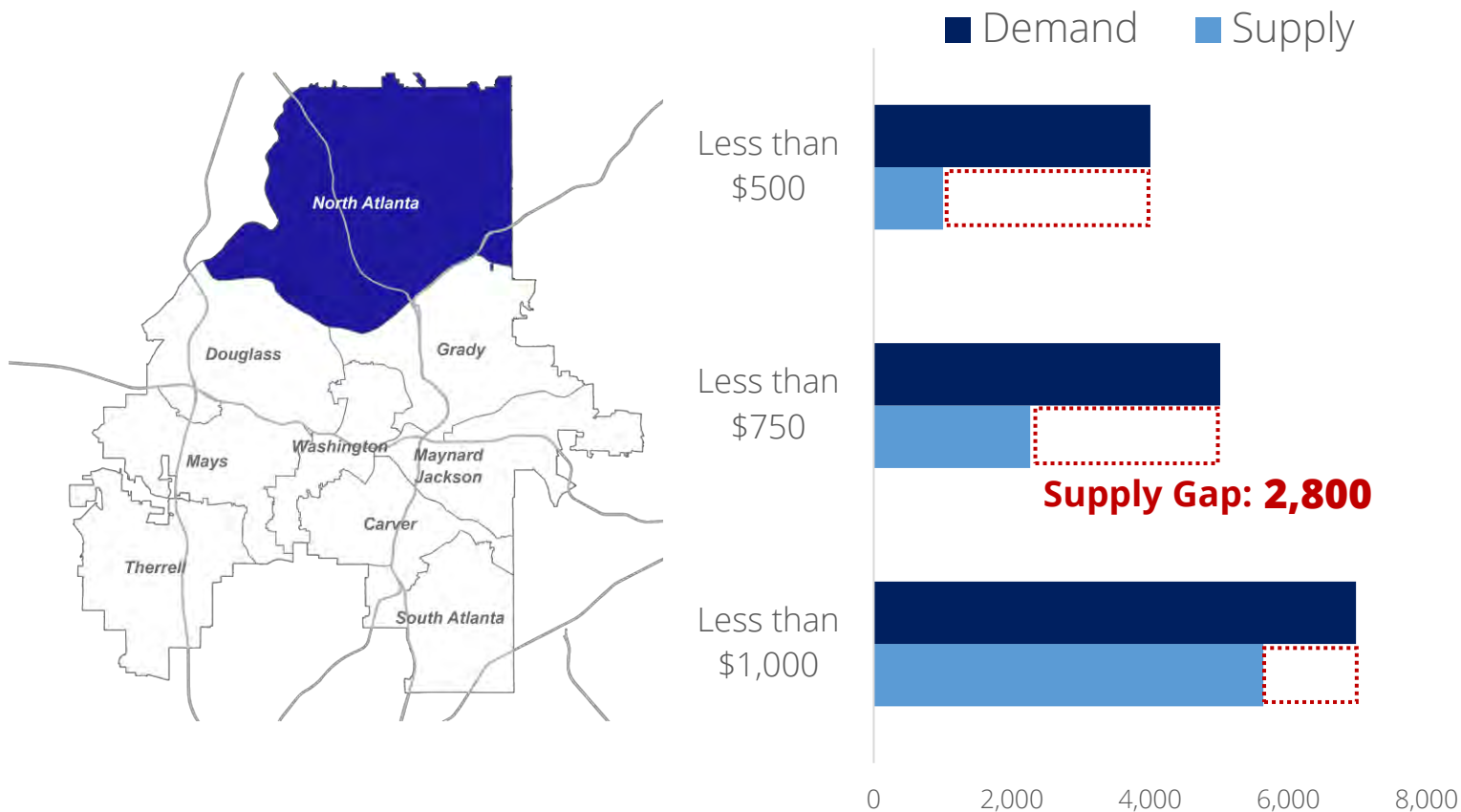
STRONG SUBMARKET DEVELOPMENT FEASIBILITY GAP/SURPLUS – RENTAL

Mid-rise New Construction (65 Units)



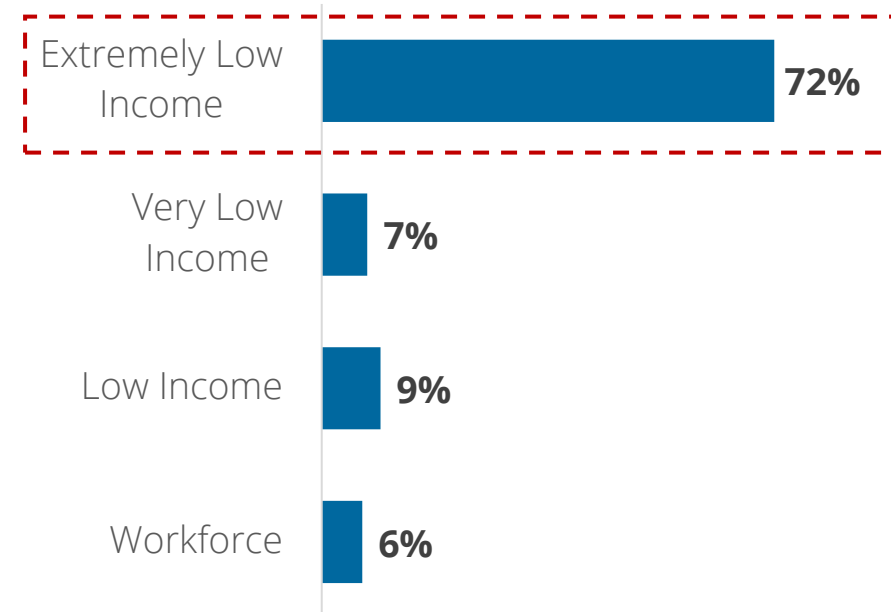
Housing Demand: We will analyze household characteristics and trends to understand who is and is not being served by the housing market.

North Atlanta School District | Future Housing Supply Gap



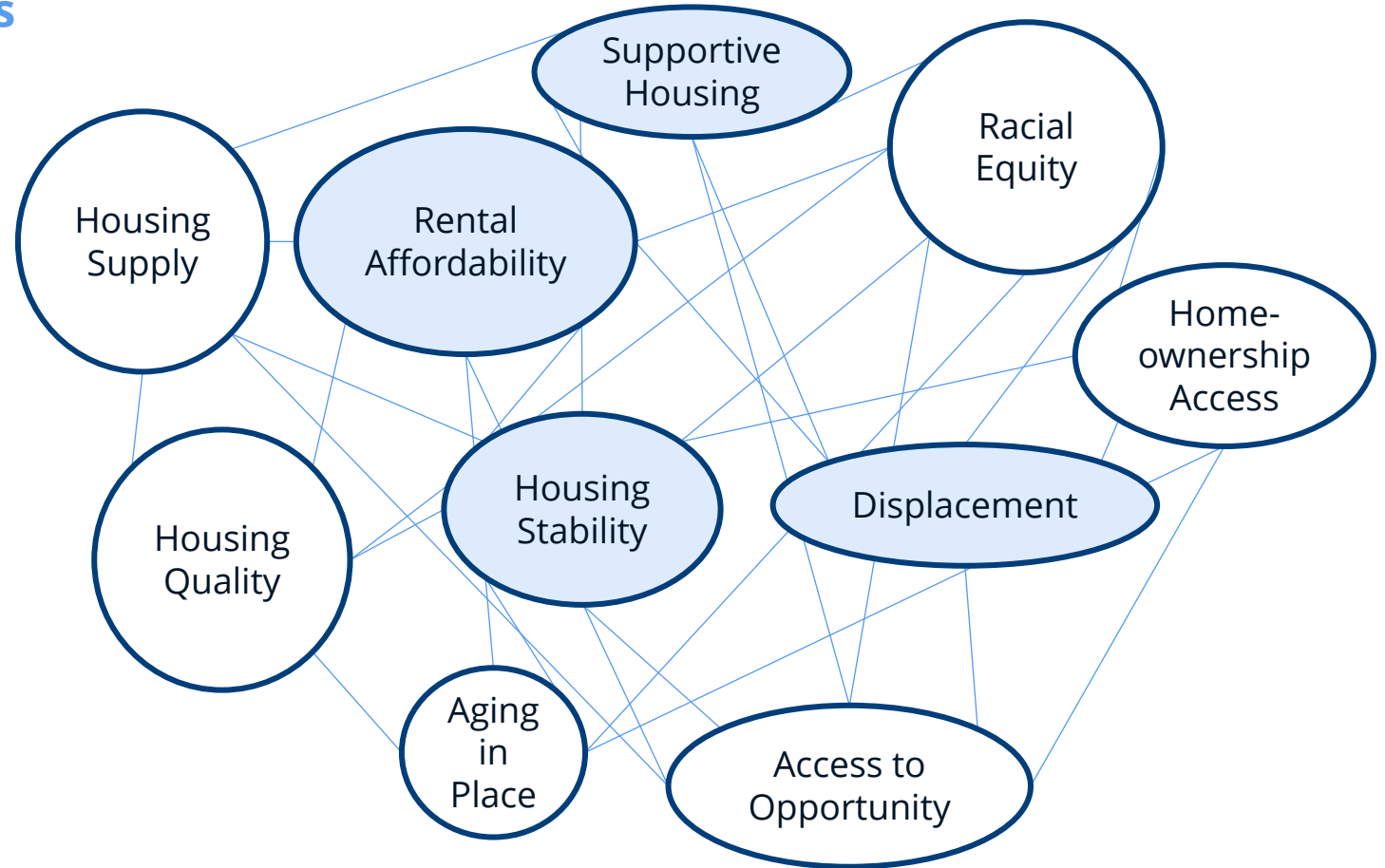
El Paso | Demand Disaggregation

Senior Renter Households (65+)
Income Distribution (2016)



Housing Need: This analysis will help characterize different housing needs and how they differ across the MSA.

“Housing affordability” incorporates many distinct but related issues:



We will evaluate existing program performance to identify gaps that can be prioritized in the short-term and will evaluate long-term strategies to meet population growth.



TASK 5 & 6: STRATEGY FOR MEETING SHORT-TERM AND LONG-TERM NEEDS

- *Inventory and assessment of existing programs*
- *Identify policies and strategies*
- *Develop metrics and milestones to guide implementation*

We will consider an array of housing tools based on both regional and national experience.

LAND USE AND REGULATION



- Inclusive Zoning
- ADUs
- By-Right Development
- Building Code Reform
- Subdivision Regulations
- Other Incentives and Regulations for Cities and Neighborhoods

FINANCING MECHANISMS



- Housing Trust Funds
- Multifamily Gap Financing
- Preservation Fund
- Public Land Disposition
- Tax Abatement

TENANTS' RIGHTS



- Eviction Counseling
- Eviction Requirements
- First Right of Refusal
- Fair Housing

INFRASTRUCTURE INVESTMENTS



- Existing Housing Stock
- Schools
- Transit Funding
- Parks & Neighborhood Amenities

Evaluating each potential housing tool will require an iterative process of decision-making that is responsive to different local contexts in the MSA.

Each potential tool should be evaluated using the following criteria and guiding questions:



We will assess both short-term needs and strategies, as well as the long-term future housing need.

Southeast Minnesota Regional Economic Study

EXISTING CONDITIONS

- **13.7k new residents** between 2009 and 2016, and **only 3.6k new housing units** in the same period, creating large unmet demand.
- A **lack of diverse housing options**, especially for seniors and young professionals, exacerbates the already restricted housing market.

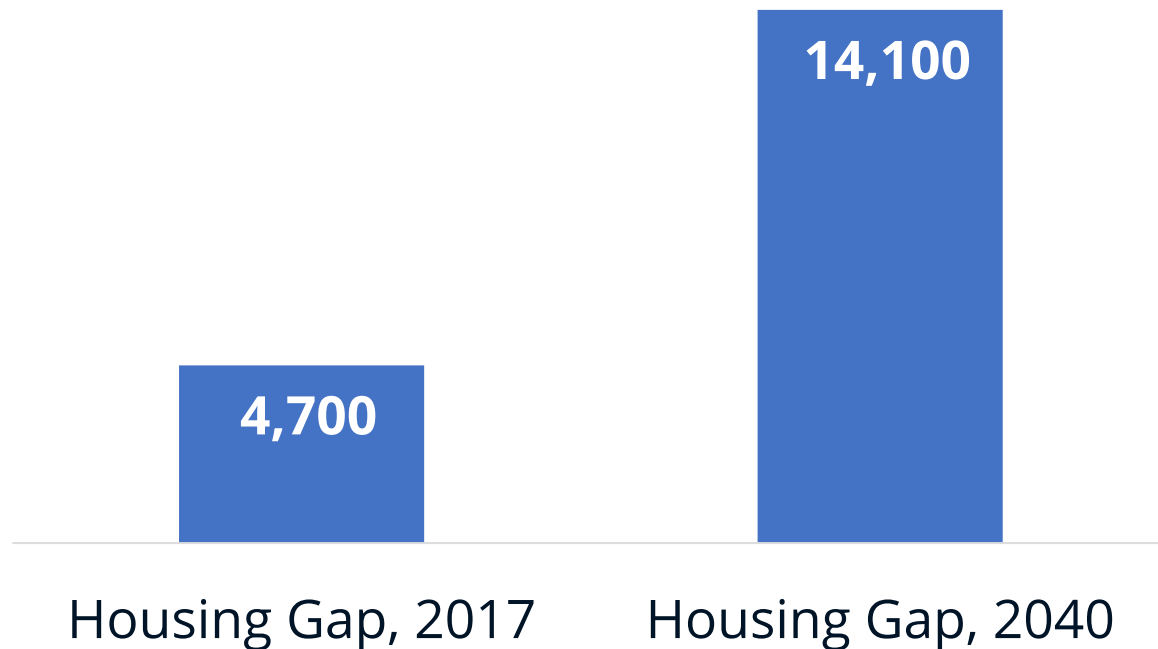
FUTURE GROWTH

- With the implementation of the DMC, anticipated to create between 37k and 47k direct and indirect jobs in the region, the **current pace of housing supply will need to increase 2X** to meet the growing workforce's housing needs.
- Without greater diversification of housing options, **housing costs will rise and the labor pool may become restricted**, as employees are unable to find affordable housing proximate to workplaces.

We will begin by articulating and quantifying the housing need to demonstrate the importance of housing strategies...

Southeast Minnesota Regional Economic Study

Housing Gap, 2017-2040



TOTAL IMPACTS BY 2040, WITHOUT REQUIRED HOUSING PRODUCTION:

(25,200)

Residents

(\$4.14B)

Economic Output

(\$1.14B)

Earnings

...and provide case studies of potential strategies that can help to alleviate the housing gap.

BUILDING INVENTORY



- A downtown development program in Mount Morris, NY gave private developers an **inventory of all buildings downtown** with detailed **property information** that helped catalyze private investment.

ACCESSORY DWELLING UNITS (ADUS)



- Seattle, WA, Portland, OR, and Santa Cruz, CA have had ADU policies in place for a number of years.
- The share of ADUs on all single-family lots among the selected national precedents ranges from **0.8% to 1.9%**.

URBAN GROWTH STRATEGIES



- Toronto, ON's Greenbelt preserves agricultural land adjacent to the urban core while creating new tourism opportunities, including more than 300 miles of cycling trails and numerous food and wine tours.

HIGH QUALITY AFFORDABLE RENTAL HOUSING



- Identify areas for targeted density based on projected growth, transit access, and demand for diverse housing types.

Drafting the final report will be an iterative process with stakeholder feedback.



TASKS 7 & 8: DEVELOPMENT OF FINAL REPORT AND ADOPTION PROCESS

- *Identify policies and strategies*
- *Develop metrics and milestones to guide implementation*

- 
- An aerial photograph of a city, likely Seattle, with a blue overlay. The image shows a dense urban area with various buildings, streets, and green spaces. The text is overlaid on the left side of the image.
- ✓ **NATIONAL AFFORDABLE HOUSING EXPERTISE**
 - ✓ **UNIQUE APPROACH COMBINING MARKET & POLICY**
 - ✓ **CONSENSUS BUILDING TO SUPPORT IMPLEMENTATION**
 - ✓ **LOCAL KNOWLEDGE**
 - ✓ **COMMITMENT TO AFFORDABILITY**



Housing Needs and Market Analysis for the Cass County, ND and Clay County, MN MSA

Interview

April 13, 2022

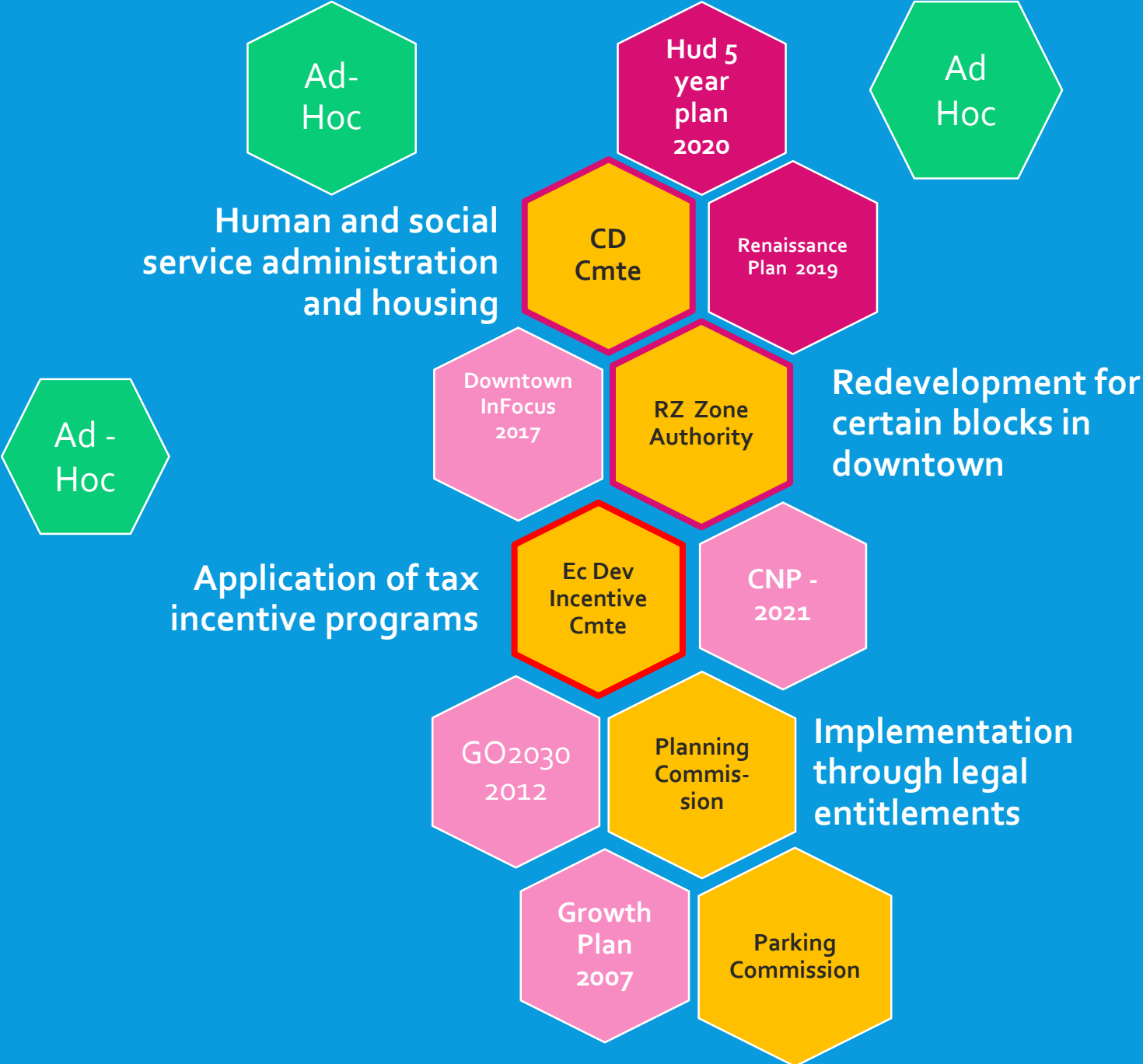
HR&A
Analyze. Advise. Act.

SRF

HOUSING PRIORITIES

- **Government Structure and Our Work**
- **Assessments and Findings**
- **Strategic Framework for Next Steps**

BOARD AND COMMITTEE OVERVIEW & ROLES



COMMUNITY DEVELOPMENT COMMITTEE

- Established in **1997** – Downtown Development, Neighborhood Development & Affordable Housing
- **2018** – Restructured the social service funds, pivoted towards larger initial investments or New American focused, and ended program as historically run
- **2019** – Restructured HUD and CDBG funds to be more impactful, focusing on grant awards at minimum of \$50,000 and spent down 2.5 times funds than previous years in order to meet timeliness tests
- **2020**- Pre pandemic, HAP transfer of 200 units and reshaped to housing focused
- **2021**- Focused on deeper understanding of housing continuum and the city's role, and allocated 6X funds
- **2022**- Receipt of HUD COVID & HUD Funds, 3x projects, minimum 200K allocations

HOW DO THE PLANS WORK TOGETHER?

GO2030-2012

- Job and housing proximity, walkability, energy, sustainability focused. Housing, Arts, Transportation, Water, Health, Neighborhoods, Celebrate the River, Regional trail systems

Downtown InFocus - 2017

- BID, DCP, significant redevelopment, 10 years after Broadway, new housing

Core Neighborhood Plan - 2021

- Development Authority, Tax Value, Housing stabilization, targeted infill

RZ Plan- 2019

- Alignment with Downtown InFocus

HUD Consolidated Plan -2020

- Housing and Homeless focus

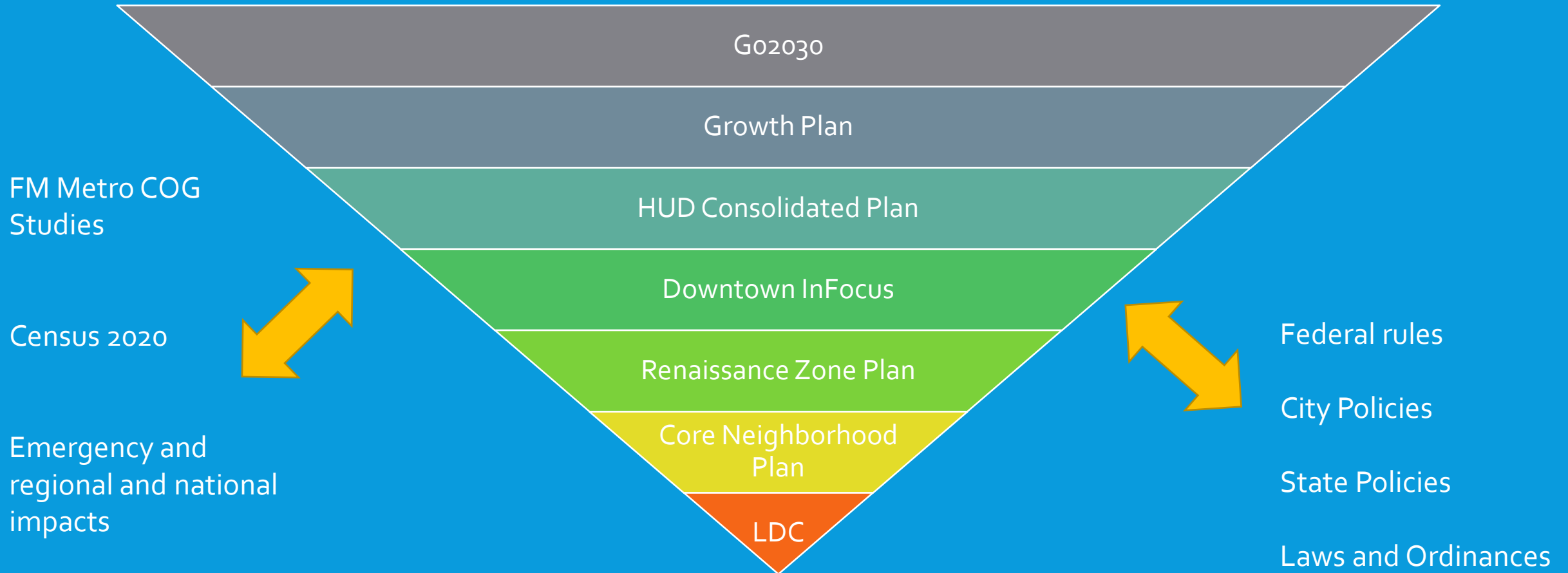
LDC Diagnostic - 2020

- Update the Vision before coming back

FM Housing plan -2022

- In preparation of comprehensive planning, we need to understand the regional growth impacts

HOW DO THE PLANS WORK TOGETHER?



RESOURCES

Housing Study in
2015

State & HUD
resources

Census

4 focused
department studies
(EJP, Interface, czb,
Maxfield)

Query data
software –
MySidewalk

Upcoming FM
MetroCOG study

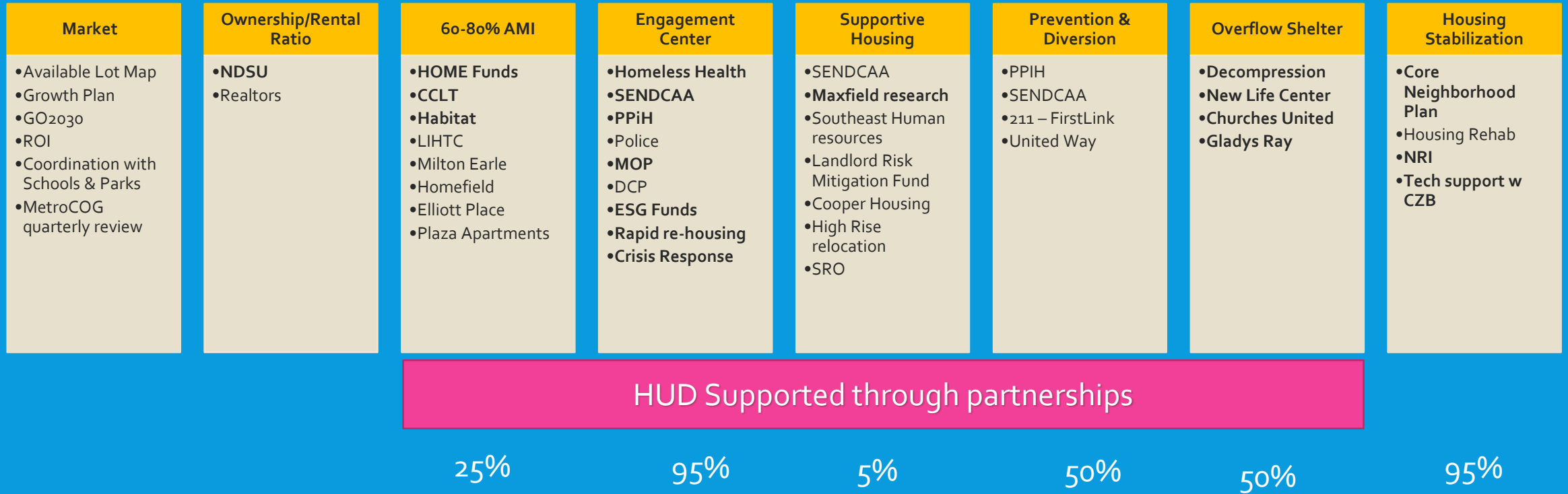
1. MySidewalk Home Info Report
2. MySidewalk CSH Report
3. My Sidewalk Home Overview Report
4. MySidewalk Exconomic Indicators Report
5. Mysidewalk Housing Indicators Report
6. MySidewalk Affordability Dashboard
7. Maxfield Study
8. Downtown InFocus (Interface Studio)
9. Core Neighborhood Plan (czb)
10. EJP Memo

* Starting to get the capacity to do internal analysis

DEFINITIONS

- Affordable Housing – affordable based on a household's income. Housing in which occupant is paying no more than 30% of gross income – including utilities. Also can mean housing aimed at households with income less than 60% AMI
- Workforce Housing – housing aimed at 60-120% AMI
- AMI – Area Median Income – the midpoint of a region's income distribution (Half the region earns more and half the region earn's less. It is adjusted for family size annually and defined by HUD
- Low Income – Less than 80% AMI (translates into living in the unit without spending more than 30% of income
- Very Low Income – Less than 60% AMI
- Extremely Low Income - Less than 30% AMI
- Market Rate – Apartments rented at maximum amount that the landlords can get, without direct subsidy.
- Permanent Supportive Housing – housing with an intervention that combines housing assistance with support services (to build options for independent living)

Housing Continuum and the City of Fargo's role



Metrics with City's Housing Programs

Market	Ownership/Rental Ratio	60-80% AMI	Engagement Center	Supportive Housing	Prevention & Diversion	Overflow Shelter	Housing Stabilization
<ul style="list-style-type: none"> • Available Lot Map • Growth Plan • GO2030 • ROI • Coordination with Schools & Parks • MetroCOG quarterly review 	<ul style="list-style-type: none"> • NDSU • Realtors 	<ul style="list-style-type: none"> • HOME Funds • CCLT • Habitat • LIHTC • Milton Earle • Homefield • Elliott Place • Plaza Apartments 	<ul style="list-style-type: none"> • Homeless Health • SENDCAA • PPIH • Police • MOP • DCP • ESG Funds • Rapid re-housing 	<ul style="list-style-type: none"> • SENDCAA • Maxfield research • Southeast • Landlord Risk Mitigation Fund • Cooper Housing • High Rise relocation • SRO 	<ul style="list-style-type: none"> • PPIH • SENDCAA • 211 – FirstLink • United Way 	<ul style="list-style-type: none"> • Decompression • New Life Center • Churches United • Gladys Ray 	<ul style="list-style-type: none"> • Core Neighborhood Plan • Housing Rehab • NRI • Tech support w CZB

In - Migration	Ratio	Year	Month	Month	Month	Month	year
2800 people/year	4 units	150 units	400 people	125 cases	600 + people	100 people	25 homes
							1 apartments

Draft

QUESTIONS & ISSUES

Why are homeless numbers rising and are there resources to support them? And why are people that are re-housed returning to homelessness?

work group #1

How do we support overflow in shelters and develop a regional strategy?

work group #4

Where is the state's role? Who are we serving?

work group #3

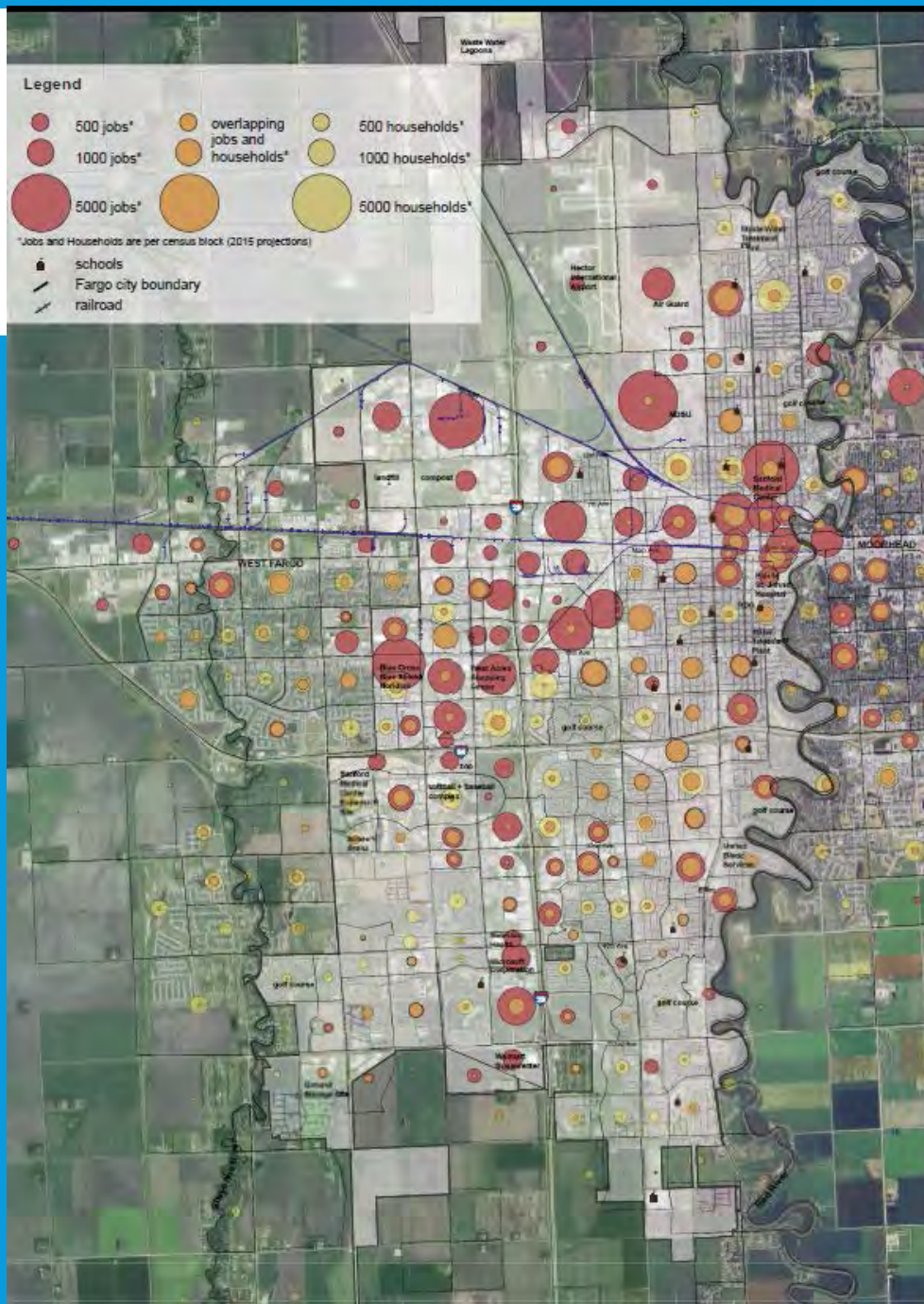
How can we get agencies and partners to be capitalized to receive HUD funds?

work group #2

How can we design buildings and spaces where people needing support thrive? And how can they be managed with people focused solutions to avoid evictions?

How does the subsidy layering work together? Why is there only one CHDO? Why can't developers build 4% LIHTC? What is the \$ gap

JOBS & HOME PROXIMITY

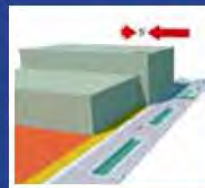


NEIGHBORHOODS, INFILL, AND NEW DEVELOPMENT



Promote Infill

Develop policies to promote infill and density within areas that are already developed and are protected by a flood resiliency strategy. Control sprawl and focus on areas outside of the floodplain.



Design Standards

Develop a Commercial Design Zone District and continue to follow the Design Guidelines for Growth Areas of the City of Fargo (May 2003) for infill and new residential development. Improve quality of new housing by fostering strong relationships with the development and building community to promote dense, walkable communities with neighborhood centers.



Quality New Development

Support homebuilders and developers that construct high quality, energy efficient buildings, and require new development to meet site design standards that result in well-designed new neighborhoods.



Historical Preservation

Strengthen historical preservation incentives.



High Quality Affordable Housing near NDSU

Develop higher quality affordable housing near the North Dakota State University campus.



Housing for workforce and low income residents

Pursue strategies to increase access to housing for workforce and low income residents.



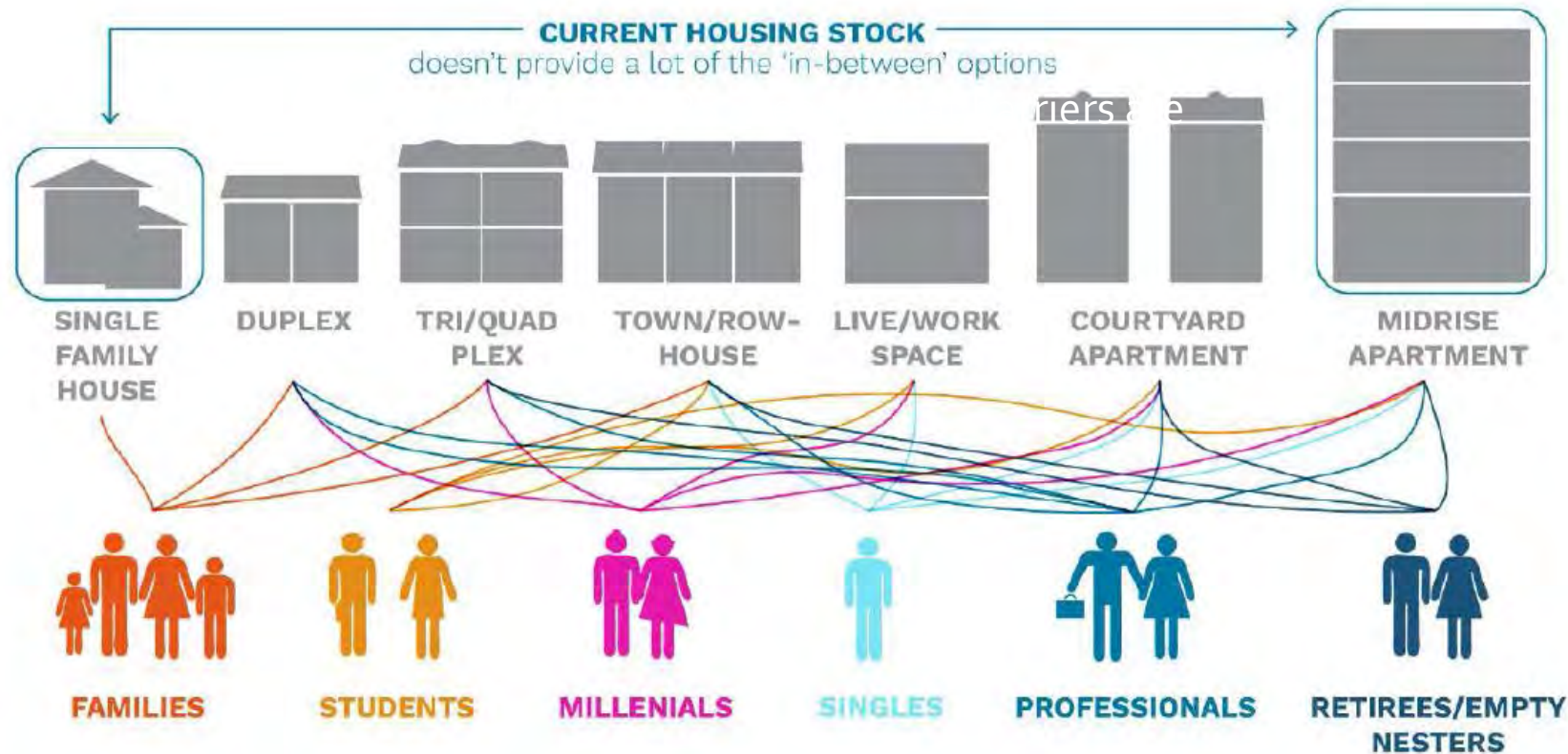
Neighborhood Support and Communication

Improve communication between the City and established neighborhoods. Encourage neighborhoods to establish a vision and create neighborhood plans.

Some initial ideas:

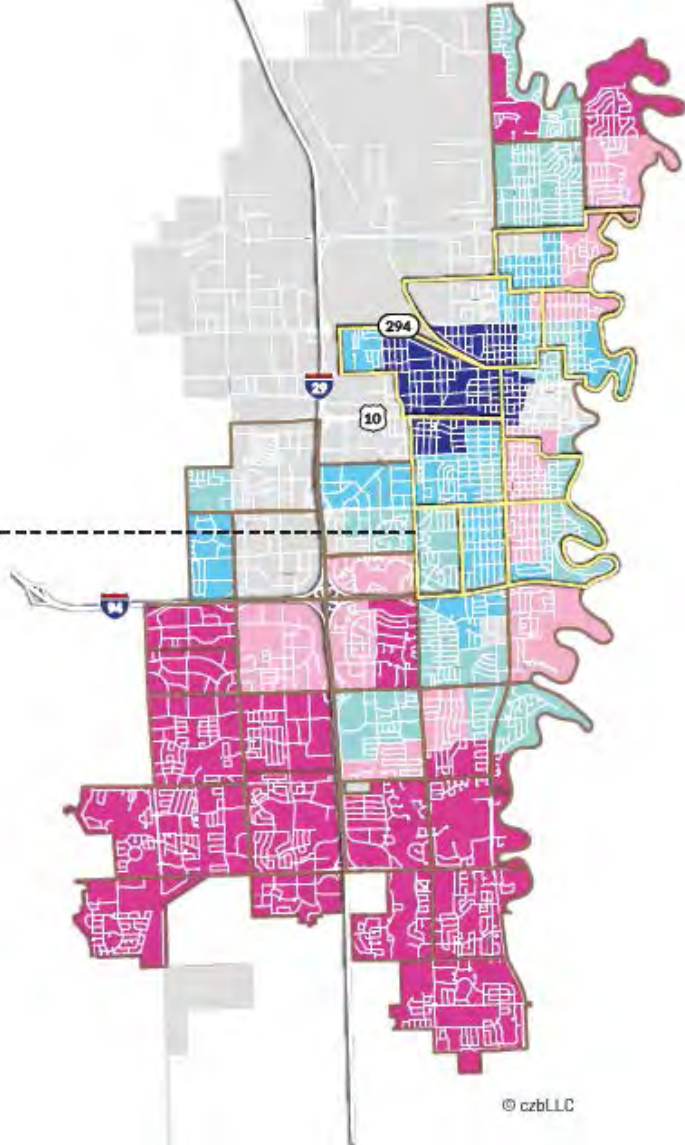
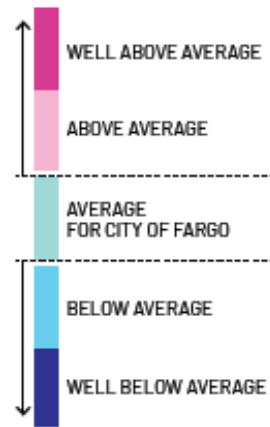
Focus on transitions by developing new housing types that better help to transition from Downtown to the neighborhoods and keep in mind, Downtown does not currently offer a wide range of housing types.

Integrate affordability by creating new affordable and workforce housing to maintain a diverse population base.



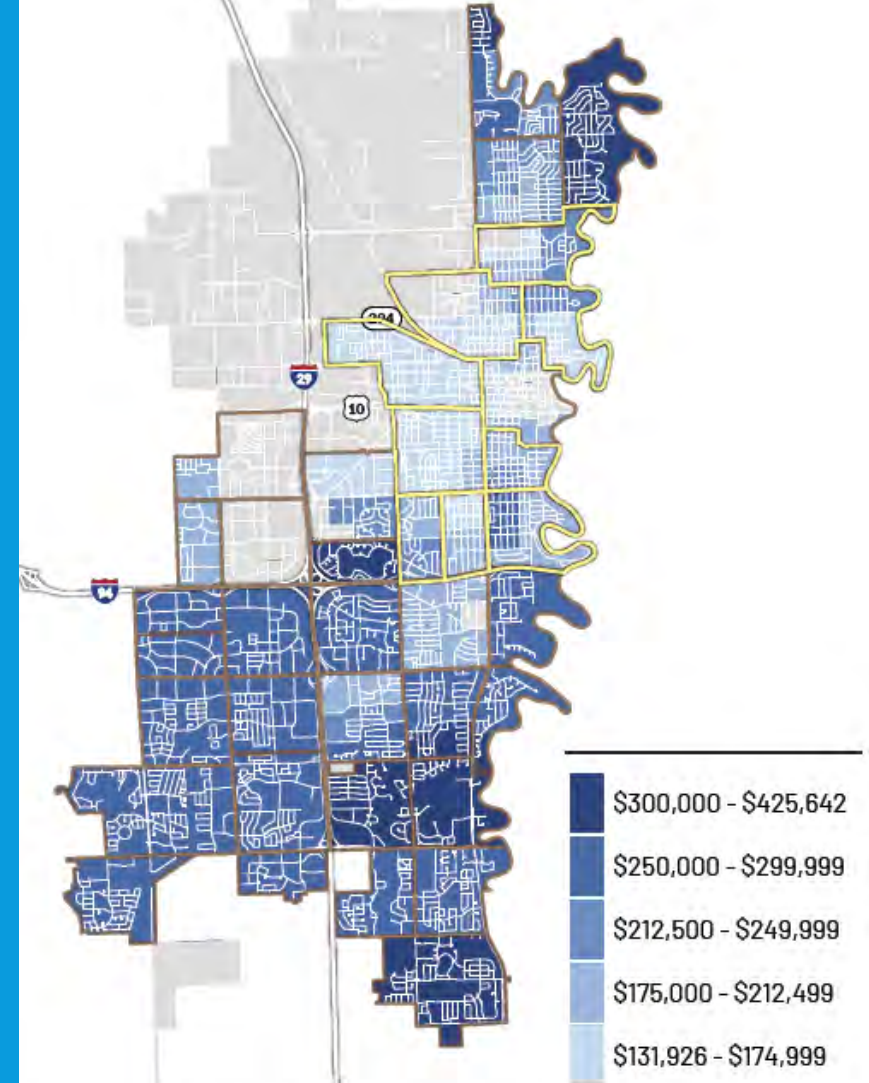
MARKET TYPOLOGY BY BLOCK GROUP

LEVEL OF DEMAND



© czbLLC

Average Sale Price of Single-Family Homes and Twin Homes, 2017-2019



© czbLLC

Source: czb analysis of MLS data provided by the Fargo-Moorhead Area Association of Realtors

POPULATION, INCOME & EXPENSE

- About 1200 new households a year
- Percent of income 25.6% spent on housing (Fargo) 21.9 (downtown) ⁽⁵⁾
- Fargo households - #123,550 people (27,647 families)
- Median home value 225,500 (Fargo) 266,432 (downtown)
- High wage (\$3333/MO) Medium Wage (\$1250-3333/Mo) Low wage (\$1250 or less)
= metro is roughly divide by 1/3 equally

ASSISTANCE

- 13% or 15,741 people live below the poverty line ⁽⁶⁾
- Majority of renters in both Fargo as a whole, and in downtown pay rent between \$500-1000 (66.8% Fargo, 52.6% Downtown) ⁽²⁾
- 1,284 in downtown spend more than 30% income on housing, 70.9 % are renters
- 61.5% requests for assistance is for rent payments or deposits (12%)
- 2361 assisted units in Fargo, 58 properties ⁽⁴⁾

DOWNTOWN

- 2,391 live and work downtown, 25,640 commute in
- Affordable rents by average income \$51,339 = \$1,283 (breaks down by age and geography –Downtown (7)
- Number of units built in downtown since 2000 =619
- Median home rent in downtown is \$821

SUMMARY FROM THE HOUSING NEEDS STUDY - 2021

- 75% using homelessness are chronic/repeat bounce back (7)
- Excess demand deep subsidy = 1027 units, shallow subsidy = 1393 units, moderate = 1124 units)
- Most lower income households are renters
- Home values continue to rise
- Vacancy rates in senior projects are less than 1%
- Subsidized housing and very affordable housing is under supplied
- Subsidized housing continues to have gap funding
- Downtown rental market can absorb up to 10% of the whole market
- Any possible expansion of deep subsidy is encouraged
- Affordable preservation- 482 rent restrictions expiring within 5 years 482 (Fargo) Metro (932)

SUMMARY FROM INFOCUS STUDY

- Live downtown #3,443 pop
- Metro wide – 12,658 renters (41%) are cost burdened (pay more than 30%)
- More units are needed downtown for median incomes so downtown isn't a "resort town"
- HUD definition of "affordable" or "burdened" doesn't take into account: inflation, student debt, medical costs, other budget impacts
- Promote new housing to fill gaps in continuum
- Promote and expand financial land use and development tool kit
- Target affordable on 60-80 AMI since they will need non traditional funding
- Increase supportive housing for women and children

HOUSING STRATEGY FRAMEWORK

- FM Metro COG Study – City funded about \$150,000, timeline about 8 months from now (will include a public engagement component)
- Technical Joint Work Group on PSH, funding and operations quandaries – 4-8 months (State legislative influence)
- Support HOME/HUD funded projects – 2022, 2023 HUD Action plans + ARP funds
- Growth Plan, Comp plan, LDC update (Housing topics feeds in all these plans) (3-5 years)
- National consultant (less than a dozen nation wide experts)

City Focused Housing Analysis

Shelter strategic
planning/ COC
Collaboration

CNP Redevelopment
Authority

4% LIHTC/ HUD
HOME

Regional Housing

PSH operations
& finance

Housing Strategic Plan

Housing Policy Framework

Emergency Crisis Response

Ambulance, shelters, emergency management, Native Inc, Hospitals, HUD,

Concerns:

Discharge into homelessness
Capacity & staffing
Coordination
First response
Behavioral health, triage

Housing Assistance & Landlord Tenant Support

PPiH, BSI, CoC, Human Service Zones, United Way, FHRA, Re-housing

Concerns:

Support service for tenant
No service outreach
Knowing who to call
Service strategy
SEHS, CASS, etc.

Accessible Housing for Workforce – Middle income

Chamber, EcDev, COG, HBA, CCLT, Habitat

Concerns:

Data
Subsidy gaps
Coordinated jurisdictional strategy
Regulations

Planning Department Staff Update

January – May 2022

Core Neighborhoods Plan –See Attachment

- For plan implementation year 1, the City Planning Department is focusing efforts to potentially operationalize the Housing Reinvestment program. The first phase includes understanding capacity for a joint public-private operation for the intervention of 200+ homes over 10 years. Small focus groups and community outreach has begun with the goal of having a capacity analysis overview provided to the City Commission by Fall 2022. As part of this month's visit by the consultants there are discussions about duplicated efforts or efficiency in operations amongst other city programs. Look forward to additional gap analysis
- The City of Fargo is also further exploring resource needs and organizational needs for code enforcement operations to strengthen code enforcement efforts.

Housing & Urban Development (HUD) Programs - See Attachment

- The City of Fargo has prepared its [2022 Annual Action Plan](#), [Analysis of Impediments to Fair Housing](#), and amendments to the 2021 Annual Action Plan for review (see links). The public comment period ran through March 31 to April 29 and was approved by the City Commission on May 2. For more information, view the full public notice that was published in The Forum newspaper on March 30, 2022. Staff are also currently drafting the City's HOME-American Rescue Plan (ARP) program allocation plan for homeless assistance allocation plan, which will be available for the public soon.
- This year marks our efforts to continue focus on housing and homelessness and neighborhood improvements through: 1) Downtown Engagement Center Operations 2) Madison Bike Trail/sidewalks 3) One new apartment projects, and two-three single family.

Housing – See Attachment

- Metro Housing Needs Assessment - The City of Fargo Planning Department partnered with FM Metro COG and 4 other local governments to issue and award a metro wide housing study. The selected consultant is HR&A. This study will focus on market influences and

demographic gaps for the entire metro, focusing on policy and financial gaps. See attached power point from consultant's proposal presented to the selection committee.

- There are several overlapping discussions related to housing as community partners and staff work resolving gaps. See attached framework. This work is primarily focused on navigation so that people can obtain housing and receive the support needed. It does not focus on the rising increase in market rate housing and workforce housing topics which is also a primary focus of our community partner agencies, such as the Chamber of Commerce. In March, staff presented an overview of the continuum of housing to the City Commission and the current role of the City of Fargo.

Social Service Funds

- Since 2020 the City's social service funds regranting program has pivoted. In 2020 the City deferred to pandemic relief complimentary to the Red River Task Force for pandemic relief as an effort to keep continuity of operations. In 2021, the City partnered with FM Area Foundation for granting distribution. In 2022, between the City's Social Service Funds and ARPA relief funds, the City intends to partner with FM Area Foundation and United Way. This partnership minimizes duplicated efforts, simplifies processes on behalf of the applicant, and aligns with the City's accounting practices.

Community Development Committee Update

- In March the housing ad-hoc committee with their commitment to affordable housing sought a discussion on mission, vision and by-laws. Before embarking on this, staff thought a brief summary of the history of the Community Development Committee would be helpful. The Community Development Committee was established by City Commission action on December 1, 1997. As part of the resolution, the following was stated

"The purpose of the Committee is to oversee the development of City policy and provide direction to the City Commission regarding development in the City of Fargo. This is to include long range planning for housing, commercial/industrial development and neighborhood redevelopment, evaluating the impact of current economic incentives, as well as directing the use of Community Development budget grant funds in the achievement of that plan. Activities may include oversight of the downtown area plan and implementation of the LDC. This committee will work in conjunction with the Planning Commission and the Tax Exempt Review Committee and report findings and recommendations to the City Commission.



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- Historically the CD Committee gave guidance on HUD projects and CDBG projects. It also gave guidance to social service fund distributions. Those programs have both been altered significantly over the years and with an effort of efficiency redistributed authority to different entities due to the nature of those funds.