

FARGO CITY COMMISSION AGENDA  
Monday, March 8, 2010 - 5:00 P.M.

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- A. Pledge of Allegiance.
- B. Roll Call.
- C. Approve Order of Agenda.
- D. Minutes (Regular Meeting, February 22, 2010).

\*\*\* Consent Agenda - Approve the Following \*\*\*

- a. 2nd reading, waive reading and final adoption of an Ordinance Rezoning Certain Parcels of Land Lying in Veterans Park First Addition.
- b. Updates to the February 2010 City of Fargo Communication Policy.
- c. Request from the St. Patrick's Day Parade Committee to hang banners in the skyway from March 9th to March 15th to promote the St. Patrick's Day Parade.
- d. Application submittal for Round 2 of the Broadband Stimulus Grant Program.
- e. Health Department budget adjustment in the amount of \$3,943.00 and contract with the North Dakota Department of Health for the Baby and Me Program (Contract #G09-667).
- f. ND Department of Transportation grant funding for traffic safety equipment (CFDA #20.600).
- g. Applications for five-year property tax exemptions for improvements made to buildings:
  - (1) Mark Armstrong, 1230 2nd Street North.
  - (2) DJ and Claudia Meberg, 2849 2nd Street North.
  - (3) Theta and Wade Miller, 1349 7th Street South.
  - (4) Mark and Kaarin Lindquist, 816 2nd Street North.
  - (5) Helen (Zeng) Bjornstad, 1618 8th Street North.
  - (6) Roger and Charlotte Burnside, 1622 4th Street North.
- h. Applications for Games of Chance:
  - (1) Rosewood on Broadway for a raffle on 4/30/10.
  - (2) National Guard Association of North Dakota for a raffle on 3/13/10.
  - (3) North Dakota Bowhunters Assoc. for a raffle on 3/27/10.
  - (4) Metro Area Mayor's Committee for a raffle on 4/15/10.
- i. Change Order No. 8 for an increase of \$1,671.00 for the US Bank Demolition Project.
- j. Change Orders for the Skyway Reconstruction Project: No. 1 for an increase of \$6.00; No. 2 for an increase of \$6,362.00; No. 3 for an increase of \$13,730.00; No. 4 for an increase of \$3,326.00; No. 5 for an increase of \$3,823.00 and No. 6 for a decrease of \$4,526.00.
- k. Request for Proposals for emergency contract assistance in connection with flood activities.

Page 2 Rental contracts for emergency flood pumps and skid steer loaders.

- m. Wind turbine interconnection study by Minnkota Power Cooperative in the amount of \$20,000.
- n. 25th Street South Corridor Study.
- o. Contract with TKDA for Project No. 5683-06.
- p. Contract awards for consulting services to Houston Engineering, Inc. for Improvement District Nos. 5681-02 and 5925-01 and to KLJ for Improvement District No. 5908-03.
- q. City Share of Special Improvements funding in the amount of \$54,108 for BNSF Quiet Zone Maintenance for 2008 and 2009.
- r. Engineering Services Contract amendment in the amount of \$33,200 for Project No. 5246-02.
- s. Task Order with AE2S in the amount of \$835,130 for final design and bidding services related to the new GSR #1 and pump station.
- t. Change Order No. 6 for an increase of \$100,933 for Project No. 5726.
- u. Change Order No. 4, Part A for an increase of \$10,669.76 for Project No. 5729.
- v. Change Order No. 9 for an increase of \$15,354.52 for Project No. 5798.
- w. Change Order No. 2 for an increase of \$23,381.30 for Project No. 5799.
- x. Advertisement for bids for Project Nos. 5921 and 5927.
- y. Contract and bond for the lighting upgrade project at the Island Park Parking Ramp.
- z. Bills.
- aa. Bid awards for Improvement District Nos. 5640 and 5907.
- bb. Concurrence with the NDDOT on bid award for Improvement District No. 5700, Phase 4.

\*\*\* Regular Agenda \*\*\*

- 1. Workforce Safety and Insurance presentation for successful completion of the 2009 Safety Outreach Program.
- 2. Consider Payment in Lieu of Taxes policy to encourage new housing in the University Mixed Use zoning districts.
- 3. Public Hearings - 5:15 p.m.:
  - a. 2010 Community Development Action Plan and 2010-2014 Consolidated Plan for Housing and Community Development.
- 4. Flood update.

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People with disabilities who plan to attend the meeting and need special accommodations should contact the Commission Office at 241-1310 or TDD 241-8258. 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 Web site at [www.cityoffargo.com/commission](http://www.cityoffargo.com/commission)



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**MEMORANDUM**

**TO: BOARD OF CITY COMMISSIONERS**

**FROM: PLANNING DIRECTOR JIM GILMOUR** 

**DATE: MARCH 3, 2010**

**SUBJECT: PILOT POLICY FOR UNIVERSITY MIXED USE ZONING**

The Planning and Development Department has been working with the Tax Exempt Review Committee on a new policy to allow the use of the Payment in Lieu of Taxes (PILOT) program to encourage redevelopment in the University Mixed Use zoning district. The new policy would provide property tax incentives for new housing, similar to what has been provided downtown.

The proposed policy would provide property tax exemptions to new housing developments for up to a 10 year period in the University Mixed Use zoning district near NDSU. There are limits on the amount of assistance that are similar to the Tax Increment Financing policy. The PILOT incentive makes more areas eligible for assistance because the program is not limited to blighted areas.

A copy of the proposed policy is attached for your consideration. The Tax Exempt Review Committee has reviewed the policy and recommends approval.

**RECOMMENDED MOTION:** Adopt a Payment in Lieu of Taxes policy to encourage new housing in the University Mixed Use zoning district.

Attachment



City of Fargo

North Dakota

Payment in Lieu of Taxes Policy

University Mixed Use Zoning District

Adopted: 03/08?/ 2010

## I. POLICY PURPOSE

For the purposes of this document, the term "City" shall include the Fargo City Commission.

The purpose of this policy is to establish the City of Fargo's position relating to the use of Payment in Lieu of Taxes (PILOT) for private development above and beyond the requirements and limitations set forth by State Law. This policy shall be used as a guide in the processing and review of applications requesting Payment in Lieu of Taxes. The fundamental purpose is to encourage desirable development or redevelopment that would not otherwise occur but for the assistance.

The City of Fargo is granted the power to utilize PILOT by the TAX EXEMPTIONS FOR NEW AND EXPANDING BUSINESSES, as amended. It is the intent of the City to provide the minimum amount of tax exemptions at the shortest term required for the project to proceed. The City reserves the right to approve or reject projects on a case by case basis, taking into consideration established policies, project criteria, and demand on city services in relation to the potential benefits from the project. Meeting policy criteria does not guarantee the award of PILOT to the project. Approval or denial of one project is not intended to set precedent for approval or denial of another project.

## II. OBJECTIVES OF PILOT program in the University Mixed Use Zone

As a matter of adopted policy, the City will consider using PILOT to assist private development projects to achieve one or more of the following objectives:

- To create opportunities for affordable housing.
- To encourage additional unsubsidized private development in the area, either directly or indirectly through "spin off" development.
- To assist developers enough to achieve development on sites which would not otherwise be developed without PILOT assistance.
- To remove blight and/or encourage the development of new housing that is of high quality and provides housing in close proximity to North Dakota State University.
- To offset increased costs of redevelopment (i.e. contaminated site cleanup, infrastructure needs, and higher land costs) over and above the costs normally incurred in development.
- To contribute to the implementation of other public policies, as adopted by the City from time to time, such as the promotion of quality urban or architectural design, energy conservation, and decreasing capital and/or operating costs of local government.

### III. POLICIES FOR THE USE OF PILOT - University Area Housing

#### Policy #1

The property must be zoned University Mixed Use.

#### Policy #2

The maximum PILOT incentive will be a 100% exemption for the first 5 years, and a 50% exemption for an additional 5 years, applied to the increased value of a redevelopment project. This will maintain the base value of the project for the taxing districts.

#### Policy #3

To the extent required by state, federal or local law or regulations, a relocation plan should be provided by the developer. Relocation payments to tenants of businesses or residential uses must be made. These relocation payments should follow state/federal guidelines, as applicable, for assistance (E.g. NDCC Ch. 54-01.1 and USC).

#### Policy #4

The amount or value of the PILOT tax exemption will be limited to the extraordinary costs of development, and the extraordinary costs are limited to following costs. The amount of the assistance is defined as the estimated present value of the future PILOT tax exemptions, which would include an allowance for interest.

1. The costs of land acquisition, subject to the limits outlined in Policy #5.
2. Relocation of existing tenants.
3. The costs of demolition, including the removal of building foundations, parking lots, and the removal and replacement of unsuitable soil.
4. Public Improvements that are in the public right-of-way such as sidewalks, driveway approaches, lighting, and connections to the water, sanitary sewer, and storm water systems.
5. On site storm water retention including the cost of excavation, underground storm water lines, or underground storage facilities. It does not include water collection systems such as parking lots, sidewalks, or curb/gutters.
6. Architectural and engineering costs are limited to those necessary services to implement other activities allowed by this policy. Developer fees and legal costs are not permitted.
7. The required city fees and the estimated costs of interest from the time the costs are paid by the developer and the next February 15 date after property tax statements are mailed.

#### Policy #5

Land acquisition assistance should not encourage the acquisition of land at excessive prices, the assistance should not be the primary extraordinary costs, and the assistance should not reduce the cost below the base value of the land. Therefore, Land acquisition costs are limited to the lowest of the following amounts.

1. The total acquisition cost allowed by the PILOT program may not be more than 150% of the assessor's market value for the property for property tax purposes.
2. The amount of land acquisition costs allowed for by the PILOT program may not exceed 50% of the total PILOT assistance. This restricts total PILOT assistance for land to 50% of the total costs that may be eligible in Policy #4.
3. The cost of land acquisition allowed for by the PILOT program must be less than the difference between the actual purchase price paid by the developer and the assessor's market value for the land (as opposed to land and buildings).

#### Policy #6

The estimated value of the PILOT assistance should be limited to a percentage up to 15% of hard capital costs of development including the costs of acquisition. In other words, the tax exemption assistance will be equal to or less than 15% of hard construction costs plus the land acquisition costs, excluding the costs of professional fees, developer fees, furniture and fixtures, interest, profit, and other soft costs. In addition, Developer must provide at least 10% of total capital costs as Developer's equity in the project.

#### Policy #7

PILOT assistance for UMU projects should not be viewed by the developer as an entitlement. When undertaking any PILOT project the due diligence procedures in determining the feasibility and level of public assistance must be reviewed by the City's financial consultant in conjunction with the City's staff. The financial consultant must use accepted public financing procedures in determining project feasibility and levels of public assistance. Particularly when public assistance includes substantial reimbursement to the developer of costs of acquisition or land write-down amounts, review of the level of public assistance may include an estimate of the return on investment anticipated by the project and analysis as to whether the expected return on investment, including the public assistance, is within reason.

#### Policy #8

When undertaking a PILOT project a non-refundable administrative fee equal to 5% of the total value of the estimated tax exemption must be paid by the developer after final approval by the City Commission and prior to the final approval of the development agreement. These fees are to reimburse the City for costs expended by staff and consultants to determine the feasibility, level of public assistance and the preliminary costs of project development by the City. Other City costs such as engineering, bond carrying costs, and annual special assessment administration will be in addition to this administrative fee if

warranted. To the extent that PILOT assistance exceeds \$2 million or more, the administrative fee on said excess may be negotiated to a sum less than 5%, as may be appropriate. A non-refundable deposit of \$5,000 shall be paid to the City along with an initial application for a PILOT project. The City, upon approval of the Finance Committee, may require additional sums to be deposited, from time to time, to defray such costs initially borne by the City. The \$5,000 deposit and any other additional sums paid to the City may be offset against and accredited toward 5% administrative fee.

#### Policy #9

Applications for PILOT Assistance are to be submitted to the Department of Planning and Development and the City Assessor. The application must include a description of the project and an estimate of the level of assistance needed to proceed with the project. The application will be reviewed by the appropriate Committee and the City Commission to determine if city staff, city financial advisors, and city attorney should proceed with a review of the project pro-forma, and draft of a developer's agreement.

#### Policy #10

The development should be compatible with long term City redevelopment plans, and create a high quality development that will have a positive impact on the tax base and the surrounding area. The developers' agreement should include design standards to insure that the development will be compatible with the long term plans for the area.

#### Policy #11

Interest rates allowed to be recouped as eligible costs shall be one percent (1%) over the municipal bond indexed rate for taxable municipal bonds or over such indexed rate for tax-exempt municipal bonds, as appropriate, as identified by the City Finance Director, with consultation with the City's financial advisor as may be needed.

### IV. PROJECT QUALIFICATIONS

All University Mixed Use Zoning PILOT projects considered by the City of Fargo must meet each of the following requirements:

- a. To be eligible, a project shall result in a minimum increase of \$1 million in property valuation, or, if not, the developer shall establish that other goals and objectives of the project warrant approval.
- b. The project shall meet at least one of the objectives set forth in Section II and satisfy all the provisions set forth in Section III of this document.
- c. The developer shall demonstrate that the project is not financially feasible but for the use of the PILOT program. The projected internal rate of return as determined by the City's financial advisor based upon information provided by developer must be no more than a percentage that provides a reasonable rate of return of a particular project.
- d. The project must be consistent with the City's Comprehensive Plan, Land Use Plan, and Zoning Ordinances.

## V. APPLICATION PROCESS

1. Applicant submits letter requesting PILOT support for a project. The letter shall describe the project and shall be submitted to the City Commission for preliminary review and direction authorizing the staff to move forward with the application process.
2. Applicant submits the completed application along with all application fees. (See Policy #8 - \$5,000 non-refundable deposit.)
3. City staff reviews the application and completes the Application Review Worksheet. The application and supporting documentation will be submitted to the City's financial advisor for due diligence consideration. At least three (3) weeks should be allowed for due diligence review and consideration [upon submittal of a complete and approved application.]

A. As part of the application review, the Director of Planning and Development shall be authorized to inquire as to the character, reputation, fitness of the applicant to engage in the project and to bear the responsibilities entailed therein and any other pertinent information. Such inquiry may include background checks on the applicant and principles of the applicant, as the case may be.

B. With respect to certain proprietary, commercial and financial information that is submitted as part of the application and review process, said information may be exempt from the North Dakota Open Records law, Chapter 44-04, N.D.C.C., and to the extent that N.D.C.C. §44-04-18.4 allows, it is the City's intention to maintain confidentiality of such information when requested by the applicant. Section 44-04-18.4, N.D.C.C., provides:

"Confidentiality of trade secret, proprietary, commercial, and financial information.

1. Trade secret, proprietary, commercial, and financial information is confidential if it is of a privileged nature and it has not been previously publicly disclosed.

2. "Trade secret" includes:

- a. A computer software program and components of a computer software program which are subject to a copyright or a patent, and any formula, pattern, compilation, program, device, method, technique, or process supplied to any state agency, institution, department, or board which is the subject of efforts by the supplying person or organization to maintain its secrecy and that may derive independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons or organizations that might obtain economic value from its disclosure or use; and

- b. A discovery or innovation which is subject to a patent or a copyright, and any formula, pattern, compilation, program, device, method, technique, or process supplied to or prepared by any public entity which is the subject of efforts by the supplying or preparing entity,

person, business, or industry to maintain its secrecy and that may derive independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, any person who might obtain economic value from its disclosure or use.

3. "Proprietary information" includes information received from a sponsor of research conducted by a public entity, as well as any discovery or innovation generated by that research, technical, financial, and marketing information and other documents related to the commercialization, and any other discovery or innovation produced by the public entity which an employee or the entity intends to commercialize.

4. This section does not limit or otherwise affect a record pertaining to any rule of the State Department of Health or to any record pertaining to the application for a permit or license necessary to do business or to expand business operations within this state, except as otherwise provided by law.

5. Unless made confidential under subsection 1, the following economic development records and information are exempt:

a. Records and information pertaining to a prospective location of a business or industry, including the identity, nature, and location of the business or industry, when no previous public disclosure has been made by the business or industry of the interest or intent of the business or industry to locate in, relocate within, or expand within this state. This exemption does not include records pertaining to the application for permits or licenses necessary to do business or to expand business operations within this state, except as otherwise provided by law.

b. Trade secrets and commercial or financial information received from a person, business, or industry that is interested in or is applying for or receiving financing or technical assistance, or other forms of business assistance.

6. Unless made confidential under subsection 1 or made exempt under subsection 5, bids or proposals received by a public entity in response to a request for proposals by the public entity are exempt until such time all of the proposals have been received and opened by the public entity or until such time that all oral presentations regarding the proposals, if any, have been heard by the public entity. Records included with any bid or proposal naming and generally describing the entity submitting the proposal shall be open."

In advance of the submission to the City of such confidential records or information, the City and Applicant will make appropriate arrangements for the handling of such information and records to protect the confidentiality thereof.

4. Results of the Worksheet are submitted to the appropriate Finance Committee for its recommendation and City Commission for preliminary approval of the proposal.

5. If preliminary approval is granted, the renewal plan or development plan, as the case may be, along with all necessary notices, resolutions and certificates are prepared by City staff and/or consultants.
6. Notices are published as required.
7. Public hearing(s) on the proposed project, as may be required by law, are held.
8. The City Commission grants final approval or denial of the proposal.



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MEMORANDUM

3a

**DATE:** March 4, 2010  
**TO:** City Commission  
**FROM:** Dan Mahli, Senior Planner, Community Development  
**RE:** 2010-2014 Consolidated Plan for Housing and Community Development & 2010 Community Development Action Plan

The City's Department of Planning and Development annually receives federal funding through the U.S. Department of Housing and Urban Development. As a requirement to receive the funding, the City is expected to develop a Consolidated Plan and articulate community development goals for the next 5 years.

The Community Development Committee is recommending approval of the 5-Year Consolidated Plan for Housing and Community Development and 2010 Action Plan. I have attached both the 2010-2014 Consolidated Plan and the 2010 Action Plan for your review. The Action Plan constitutes the City's application for fiscal year 2010 CDBG and HOME funds. The proposed 2010 budget includes \$784,237 in CDBG funds and \$610,000 in HOME funds.

The Department of Planning and Development prepared the Plan under the guidance of the Community Development Committee. Public participation was part of the planning process. The input received helped identify needs, gaps in service, and develop priorities for allocation of the federal funds. The Plan contains recommendations in six priority areas: 1) Affordable Housing and Homeownership; Create and maintain affordable housing options and increase homeownership in the City of Fargo, 2) Homelessness; Participate in collaborative efforts to reduce and prevent homelessness in the community, 3) Neighborhoods; Make sure that all Fargo neighborhoods are neighborhoods of choice, 4) Fair Housing and Diversity; Promote the principals of fair housing and acceptance of diversity, 5) Poverty Reduction; Reduce poverty by supporting efforts to increase the self sufficiency and self determination of low and moderate income households and individuals in the community, and 6) Administration; Administer the Community Development program to meet community needs and federal grant requirements.

Upon approval by the City Commission, the plans will be forwarded to the Department of Housing and Urban Development for final review and approval.

**Recommended Action.** Approve the 2010-2014 Consolidated Plan for Housing and Community Development and the 2010 Community Development Action Plan.



**City of Fargo, North Dakota**  
**CONSOLIDATED PLAN**  
**Housing and Community Development**

Strategic Plan for years 2010-2014

Presented to  
U.S. Department of Housing and Urban Development  
Denver Office of Community Planning and Development

*Original*  
*(add date submitted to HUD)*

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## Executive Summary

The Fargo Consolidated Plan for Housing and Community Development examines the demographic and economic status of the community, evaluates the housing market, and then examines needs that exist in the homeless, special needs, housing and community development issue areas. Finally, the plan outlines a series of recommended goals and strategies for addressing the identified priority needs.

The City of Fargo Community Development Division annually receives federal funds through the U.S. Department of Housing and Urban Development (HUD). The CD Division is required to develop a 5-Year Consolidated Plan to articulate the community development goals for the next 5 years to receive the funding. This document also includes the 2010 Community Development Action Plan, which is the first of five action plans that comprise the implementation portion of this document.

This Consolidated Plan addresses strategies for the period of time from May 1, 2010 to April 30, 2015. Needs in the areas of Housing, Homelessness and non-housing related community development were identified through a needs assessment process. The City anticipates that the following Federal grants will be received:

### **Formula Grants**

Community Development Block Grant (CDBG)  
HOME Investment Partnership Program (HOME)

In addition to these funds, the City of Fargo will administer State and local funds, Neighborhood Stabilization Program and Emergency Shelter Grant funds, as well as Federal stimulus money which will include the following funds: Department of Energy block Grant (EECBG), Community Development Block Grant (CDBG-R), and Homeless Prevention and Rapid Re-Housing Program (HPRP).

The funds will be used to meet the goals and objectives established and approved by the City's Community Development Committee and the Fargo City Commission. The goals and objectives have been developed in consultation with citizens, housing and service agencies, businesses, schools and other funding partners to provide decent housing, a suitable living environment and economic opportunities for low to moderate income households.

The City's Community Development Division will pursue these goals and objectives by working with the non-profit community, neighborhood groups, associated businesses, stakeholders, other local government entities, residents and community development partners. The CD Division will also work closely with other City departments to jointly plan, implement and evaluate the community development program's core activities.

The City of Fargo will strive to meet the attached goals and objectives over the next 5 years. The goals are based on assumptions about future funding levels for the Consolidated Plan programs. Because these funding sources are subject to annual Congressional appropriations, as well as potential changes in funding distribution formulas, the accomplishment projections and planned activities are subject to change with availability of funding.

## Findings

An examination of community characteristics (relative to other Midwestern communities) and the findings outlined in the City's Needs Assessment helped identify priority needs that should be addressed with community development funds.

- **Homeownership rates** in Fargo are low. The City is likely to have a low homeownership rate relative to the state and national rates because of some of the characteristics of the population (high percent of student and elderly households, small household size) but the fact remains that the rate could be increased. Efforts to encourage minority homeownership and homeownership for low income households (50-80% of median income) are key initiatives. Additionally, working to ensure a variety of homeownership options throughout the community will encourage increases in homeownership across all income and age groups.
- Relatively speaking, housing in Fargo is **affordable**. Rents in Fargo have not increased, in real dollars since 1970 and incomes appear to be rising faster than housing costs. However, certain segments of the population do face significant affordability issues. Most rental households earning less than 30 percent of area median income face a severe cost burden. And for homeownership to remain within reach for households earning less than 120 percent of area median income, additional new construction of affordable owner occupied housing is needed.
- **Homelessness** is an issue that has a different scale in North Dakota and in the City of Fargo than it does in larger, more urbanized, areas. The most recent survey of homelessness in Fargo counted 352 homeless persons, 16 percent of whom could be considered chronically homeless. Even though Fargo is home to approximately 15 percent of the state's population, it is home to more than one-third of the state's homeless population. The City has a good emergency shelter system, some transitional housing and a permanent supportive housing development under construction, however, continuing the work to address crisis housing situations and to provide a robust continuum of housing options will allow people to move from homelessness to housing stability.
- Fargo is becoming a more **diverse community**. Immigrants come from two distinct groups – a highly educated and relatively affluent group associated with the metro area's universities and medical institutions, and a relatively disadvantaged group of refugees that have been resettled to the United States to avoid persecution in their native lands. In addition, Native Americans exhibit the most need (as measured by poverty, education levels, homeownership). Community systems and residents must continue to adjust to accommodate this diversity of language, culture, and need.
- A **neighborhood's physical and social infrastructure** combine to show the strength and long term viability of a place. Continued investment in the physical infrastructure of the City's neighborhoods (housing, streets, utilities, neighborhood facilities, parks and open space) and aggressive elimination of blight will encourage vitality in older and more fragile neighborhoods. In addition, investing in social infrastructure may be just as important. Social infrastructure involves leadership development and support for the activities of grass roots organizations (ex. neighborhood groups, ethnic communities).
- Efforts to **reduce poverty levels** by increasing earning power and family self sufficiency have a major impact on community and individual well being. HUD's definition of "extremely low income" (less than 30 percent of area median income) is roughly equal to the federal poverty level. All of the data included in this report shows that extremely low income households face the most extreme cost burdens and overall life challenges. They are unlikely to own a home and as such, are unlikely to be accumulating wealth in the form of a housing asset. Their lack of personal financial resources increases the difficulty associated with meeting basic food and shelter needs, as well as transportation and child care needs. In general, this group of people is living in a precarious situation. Efforts to support stability for extremely low income/poverty households are important because this is the group in greatest need.

### **Housing Needs**

- Significant rehab needs in public housing must be addressed to maintain the community's inventory of subsidized units
- Affordability concerns for households earning less than 30 percent of the area median income. The majority of this group rents so rental affordability is key. Also, elderly households earning less than 30% of median income exhibit significant cost burden at high rates
- Homeownership rate is low, with disproportionately low rates of minority homeownership
- Owner occupied housing costs are rising for all income ranges
- Age-based projections through 2020 show younger population decreasing, with a large increase in senior, middle-aged, empty-nester households, which means shifting housing demand with a strong future bias toward home ownership
- Education on fair housing issues
- Construction of new subsidized units (i.e., LIHTC) should target extremely low income households (less than 30 percent median income) as well as families with children and seniors

### **Homeless Needs**

- Develop additional permanent supportive housing to effectively transition people out of homelessness
- Find housing options for hard to house populations (bad credit, criminal background, behavioral issues, et al)
- Ensure culturally appropriate housing and support service solutions to maximize successful reduction in homelessness, particularly for the American Indian population which makes up a disproportionate share of the community's homeless
- Provide support to extremely low income households (<30 percent area median income) because they are the most precariously housed non-homeless
- Support efforts of the Continuum of Care and State agencies to bolster discharge planning practices to prevent newly discharged individuals from becoming homeless
- Increase public awareness of homelessness and the needs of this population

### **Non-Housing Community Development Needs**

- Self sufficiency enhancement, particularly for extremely low income households (English language education, transportation, job skills, entrepreneurship, microenterprise support)
- Leadership development within local ethnic communities (i.e., Native and New Americans) to facilitate self determined activity and successful integration into the community fabric
- Neighborhood based youth/family facilities in low income and/or "fragile" neighborhoods
- Elimination of deteriorated property and blighted conditions in both residential neighborhoods and the central business district

### **2010-2014 Community Development Goals**

To address the priority needs identified in the City's 5 Year Consolidated Plan for Housing and Community Development, Fargo has identified the following six goals. Specific objectives are provided to further define each of these goals.

#### **1. Affordable Housing and Homeownership**

Create and maintain affordable housing options and increase homeownership in the City of Fargo

- Rehabilitate older owner occupied housing
- Work with local partners to create new housing and rehabilitate existing affordable housing throughout the community, including the preservation of the existing subsidized housing
- Assist low income homeowners with infrastructure assessments to help maintain the affordability of homeownership
- Increase public awareness of affordability concerns and the needs of at-risk populations
- Provide opportunities for housing education to potential and recent homeowners and tenants
- Provide downpayment assistance to low/moderate income homebuyers
- Increase homeownership rates for minorities

#### **2. Homelessness**

Participate in collaborative efforts to reduce and prevent homelessness in the community

- Work to end chronic homelessness through Fargo's 10 Year Plan
- Provide a continuum of housing options for Fargo's homeless populations and encourage the development of supportive housing partnerships

#### **3. Neighborhoods**

Make sure that all Fargo neighborhoods are neighborhoods of choice

- Eliminate blighted conditions from the downtown business district and Fargo's central residential neighborhoods
- Foster the establishment of strong neighborhoods through the implementation of neighborhood revitalization efforts

#### **4. Fair Housing and Diversity**

Promote the principles of fair housing and acceptance of diversity

- Provide education on fair housing issues

#### **5. Poverty Reduction**

Reduce poverty by supporting efforts to increase the self sufficiency/self determination of low and moderate income households and individuals in the community

- 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, driving skills, pre-GED, community gardening, leadership training)
- Support metropolitan efforts to address the transportation and other barriers to work that affect low income individuals (i.e., child care, education, etc)

#### **6. Administration**

Administer the Community Development program to meet community needs and Federal grant requirements

- Overall Community Development program administration

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The City will measure its performance both by tracking specific program outcomes and by evaluating overall community impact.

**2010-2014 Consolidated Plan  
Total Anticipated Allocation**

	<b>CDBG</b>	<b>% of CDBG</b>	<b>HOME</b>	<b>% of HOME</b>	<b>TOTAL</b>	<b>% of Total</b>
<b>CDBG = \$3.78M over 5 years/\$756,000 annually</b>						
<b>HOME = \$3.58M over 5 years/\$716,000 annually</b>						
<b>TOTAL = \$7.35M over 5 years/\$1.47M annually</b>						
1. Affordable Housing	\$550,000	14.6%	\$2,300,000	64.3%	\$2,850,000	38.8%
2. Homeownership	\$175,000	4.6%	\$775,000	21.7%	\$950,000	12.9%
3. Homelessness	\$400,000	10.6%	\$150,000	4.2%	\$550,000	7.5%
4. Neighborhoods	\$1,500,000	39.7%	\$0	0.0%	\$1,500,000	20.4%
5. Fair Housing	\$2,500	0.1%	\$0	0.0%	\$2,500	0.0%
6. Poverty Reduction	\$400,000	10.6%	\$0	0.0%	\$400,000	5.4%
Administration	\$750,000	19.9%	\$350,000	9.8%	\$1,100,000	15.0%
<b>Total</b>	<b>\$3,777,500</b>		<b>\$3,575,000</b>		<b>\$7,352,500</b>	

**2010-2014 Consolidated Plan  
Goals, Objectives and Outcomes**

<b>Objectives</b>	<b>Outcomes</b>	<b>Estimated Funding, Source and Amount</b>
<b>Affordable Housing and Homeownership.</b> Create and maintain affordable housing options and increase homeownership in the City of Fargo		
• Rehabilitate older owner occupied housing	75 households	HOME = \$1.5M CDBG = \$250K
• Work with local partners to create new and rehabilitate affordable housing throughout the community, including the preservation of the existing subsidized housing	350 units	HOME = \$800K CDBG = \$200K
• Assist low income homeowners with infrastructure assessments to help maintain the affordability of homeownership	250 households	CDBG = 100K
• Increase public awareness of affordability concerns and the needs of at-risk populations	No measure	
• Provide opportunities for housing education to potential and recent homeowners and tenants	1,800 people	CDBG = \$175K HOME = \$25K
• Provide downpayment assistance to low/moderate income homebuyers	140 households	HOME = \$700K
• Increase homeownership rates for minorities	20 households	HOME = 100K

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<b>Homelessness.</b> Participate in collaborative efforts to reduce and prevent homelessness in the community		
• Work to end chronic homelessness through Fargo's 10 Year Plan	225 individuals	CDBG = \$400K
• Provide a continuum of housing options for Fargo's homeless populations and encourage the development of supportive housing partnerships	30 households	HOME = \$150K
<b>Neighborhoods.</b> Make sure that all Fargo neighborhoods are neighborhoods of choice		
• Eliminate blighted conditions from the downtown business district and Fargo's central residential neighborhoods	15 projects	CDBG = \$1M
• Foster the establishment of strong neighborhoods through the implementation of neighborhood revitalization efforts	8 neighborhoods 32,000 households	CDBG = \$500K
<b>Fair Housing and Diversity.</b> Promote the principles of fair housing and acceptance of diversity		
• Provide education on fair housing issues	400 individuals	CDBG = \$2,500
<b>Poverty Reduction.</b> Reduce poverty by supporting efforts to increase the self sufficiency/self determination of low and moderate income households and individuals in the community		
• 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, leadership training)	50,000 individuals	CDBG = 350K
• Support metropolitan efforts to address the transportation and other barriers to work that affect low income individuals (i.e., child care, education, etc)	1,500 individuals	CDBG = \$50K
<b>Administration.</b> Administer the Community Development program to meet community needs and Federal grant requirements		
• Overall Community Development program administration		CDBG = \$700K HOME = \$350K

## History of Municipal Response to Housing and Community Development Needs

The City of Fargo has been using federal funds to serve the needs of the community's low and moderate income persons and neighborhoods since the CDBG program was created in 1974. The City's commitment is to make sure that Fargo is a good place to live and work for people of all income groups and ethnic backgrounds and to provide all of the City's neighborhoods and residents with a place they are proud to call home.

The following is a summary of the federal funds, and associated program income, received by the City of Fargo from HUD since 2001. It is worthy to note that program income typically accounts for more than 20 percent of the total that is available for investment in the community each year.

### Community Development Funds received 2001-2008

	CDBG	HOME	Program Income	Total
2001	883,000	562,000	133,748	\$1,580,749
2002	866,000	592,000	253,915	\$1,713,917
2003	861,000	704,679	300,134	\$1,867,816
2004	835,000	647,466 <sup>1</sup>	559,143	\$2,043,613
2005	789,140	568,640 <sup>2</sup>	405,080	\$1,764,865
2006	706,516	568,698 <sup>3</sup>	572,124	\$1,849,344
2007	702,016	564,764 <sup>4</sup>	252,535	\$1,521,322
2008	674,718	526,625 <sup>5</sup>	132,605	\$1,335,956
2009	685,629	571,340	95,409	\$1,525,546
	183,168	(CDBG-R)		

<sup>1</sup> This includes an ADDI allocation of \$55,625, received directly from HUD.

<sup>2</sup> This includes an ADDI allocation of \$45,000 received from the State of North Dakota.

<sup>3</sup> This includes an ADDI allocation of \$33,695 received from the State of North Dakota.

<sup>4</sup> This includes an ADDI allocation of \$33,695 received from the State of North Dakota.

<sup>5</sup> This includes an ADDI allocation of \$13,735 received from the State of North Dakota.

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The 2005-2009 Consolidated Plan outlined six areas of emphasis for community development activity. The City focused its energy in these six areas, with the bulk of resources going to housing and housing-related activities. The second highest category of expenditure focused on the elimination of conditions of slum and blight in Fargo's downtown area. Table 2 breaks down the level of expenditure by goal for the five year period covered by the last Consolidated Plan.

<b>Expenditure of Funds as per Consolidated Plan Goals</b>						
<b>Program Years 2005-2008</b>						
	<b>CDBG Funds Spent</b>	<i>% of CDBG funds drawn</i>	<b>HOME Funds Spent</b>	<i>% of HOME funds drawn</i>	<b>TOTAL FUNDS SPENT</b>	<i>% of Total funds drawn</i>
1. Affordable Housing	\$694,725	19.2%	\$2,328,082	67.0%	\$3,022,807	42.6%
2. Homeownership	\$113,132	3.1%	\$888,877	25.6%	\$1,002,009	14.1%
3. Homelessness	\$939,206	26.0%	\$0	0.0%	\$939,206	13.2%
4. Neighborhoods	\$932,680	25.8%	\$0	0.0%	\$932,680	13.2%
5. Fair Housing	\$132,675	3.7%	\$0	0.0%	\$132,675	1.9%
6. Poverty Reduction	\$214,864	5.9%	\$0	0.0%	\$214,864	3.0%
Administration	\$588,911	16.3%	\$258,762	7.4%	\$847,673	12.0%
<b>Total</b>	<b>\$3,615,193</b>		<b>\$3,475,721</b>		<b>\$7,090,914</b>	

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The following table lists the twenty-four objectives that were identified in the 2005-2009 Consolidated Plan and provides a brief summary of the degree of accomplishment for each, along with examples of specific activities undertaken in the pursuit of each objective.

**Summary of Accomplishments as per Consolidated Plan Strategies  
Program Years 2005-2009**

Objectives outlined in 2005-2009 Consolidated Plan	Degree of Accomp.	Example of specific activities
<b>Affordable Housing.</b> Create and maintain affordable housing options for people of all incomes		
1. Support the preservation of the existing subsidized housing stock	H	Housing rehab (owner and rental)
2. Rehabilitate older owner occupied housing	H	Housing rehab (owner and rental)
3. Rehabilitate rental housing in the downtown neighborhood	M	Downtown projects, storefront rehab, rental rehab
4. Rehabilitate rental housing throughout the community	L	Rental rehab, tenant education program
5. Work with local partners to create new affordable housing throughout the community	H	Bluestem Homes, Sunrise Apartments, Cooper House Habitat for Humanity, FM Homebuilders Care projects
6. Assist low income homeowners with infrastructure assessments	H	Special assessment assistance
7. Increase public awareness of affordability concerns and the needs of at-risk populations	L	Minority Homeownership Forum
<b>Homeownership.</b> Increase Homeownership in the City of Fargo		
1. Provide downpayment assistance to low/moderate income homebuyers	H	Downpayment assistance
2. Provide opportunities for education to potential and recent homebuyers	H	Homebuyer education
3. Increase homeownership rates for minorities	L	Minority Homeownership Initiative
4. Target special homeownership incentives to increase rates in designated revitalization areas	H	Neighborhood Revitalization Initiative, housing rehab, lead paint training, distribute materials
<b>Homelessness.</b> Reduce homelessness in the community		
1. Work to end chronic homelessness in Fargo	H	Fargo's 10 Year Plan, Gladys Ray Shelter, Cooper House, YWCA, TBRA, Family Healthcare Center
2. Provide a continuum of housing options for Fargo's homeless populations	M	Fargo Housing and Redevelopment Authority, YWCA's transitional housing units, New Life Center
3. Encourage the development of supportive housing partnerships	H	Cooper House, YWCA, Sister's Path
4. Actively participate in collaborative efforts to address homelessness	H	Fargo's 10 year Plan to End Long-Term Homelessness, Wilder Research Surveys, Continuum of Care

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**Neighborhoods.** Make sure that all Fargo neighborhoods are neighborhoods of choice
 

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|---|---|---|
| 1. Eliminate blighted conditions from the downtown business district            | H | Downtown projects, storefront rehab, rental rehab, accessibility improvements   |
| 2. Eliminate blighted conditions from central Fargo's residential neighborhoods | H | Neighborhood Revitalization Initiative  |
| 3. Foster the establishment of strong neighborhoods                             | M | Neighborhood planning, Jefferson Park West improvement, Neighborhood Resource Center, CHARISM youth center, snow removal assistance |
- 

**Fair Housing and Diversity.** Promote the principles of fair housing and acceptance of diversity
 

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|---|---|--|
| 1. Provide education on fair housing issues   | M | Fair Housing of the Dakotas educational sessions |
| 2. Support efforts to reduce public opposition to group living facilities and other publicly assisted/low income facilities | M |  |
| 3. Provide education on accessible housing  | L |  |
| 4. Support the integration of new immigrants into the community   | M | Minority Homeownership Initiative and forums     |
- 

**Poverty Reduction.** Reduce poverty by supporting efforts to increase the self sufficiency/self determination of extremely low income individuals in the community
 

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- |  |   |   |
|--|---|---|
| 1. Support skill-building and other opportunities designed to improve self sufficiency and personal success (ex. job training, financial literacy, English language, driving skills, pre-GED, leadership training) | H | Skills and Technology project, CHARISM life skills training, Cultural Diversity Resources' multi-ethnic leadership program and Immigrant Development Center's entrepreneurial training, support for the availability of affordable educational child care (Nokomis) |
| 2. Provide micro-loans to encourage entrepreneurship for low income persons  | L |   |
| 3. Support metropolitan efforts to address the transportation and other barriers to work that affect low income individuals (i.e., child care, education, etc)   | M | Metro Transportation Initiative   |

## Understanding Our Community

"Populations are aging – affecting settlement patterns, lifestyle choices, and consumption trends. Diversity is spreading across the map, thanks to the most significant wave of immigration in 100 years. And the nation continues to shift to a knowledge- and service-based economy, placing new demands on education and workforce systems. For cities and their leaders, such changes make understanding the census much more than an academic exercise.

"Information about the residential patterns of poor and working poor families is beginning to shape debates on issues as diverse as federal welfare reform, school equity financing, and suburban job, housing and transportation access. Data on population and economic decentralization are heightening concerns over metropolitan development patterns and their implications for low income workers and neighborhoods. New findings about the changing composition of city populations are affecting local debates over the appropriate mix of housing and city services. In short, to understand the policy context for cities and neighborhoods requires understanding the census."<sup>6</sup>

The following indicators have been selected by the Brookings Institution as being key to understanding community development issues in communities across the country:

*Population*  
*Age*  
*Households and Families*  
*Education*  
*Work*  
*Race, Ethnicity and Immigration*  
*Income and Poverty*  
*Housing*

The analysis that follows includes these indicators and allows for comparison between communities of different sizes and regions. The presentation of this information is intended to give the reader a better sense of where Fargo stands in relation to other communities in the Midwest. It is a preamble to the Needs Assessment which comprises the next section of this document.

Data is based primarily on the 2006-2008 American Community Survey (ACS), and was collected by local community development staff. In some cases, information is based upon 2000 Census data where the ACS either did not contain the pertinent information or had too high a margin-of-error for practical consideration. Also included is data collected by the Brookings Institution in conjunction with the Living Cities Databook Project in 2004 as well as information provided by the North Dakota State Data Center. Comparison communities vary in size and circumstance but still provide interesting context for issues facing communities in the Midwest. The following is a list of target communities upon which the majority of this analysis is based:

City of Fargo, ND  
 Fargo-Moorhead MSA  
 City of Sioux Falls, SD  
 Sioux Falls MSA  
 City of Fort Collins, CO  
 City of Madison, WI  
 City of Duluth, MN  
 Cities of Minneapolis and St. Paul, MN  
 Nation

<sup>6</sup> *Minneapolis St. Paul in Focus: A Profile from Census 2000*. Living Cities: The National Community Development Initiative. Brookings Institution Center on Urban and Metropolitan Policy. (Washington, D.C., 2004), 2.

## Population

Population growth does not by itself define a city's health. Nevertheless, the fact that people "vote with their feet" makes population change a good first order indicator of the appeal of a place.

### Fargo's Population Growth was slightly greater than the national rate between 1990 and 2008 and is similar to many of its peers

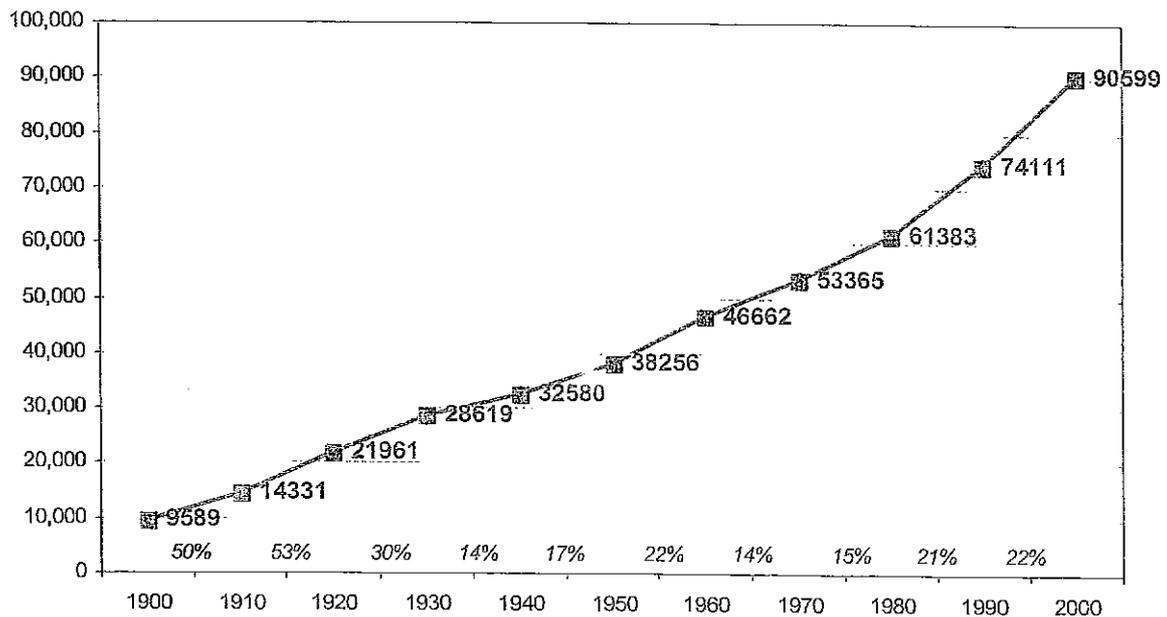
*Percent population change, 1990-2008*

City	Population			Percent change		
	1990	2000	2008	1990-2000	2000-2008	Total 1990-2008
Sioux Falls MSA	139,236	187,093	227,129	34%	21%	63%
Fort Collins, CO	87,758	118,440	136,509	35%	15%	56%
Sioux Falls	100,836	124,158	148,986	23%	20%	48%
<b>Fargo</b>	<b>74,111</b>	<b>90,599</b>	<b>93,531</b>	<b>22%</b>	<b>3%</b>	<b>26%</b>
Fargo-Moorhead MSA	153,296	174,367	192,187	14%	10%	25%
Nation	248,718,301	281,421,906	304,059,724	13%	8%	22%
Madison, WI	191,262	207,525	218,915	9%	5%	14%
Minneapolis-St. Paul, MN	640,618	669,769	662,195	5%	-1%	3%
Duluth, MN	85,493	86,810	86,287	2%	-1%	1%

*Source: U.S. Census Bureau, Living Cities Dataset (Brookings Institution), 2006-2008 American Community Survey*

### Fargo has experienced double digit population growth every decade of this century

*Population change by decade, 1900-2000*

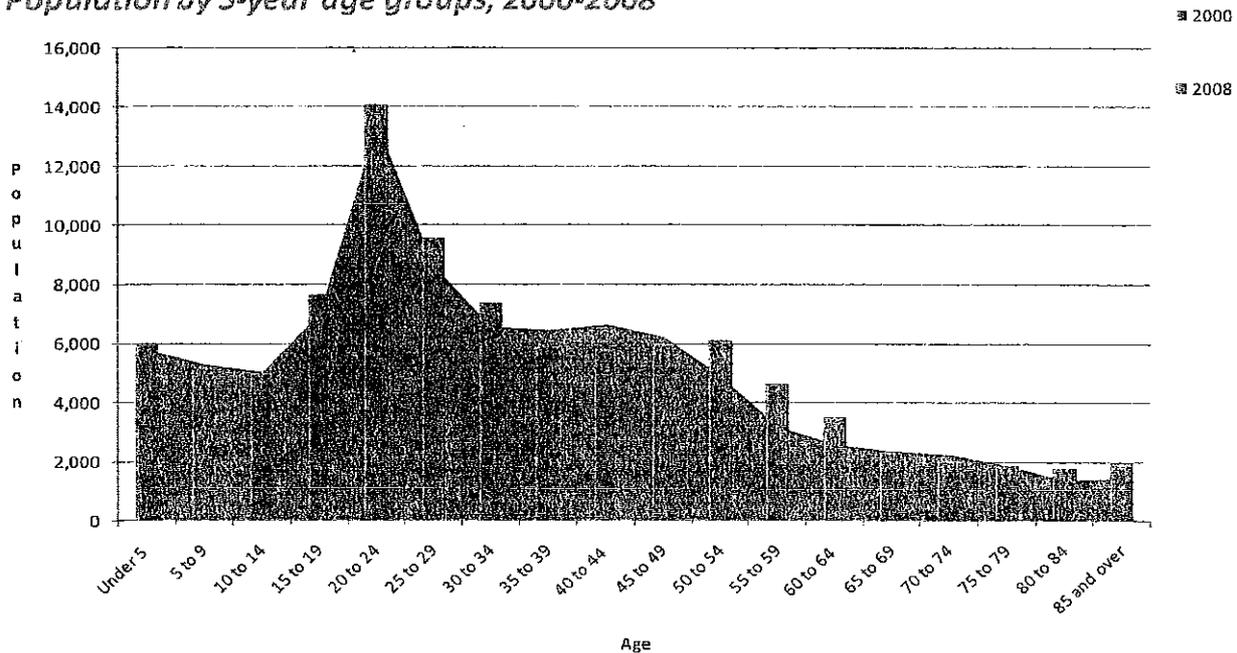


## Age

The age profile of a city's population can answer some very basic questions about a city's ability to provide for its residents. For instance, the number of working-age residents from whom the city can raise revenue influences the level of services it can provide for more "dependent" residents like the elderly and children. Likewise, the city's ability to "compete" for younger workers may hint at its prospects for continued vitality in the future.

**Adults age 20-24 are Fargo's largest age group in 2000 and 2008. The chart below indicates a population loss among those 35 to 49 years of age, and a significant growth among baby-boomers and those 80 and above.**

*Population by 5-year age groups, 2000-2008*



**Forty-three children and seniors in Fargo depend on every 100 working age adults, a ratio lower than the national average**

*Dependency ratio and share of population by age group, 2008*

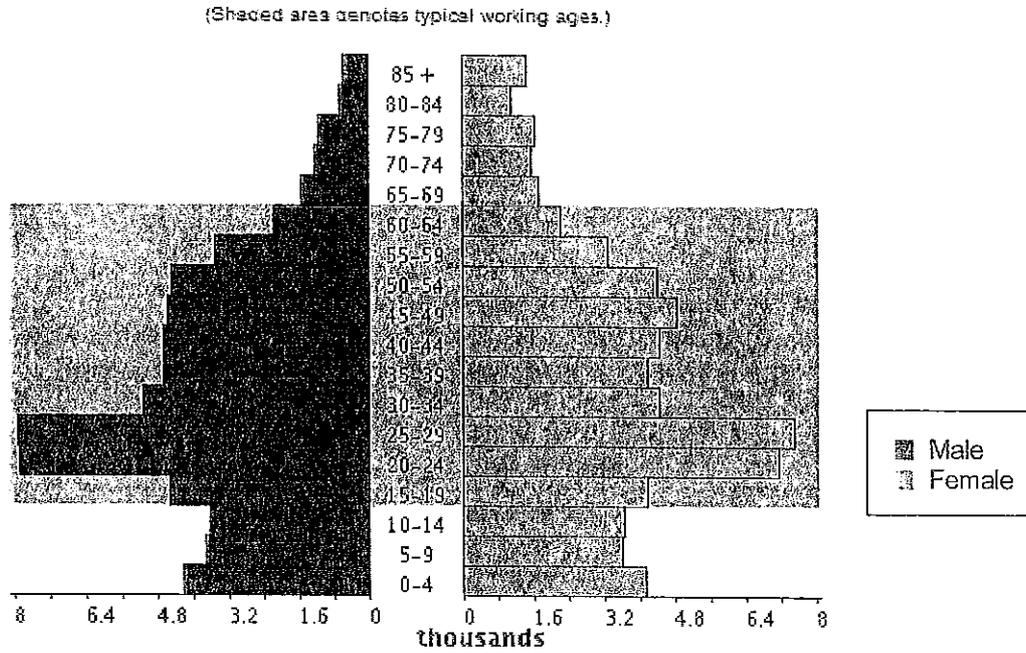
City	Dependency Ratio	Children (0-17)	Working age (18-64)	Elderly (65+)
Madison, WI	36	17.3%	73.4%	9.3%
Fort Collins, CO	39	20.1%	72.2%	7.7%
<b>Fargo</b>	<b>43</b>	<b>20.0%</b>	<b>70.0%</b>	<b>10.0%</b>
Minneapolis-St. Paul, MN	47	22.6%	68.3%	9.3%
Duluth, MN	49	19.6%	67.3%	13.2%
Sioux Falls, SD	55	23.9%	64.3%	11.8%
Nation	61	24.5%	62.2%	13.3%

Source: U.S. Census Bureau, 2006-2008 American Community Survey

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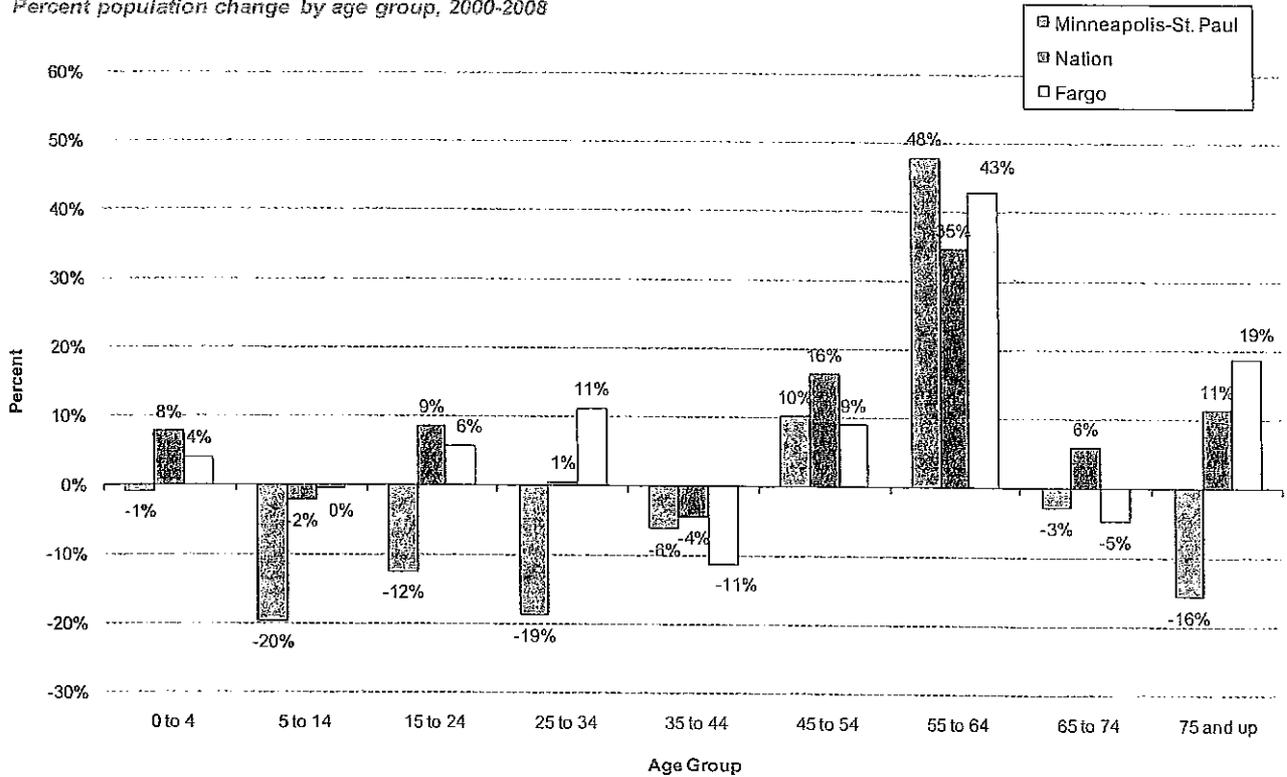
**Population by age and sex for Cass County, 2005**

North Dakota State Data Center, "Demographic Changes in the Fargo Moorhead Area" 2008



**Young adults, Baby-boomers & Seniors drive Fargo's growth**

Percent population change by age group, 2000-2008



## Households and Families

Population change is a good first indicator of city health. But data on the types of households that are contributing to change can provide far more nuanced clues about whether a city is attractive to all kinds of people - or just some kinds. The household composition of a city can provide leaders critical intelligence as to the kinds of housing and services they need to provide. Such data may also prove invaluable in helping cities frame strategies to lure wider mixes of families through proactive housing and amenities strategies.

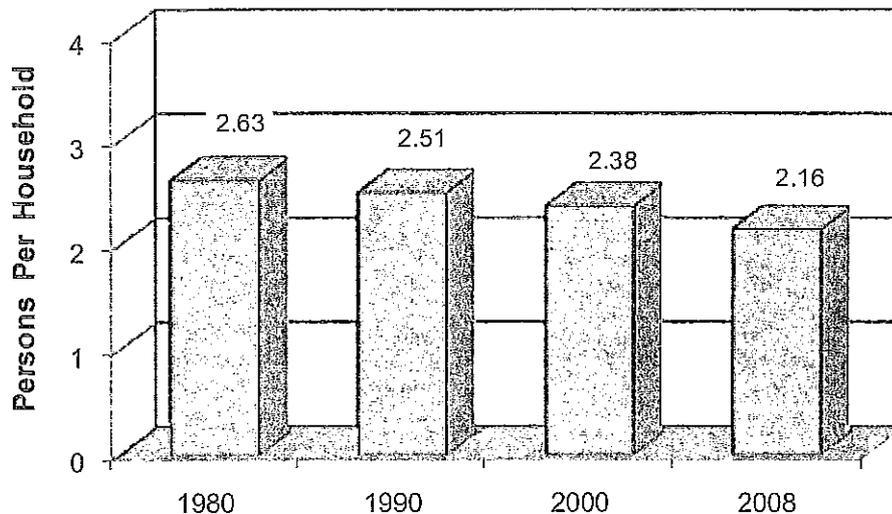
**Fargo households are smaller than those in peer communities and declining in size at a faster rate. However, household formation (+30 percent in 1990s) remains strong, and appears to support a stable and expanding local housing market**

*Average household size, 2000-2008*

City	2000	2008	Percent change
Nation	2.59	2.61	0.8%
Sioux Falls, SD	2.40	2.45	2.1%
Fort Collins, CO	2.45	2.36	-3.7%
Madison, WI	2.19	2.28	4.1%
Minneapolis-St. Paul, MN	2.33	2.26	-3.0%
Duluth, MN	2.26	2.21	-2.2%
<b>Fargo</b>	<b>2.21</b>	<b>1.99</b>	<b>-9.9%</b>

*Source: U.S. Census Bureau – 2006-2008 American Community Survey*

### Fargo-Moorhead Area Household Size



*Source: ND State Data Center, 2008 American Community Survey 1 year estimates*

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In addition to the types of households listed below, one in four Fargo households contains children under age 18 – this rate is comparable to large urban areas but lower than national rates

*Share of households by type, 2008*

City	Married couple w/children	Married Couple w/o children	Other family w/children	Other family w/o children	Individual living alone	Nonfamily
Fargo	16.0%	21.2%	8.1%	4.7%	37.0%	13.1%
Sioux Falls	18.7%	27.3%	10.0%	4.8%	32.2%	7.1%
Fort Collins, CO	20.8%	22.1%	7.2%	4.7%	30.1%	15.2%
Duluth, MN	15.4%	23.2%	10.0%	4.4%	36.7%	10.4%
Madison, WI	16.1%	21.7%	5.6%	4.3%	39.6%	12.8%
Minneapolis-St. Paul	13.4%	17.3%	10.5%	6.5%	41.0%	11.2%
Nation	21.4%	28.2%	9.6%	7.4%	27.5%	5.9%

Source: US Census Bureau- 2006-2008 American Community Survey

Five percent of Fargo residents arrived in the city in the last year indicating a higher rate of mobility than is evidenced nationwide

*Share of population living in a different city five years ago, 2008*

City	Population one year old or greater	Living in different city in previous year	Percent
Sioux Falls	146,909	4,721	3.2%
Minneapolis-St. Paul	618,190	21,412	3.5%
Nation	248,082,645	8,611,599	3.5%
<b>Fargo</b>	<b>95,206</b>	<b>4,945</b>	<b>5.2%</b>
Duluth, MN	85,251	5,212	6.1%
Madison, WI	216,395	14,070	6.5%
Fort Collins, CO	135,170	15,165	11.2%

Source: US Census Bureau-2006-2008 American Community Survey

## Education

Education data are critical because it is well understood that education levels strongly influence individuals', regions', and the nation's economic success. For cities, our nation's long-run transition from a manufacturing-dominated economy to a service-oriented "knowledge" economy means that centers with a critical mass of educated workers gain competitive advantage. Cities whose populations have high levels of educational attainment are well-positioned to attract jobs, grow their tax bases, and provide a high-quality environment for their residents.

### As home to three four-year universities, Fargo and the F-M metro area have high percentages of people enrolled in college

*Share of population age 3 and over enrolled in a college/university, 2008*

City	Population 18 years or older	Percent of Population 18 and older enrolled at a University
Fort Collins, CO	109,263	25.9%
Madison, WI	181,094	24.5%
<b>Fargo</b>	<b>77,056</b>	<b>20.5%</b>
Duluth, MN	69,404	19.2%
Minneapolis-St. Paul	607,888	13.3%
Nation	227,431,128	8.2%
Sioux Falls	113,350	8.7%

Source: U.S. Census Bureau – 2006-2008 American Community Survey, S1401

### One in three Fargo residents has a bachelor's degree, which ranks high among peer communities and is significantly greater than the national average

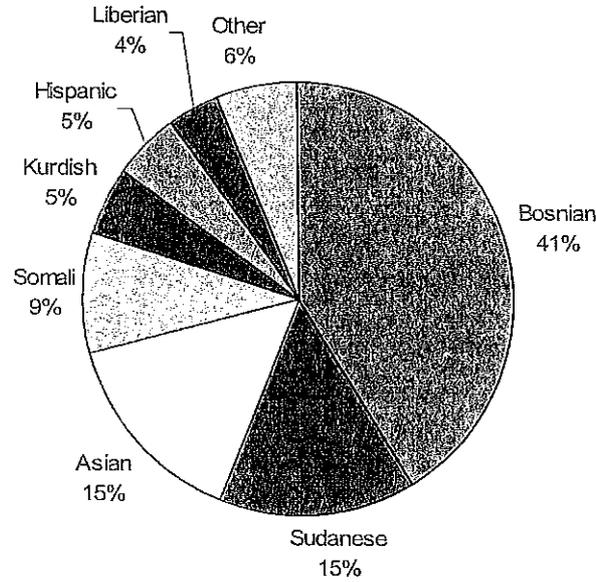
*Share of population age 25 and over by educational attainment\*, 1990-2008*

City	Bachelor's Degree			High School Diploma		
	1990	2000	2008	1990	2000	2008
Madison, WI	42.0%	48.2%	51.0%	90.6%	92.4%	94.2%
Fort Collins, CO	42.7%	48.4%	49.9%	91.5%	94.0%	94.2%
Minneapolis-St. Paul, MN	28.7%	35.2%	40.4%	82.0%	84.5%	87.5%
<b>Fargo</b>	<b>30.2%</b>	<b>34.4%</b>	<b>38.6%</b>	<b>88.7%</b>	<b>91.0%</b>	<b>93.6%</b>
Duluth, MN	22.5%	28.2%	32.2%	81.4%	87.7%	91.9%
Sioux Falls, SD	22.9%	27.8%	30.5%	83.4%	88.5%	90.2%
Nation	20.3%	24.4%	27.4%	75.2%	80.4%	84.5%

Source: U.S. Census Bureau – P37, Living Cities Dataset (Brookings Institution), B16010, 2006-2008 American Community Survey

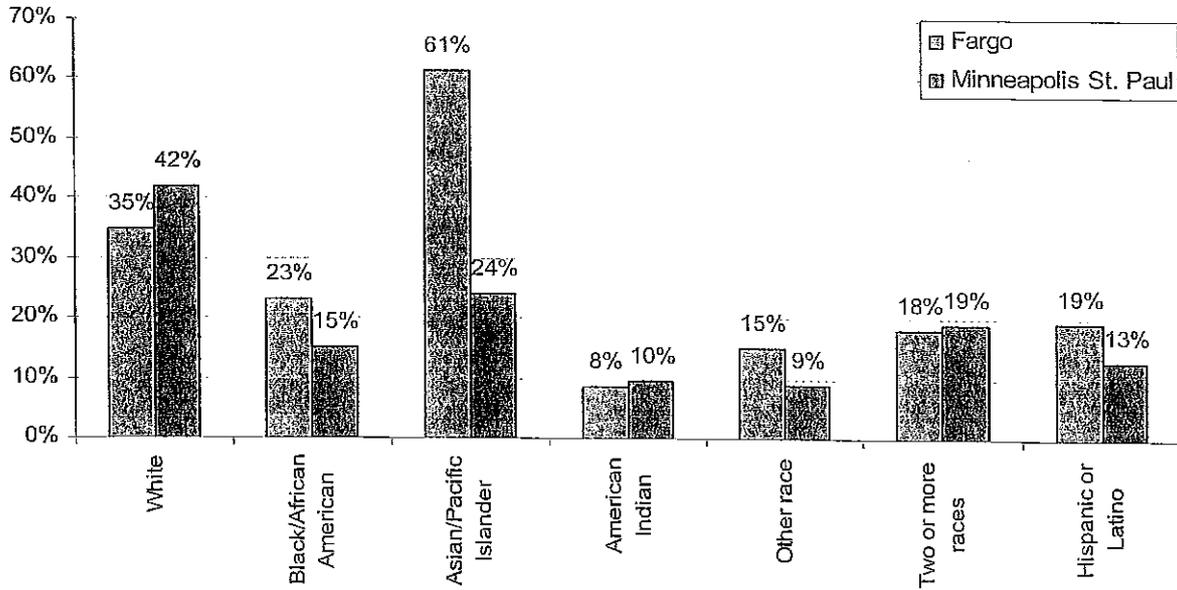
\*Figures reflect share of population with at least named level of attainment

**Fargo Public Schools served 615 ESL students in April 2004, up from 551 in 2000**  
*K-12 English as a Second Language students by Country of Origin*



**American Indians have the lowest rate of college attainment among racial and ethnic minorities in Fargo**

*Share of population age 25 and over with at least a bachelor's degree by race/ethnicity, 2000*



## Work

A city's social and economic fortunes turn, in large part, on the ability of its residents to succeed in the labor force. If residents are not able to find work, or have no connection to the labor market at all, a city may need to promote better access to jobs networks and job opportunities for groups or neighborhoods left behind. Understanding more about the employed population is equally crucial. For that reason, understanding the kinds of jobs in which its residents work can help a city tailor education, economic development, and career development strategies that enhance economic security for working families.

### Fargo exceeds national and peer rates for its share of adults participating in the labor force

*Labor force participation rate, 2008*

City	Population 16 and Over	In Labor Force	Labor Force Participation Rate
Sioux Falls, SD	116,931	87,836	75.1%
<b>Fargo</b>	<b>79,015</b>	<b>59,208</b>	<b>74.9%</b>
Madison, WI	185,326	133,573	72.1%
Minneapolis-St. Paul, MN	501,680	359,778	71.7%
Fort Collins, CO	112,185	79,712	71.1%
Nation	236,078,754	153,989,802	65.2%
Duluth, MN	71,319	46,246	64.8%

*Source: Source: U.S. Census Bureau – 2006-2008 American Community Survey*

### In Fargo, over 82 percent of children 6 to 17 years live in a family with all parents in the workforce, which is greater than peer community and national rates.

*Share of 6 to 17 year-old children living in families with all parents in labor force. 2008*

City	Children ages 6 to 17 living in Families	Children living in families with all parents in Labor Force	Percent
<b>Fargo</b>	<b>11,684</b>	<b>9,671</b>	<b>82.8%</b>
Sioux Falls, SD	21,770	17,216	79.1%
Madison, WI	21,842	17,269	79.1%
Fort Collins, CO	17,464	12,692	72.7%
Nation	45,987,592	32,448,452	70.6%
Minneapolis-St. Paul, MN	80,388	56,293	70.0%
Duluth, MN	10,323	7,029	68.1%

*Source: U.S. Census Bureau – 2006-2008 American Community Survey*

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**Fargo is a university community and a regional shopping center.  
A large percentage of Fargo jobs are in the areas of “Educational, Health and Social Services” and “Wholesale and Retail trade”**  
*Share of workers by major industries, 2008*

City	Educational, Health and Social Services	Wholesale and Retail Trade	Manufacturing	Professional, Scientific and Management Services	Arts, Entertainment, Recreation, Accommodation, and Food Svc	Other industries
Duluth, MN	34.3%	14.2%	4.7%	7.6%	12.3%	26.9%
Madison, WI	31.1%	12.0%	8.4%	11.5%	9.4%	27.6%
Fort Collins, CO	26.3%	12.5%	9.8%	13.2%	10.3%	27.9%
Minneapolis-St. Paul, MN	25.1%	13.2%	9.5%	13.3%	11.1%	27.8%
<b>Fargo</b>	<b>24.6%</b>	<b>17.2%</b>	<b>8.6%</b>	<b>11.1%</b>	<b>9.7%</b>	<b>28.8%</b>
Sioux Falls, SD	22.2%	16.3%	10.6%	7.5%	8.7%	34.6%
Nation	21.3%	14.7%	11.3%	10.3%	8.7%	33.7%

Source: U.S. Census Bureau – 2006-2008 American Community Survey

**Fargo workers are employed in year-round part-time work at almost twice the national rate**

*Share of population 16+ by full-time/part-time employment status, 2000*

City	Full time All year	Full time Seasonal	Part time All year	Part time Seasonal	Did not work in 1999
Fargo	45.9%	13.7%	11.3%	10.8%	18.2%
Duluth, MN	35.2%	12.4%	11.2%	12.6%	28.6%
Madison, WI	43.0%	13.8%	10.0%	15.2%	17.9%
Fort Collins, CO	40.7%	15.7%	9.8%	16.0%	17.9%
Minneapolis-St. Paul, MN	44.6%	13.1%	8.2%	10.8%	23.3%
Sioux Falls, SD	52.1%	11.1%	8.0%	9.1%	19.7%
Nation	43.2%	11.8%	6.2%	8.4%	30.5%

Source: U.S. Census Bureau – P47, Living Cities Dataset (Brookings Institution)

Note: Full time all year – 35+ hours/week 48+ weeks/year, Full time seasonal - 35+ hours/week <48 weeks/year, Part time all year - <35 hours/week 48+ weeks/year, Part time seasonal - <35 hours/week <48 weeks/year.

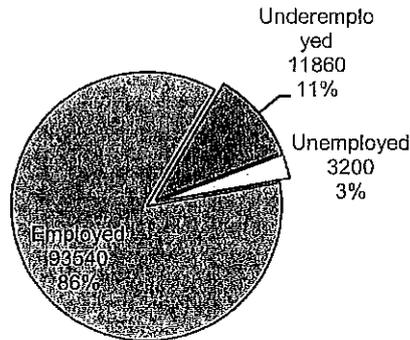
**The unemployment rate in Fargo is well below the national average**  
*Unemployment Rate, 2008*

City	Population 16 and over	Population 16 and over who are unemployed	Unemployment Rate
Sioux Falls, SD	116,931	2,886	2.5%
Fargo	79,015	2,338	3.0%
Madison, WI	185,326	5,684	3.1%
Nation	236,078,754	9,713,189	4.1%
Fort Collins, CO	112,185	5,116	4.6%
Duluth, MN	71,319	3,347	4.7%
Minneapolis-St. Paul, MN	501,680	28,450	5.7%

Source: U.S. Census Bureau-2006-2008 American Community Survey

“Underemployed” workers have indicated interest in changing jobs and have the skills to warrant a higher level of employment.<sup>7</sup>

**Employment Status of workers in Fargo Moorhead Labor force**



% of underemployed	...willing to change jobs for designated hourly wage or less
10%	\$9.11
25%	\$11.38
50%	\$15.24
75%	\$22.18

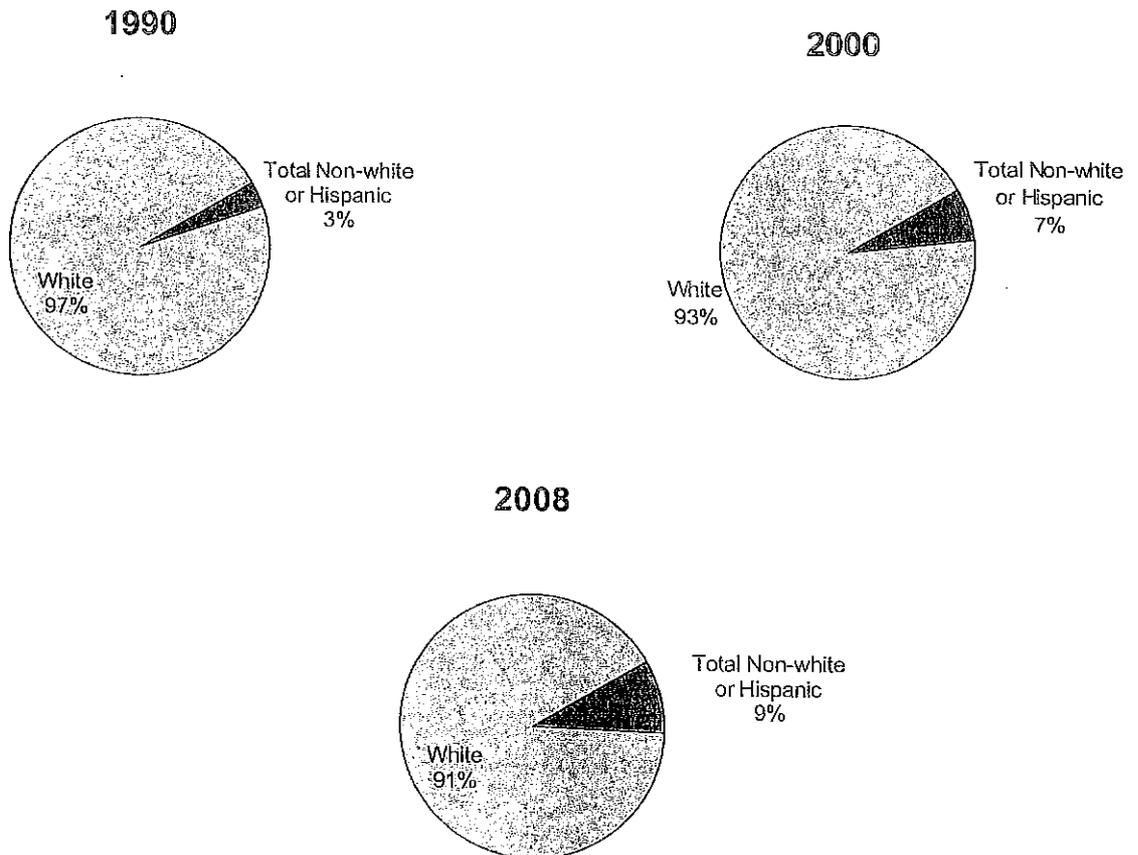
<sup>7</sup> The Fargo Moorhead MSA Labor Availability Survey, The Pathfinders (June 2004), p. 8.

## Race, Ethnicity and Immigration

An influx of immigrants ... helped to sustain population growth in a majority of the nation's largest cities in the 1990s. But cities also need to understand how their racial and ethnic compositions are changing so they can decide how to fund and deliver services to meet the needs of increasingly diverse populations. In particular, the growing representation of Latinos, whose families tend to be younger and to have more children, suggests cities need to take a closer look at schools, public health and other programs that primarily serve the young.

### Whites make up the majority of Fargo's population but racial/ethnic minorities more than tripled in population share over the past two decades

Population share by race/ethnicity, 1990-2008



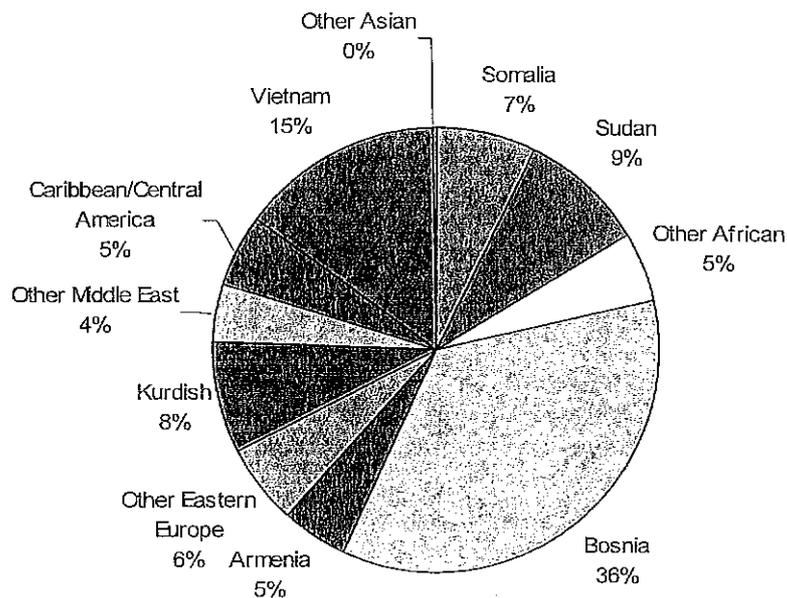
**Racial/Ethnic minorities are estimated to make up 9% of Fargo's population. However, this number does not include as minorities European refugees, which comprise more than 20 percent of the city's foreign-born population**  
*Share of population by race/ethnicity<sup>8</sup>, 2008*

City	Total non-white or Hispanic (minority)	White	Black/African American	Asian/Pacific Islander	American Indian	Hispanic or Latino	Other/ 2 or more Races
Minneapolis-St. Paul, MN	36.9	63.1	15.5	8.1	1.2	9.1	2.8
Nation	34.1	65.9	12.1	4.5	0.7	15.1	1.6
Madison, WI	21.2	78.8	6.3	6.8	0.3	5.8	1.9
Fort Collins, CO	15.8	84.2	0.9	2.8	0.1	9.3	2.5
Sioux Falls, SD	13.2	86.8	2.8	1.6	2.5	4.4	1.7
Duluth, MN	9.3	90.7	2.0	1.5	2.6	1.1	2.0
<b>Fargo</b>	<b>9.0</b>	<b>91.0</b>	<b>2.5</b>	<b>2.1</b>	<b>1.3</b>	<b>2.1</b>	<b>1.0</b>
Fargo Moorhead MSA	8.0	92.0	1.6	1.4	1.3	2.5	1.1

Source: U.S. Census Bureau – 2006-2008 American Community Survey

**Almost 5,000 refugees from 40 countries have re-settled in Fargo since 1990 with one in three coming to the U.S. from Bosnia**

*Refugee population by country of origin, 1990-2003, Fargo*

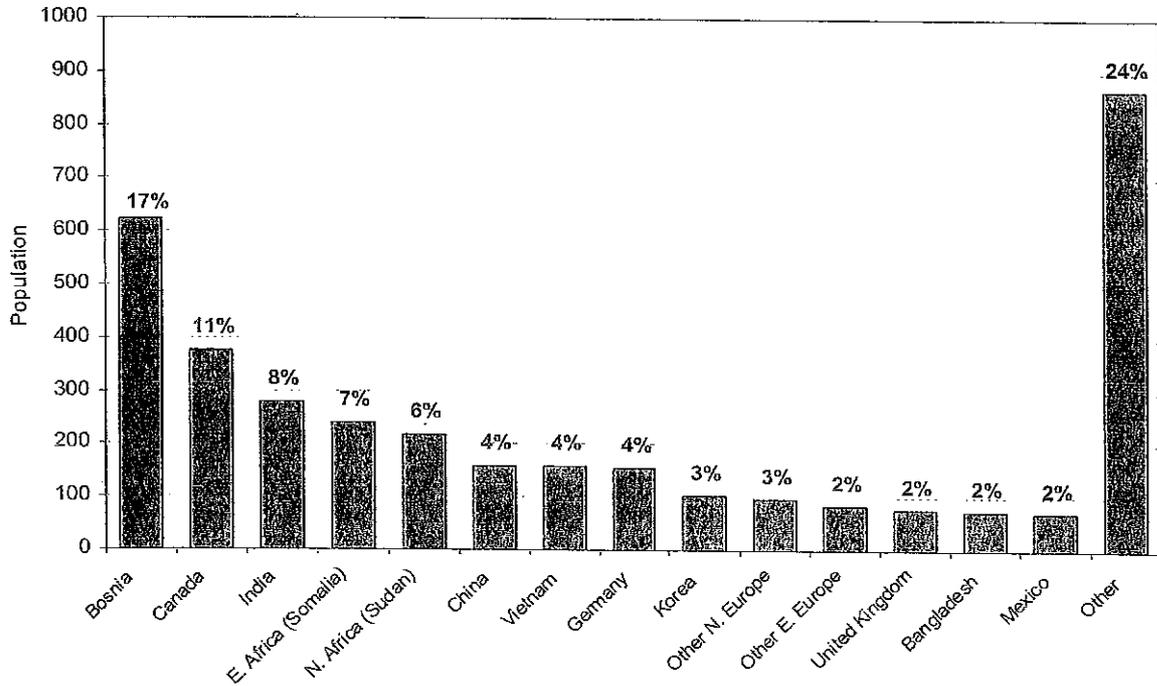


<sup>8</sup> "The federal government considers "race" and "Hispanic origin" distinct concepts and therefore captures information on them in two separate questions on the Census form. In this analysis, "Hispanic or Latino" is used to refer to individuals or households who indicate Spanish, Hispanic or Latino origin, regardless of their race. In general, race-specific population and household counts include only non-Hispanics. Economic variables generally include members of each racial group who also reported Hispanic origin." Living Cities Profile Minneapolis St. Paul, p. 16.

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**Bosnia is the most common country of origin for Fargo's foreign-born residents**

*Population and share of foreign-born by country of birth, 2000*



**Fargo's immigrant population more than tripled from 1990 to 2008, accounting for 18.5 percent of the city's total population growth**

*Percent change in foreign-born population, 1990-2008*

City	Foreign-born 1990	Foreign-born 2000	Foreign-born 2008	Percent change 1990-2008
Sioux Falls, SD	1,696	5,758	7,350	333%
<b>Fargo</b>	<b>1,474</b>	<b>3,587</b>	<b>5,063</b>	<b>243%</b>
Fargo-Moorhead MSA	2,656	5,268	7,128	168%
Minneapolis-St. Paul, MN	42,517	96,613	92,985	119%
Fort Collins, CO	3,896	6,269	7,962	104%
Madison, WI	10,906	18,792	21,834	100%
Nation	19,767,316	31,107,889	37,679,592	91%
Duluth, MN	2,063	2,472	2,147	4%

Source: U.S. Census Bureau – 2006-2008 American Community Survey and Population Finder

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The percentage of Fargo residents born outside the United States has increased since 2000, and recent Census population estimates indicate that nearly 27 percent of ongoing population growth is attributable to in-migration<sup>9</sup>

*Foreign born population share, 2000-2008*

City	2000 Total Population	2008 Total Population	2000 Foreign born population	2008 Foreign born population	2000 Percent	2008 Percent
Minneapolis-St. Paul, MN	669,769	628,084	96,613	92,985	14.4%	14.8%
Nation	281,421,906	301,237,703	31,107,889	37,679,592	11.1%	12.5%
Madison, WI	207,525	218,915	18,792	21,834	9.1%	10.0%
Fort Collins, CO	118,440	136,665	6,269	7,962	5.3%	5.8%
<b>Fargo</b>	<b>90,787</b>	<b>96,293</b>	<b>3,587</b>	<b>5,063</b>	<b>4.0%</b>	<b>5.3%</b>
Sioux Falls, SD	187,093	148,986	5,758	7,350	4.6%	4.9%
Fargo Moorhead MSA	174,367	192,187	5,268	7,128	3.0%	3.7%
Duluth, MN	86,810	86,287	2,472	2,147	2.8%	2.5%

Source: U.S. Census Bureau – Census 2000 P21, 2006-2008 American Community Survey

Just over one-quarter of Fargo's foreign-born residents are naturalized citizens, which is lower than peer community/national rates of citizenship but consistent with the city's preponderance of recent immigrants (Nearly 60 percent of Fargo's foreign-born population entered the U.S. since 2000, a much greater percentage than peer communities)

*Foreign-born population by citizenship and year of entry, 2008*

City	Foreign-born Population	Foreign-born that are naturalized	Percent	Foreign-born entering U.S. in 2000 or later	Percent
Fargo	5,063	1,492	29.5%	2,977	58.8%
Madison, WI	21,834	7,873	36.1%	9,731	44.6%
Sioux Falls, SD	7,350	2,762	37.6%	2,863	39.0%
Minneapolis-St. Paul, MN	92,985	35,775	38.5%	38,463	41.4%
Fort Collins, CO	7,962	3,112	39.1%	3,224	40.5%
Nation	37,679,592	16,028,758	42.5%	10,382,358	27.6%
Duluth, MN	2,147	1,007	46.9%	659	30.7%

Source: U.S. Census Bureau 2006-2008 American Community Survey

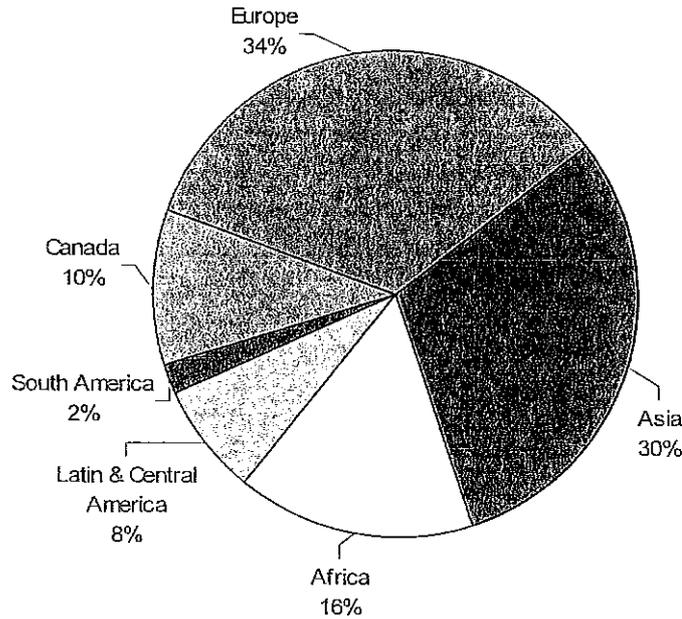
Note: "Naturalization" is the way immigrants become citizens of the United States. If you were not born a citizen, you must naturalize to become one.

<sup>9</sup> While many immigrants are low income, some are among the wealthiest and best-educated residents of the communities in which they live. At the same time, immigrants may be among the poorer and needier residents of some communities. ("The New Neighbors" (2003),120)

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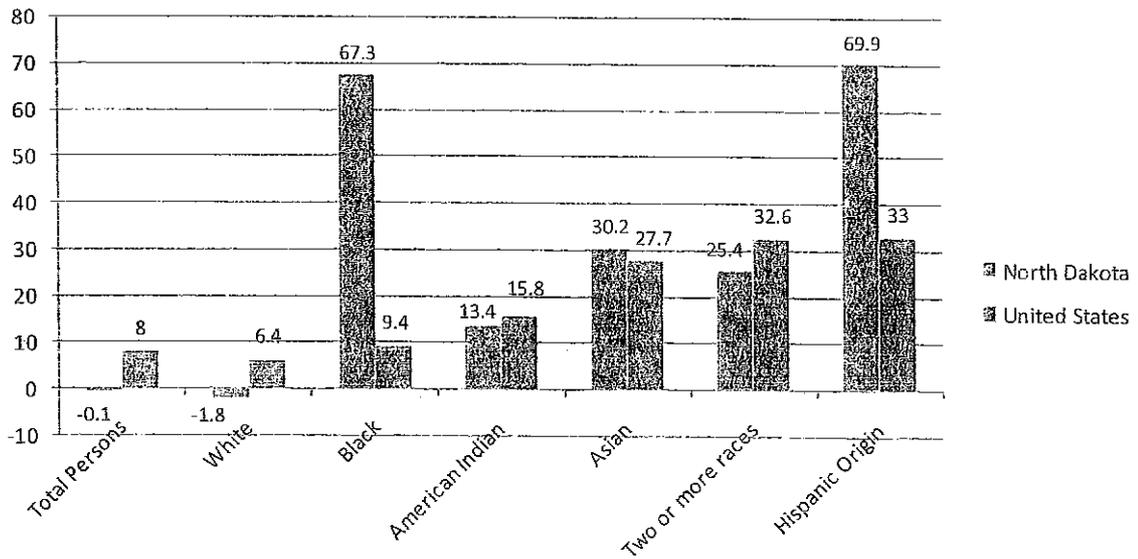
**Immigrants from Asia and Europe comprise almost 2/3 of Fargo's foreign-born population**

*Share of foreign-born by region of birth, 2000*



**Population growth between 2000 and 2008 in North Dakota consists primarily of racial minorities, while the white population actually saw a decline.**

*Percent Change in Population by Race and Hispanic Origin, 2000-2008*



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**Ancestry data reveals the significant increase in New American populations, including Sub-Saharan Africa, Arab, and Other Ancestries. Numbers associated with American ancestry decreased.**

*Fargo-Moorhead Ancestry 2000-2008, ND State Data Center*

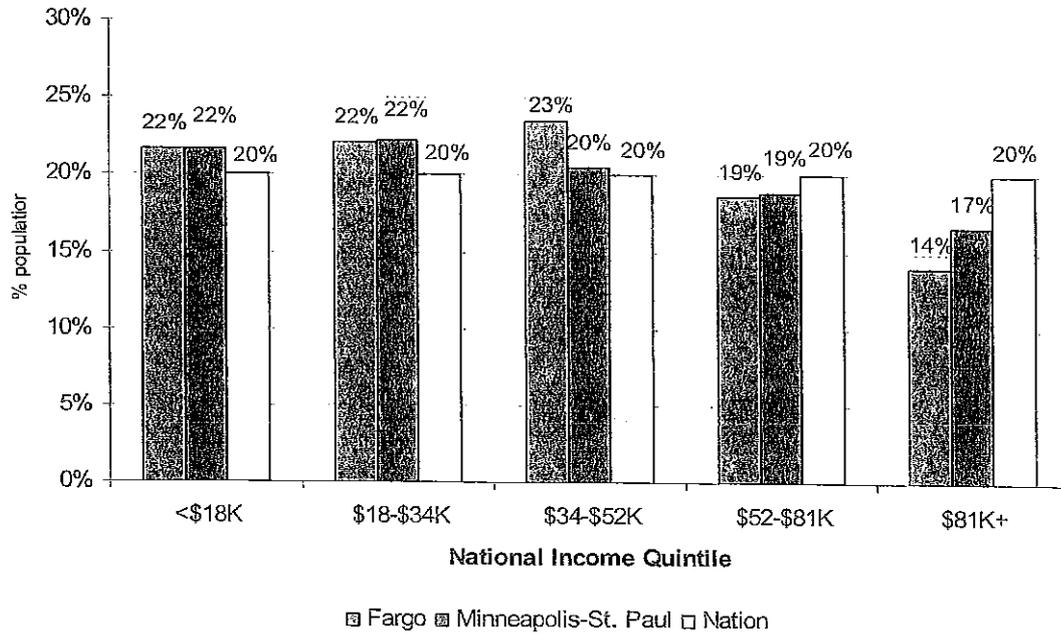
Ancestry	2000		2008		Ancestry (cont.)	2000		2008	
	N	%	N	%		N	%	N	%
Total ancestries	230,154	100%	270,003	100%					
German	70,759	31%	84,353	31%	Scotch -Irish	1,739	1%	1,821	1%
Norwegian	67,001	29%	70,306	26%	Italian	1,979	1%	1,654	1%
Irish	13,962	6%	18,166	7%	Arab	664	0%	1,382	1%
Swedish	12,905	6%	11,338	4%	British	446	0%	1,283	0%
English	9,144	4%	9,188	3%	European	479	0%	1,138	0%
French (not Basque)	7,974	3%	8,628	3%	French Canadian	1,774	1%	935	0%
Polish	4,896	2%	6,180	2%	Welsh	398	0%	674	0%
Russian	2,797	1%	5,043	2%	Portuguese	59	0%	576	0%
Czech	2,561	1%	3,267	1%	Swiss	450	0%	519	0%
American	3,215	1%	2,599	1%	Lithuanian	117	0%	253	0%
Dutch	2,126	1%	2,267	1%	Ukrainian	434	0%	235	0%
Danish	2,940	1%	2,133	1%	Hungarian	345	0%	197	0%
Scottish	2,055	1%	2,103	1%	West Indian	59	0%	99	0%
Sub-Saharan African	821	0%	2,014	1%	Other ancestries	10,482	5%	31,652	12%

## Income and Poverty<sup>10</sup>

Household incomes matter vitally. Income and poverty levels reflect the ability of residents to provide for themselves and their families, their capacity to support neighborhood businesses, and their prospects for building assets for the future. A city that is able to attract and retain a mix of household incomes may be well-positioned to offer high quality public services that meet the demands of its residents and workers.

### Fargo's income distribution shows overall balance with a strong middle class

Proportion of Households by National Income Quintile, 2000



This income analysis was completed in accordance with the Brookings Institution Metropolitan Policy Program publication entitled "The Shape of the Curve: Housing Income Distributions in U.S. Cities 1979-1999", August 2004. Census reported incomes are re-calculated to match national income quintiles and adjusted for regional income differences.

<sup>10</sup> "Compared to other indicators, income and poverty are especially sensitive to the timing of the decennial census. Both the 1990 and 2000 censuses were conducted near the peak of U.S. business cycles. There is little question that the nation's recent economic downturn has produced shifts in the trends and conditions outlined in this section. Still, this analysis of income and poverty changes ... sheds light on how the city fared in a relatively strong economy, and establishes a baseline for its residents' economic progress in the current decade." (Minneapolis St. Paul Profile, p. 55)

**Fargo's median household income is low relative to comparison communities but its average household size is smaller as well. All communities saw large increases in median income during this time frame.**

*Median Household Income, 2000-2008*

City	2000	2008	Change
Madison, WI	\$41,941	\$53,340	27.2%
Fargo-Moorhead MSA	\$38,069	\$47,636	25.1%
Sioux Falls MSA	\$43,387	\$53,990	24.4%
Nation	\$41,994	\$52,175	24.2%
Duluth, MN	\$33,766	\$41,873	24.0%
Sioux Falls, SD	\$41,221	\$50,161	21.7%
Minneapolis-St. Paul, MN	\$38,774	\$46,863	20.9%
<b>Fargo</b>	<b>\$35,510</b>	<b>\$40,757</b>	<b>14.8%</b>
Fort Collins, CO	\$44,459	\$49,662	11.7%

Source: U.S. Census Bureau – 2006-2008 American Community Survey

**Among racial/ethnic groups in Fargo, American Indians have the lowest household incomes**

*Median household income by race/ethnicity, 2000*



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**The poverty rate in Fargo has grown in the 2000s, especially among the elderly**  
*Overall poverty rate and poverty rate by age, 2000-2008*

City	Poverty Rate		Child Poverty Rate		Elderly Poverty Rate	
	2000	2008	2000	2008	2000	2008
Sioux Falls, SD	8.4%	10.0%	10.7%	13.9%	7.4%	7.5%
Nation	12.4%	13.2%	16.6%	18.2%	9.9%	9.8%
<b>Fargo</b>	<b>11.8%</b>	<b>14.3%</b>	<b>11.2%</b>	<b>12.8%</b>	<b>7.5%</b>	<b>9.8%</b>
Fort Collins, CO	14.0%	17.2%	8.9%	11.9%	5.8%	6.2%
Madison, WI	15.0%	17.3%	11.7%	15.8%	4.5%	5.9%
Duluth, MN	15.5%	18.3%	16.2%	19.0%	9.5%	9.7%
Minneapolis-St. Paul, MN	16.4%	20.6%	24.4%	29.7%	10.3%	13.6%

Source: U.S. Census Bureau – 2006-2008 American Community Survey

Note: Child poverty includes children under age 18. Elderly poverty includes adults 65 and older.

**The poverty rate for Blacks/African Americans living in Fargo is higher than it is in the selected comparison communities – first generation immigrants make up the majority of Fargo's African American population**

*Poverty rate by race/ethnicity, 2000*

City	White	Black/ African American	Asian/ Pacific Islander	American Indian	Hispanic or Latino	Other Race	Two or More Races
Duluth, MN	14.0%	40.6%	23.2%	48.9%	20.0%	19.0%	28.6%
<b>Fargo</b>	<b>10.6%</b>	<b>38.9%</b>	<b>21.9%</b>	<b>35.8%</b>	<b>18.8%</b>	<b>21.6%</b>	<b>29.1%</b>
Minneapolis-St. Paul, MN	8.6%	31.5%	32.5%	32.1%	27.9%	22.5%	24.5%
Madison, WI	12.3%	29.1%	29.7%	26.4%	25.2%	24.7%	11.0%
Sioux Falls, SD	6.3%	28.2%	6.7%	49.0%	29.7%	21.8%	33.8%
Nation	8.1%	24.9%	12.6%	25.7%	22.6%	24.4%	18.2%
Fort Collins, CO	12.9%	12.5%	21.5%	23.1%	17.9%	21.3%	27.5%

Source: U.S. Census Bureau – P159 A-1, Living Cities Dataset (Brookings Institution)

## Housing

Housing has always played an important role in defining the health of this nation and its cities, with construction figures and home prices measuring the strength of the economy and homeownership rates and rent burdens indicating the wealth of households. Residential homeownership is a good indicator as to whether families can acquire assets and leverage them for other expenditures that build family and community wealth, such as a college education, small business capitalization, or home repair/improvement. Family and community well-being can be threatened, however, if housing costs become too high for residents to bear. Housing cost burdens may point to a need for the preservation and construction of affordable housing ... and may also imply a need to raise residents' incomes so that they are able to afford quality housing. In either situation, cities can play an active role in linking housing supply and demand.

**The City of Fargo has continued to grow since 2000, yet the homeownership rate has declined by 2.6%. Fargo residents own homes at a rate of just over 44%, which is much lower than nearby communities and is due in part to a large population of college students.**

*Homeownership Rate, 2000-2008*

City	2000	2008	Change
<b>Fargo</b>	<b>47.1%</b>	<b>44.5%</b>	<b>-2.6%</b>
Madison, WI	47.8%	54.3%	6.5%
Minneapolis-St. Paul, MN	52.8%	55.1%	2.3%
Fort Collins, CO	57.1%	56.8%	-0.3%
Fargo-Moorhead MSA	59.0%	58.7%	-0.3%
Sioux Falls, SD	61.0%	62.5%	1.5%
Duluth, MN	64.2%	62.4%	-1.8%
Nation	66.2%	67.1%	0.9%
Sioux Falls MSA	62.3%	69.0%	6.7%

*Source: U.S. Census Bureau – 2006-2008 American Community Survey*

**Fargo's rental housing market is competitive and relatively affordable, but prices are increasing at a rate comparable to most urban communities**

*Percent change in median gross rent, 2000-2008*

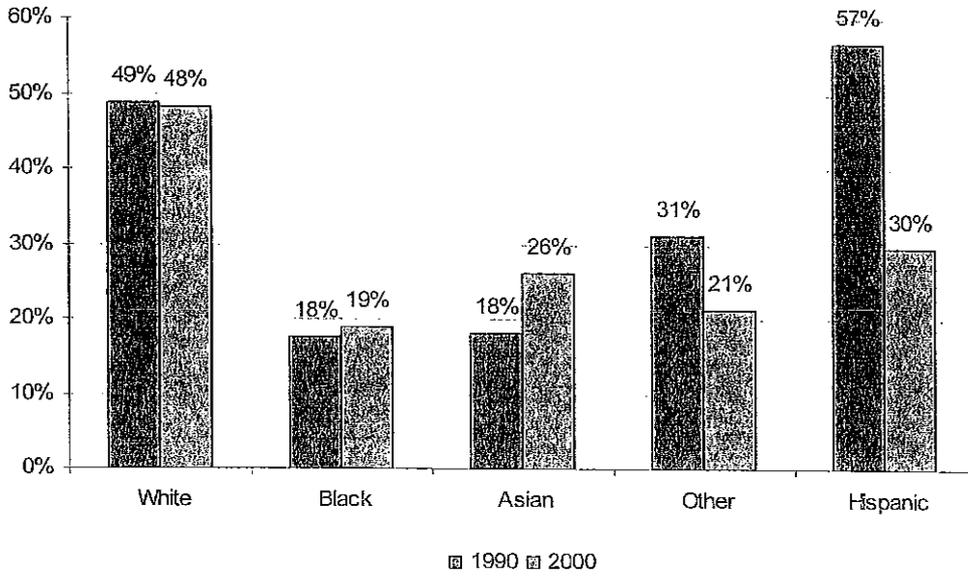
City	2000	2008	Change
Fort Collins, CO	\$785	\$802	2.2%
Sioux Falls, SD	\$593	\$660	11.2%
<b>Fargo</b>	<b>\$533</b>	<b>\$596</b>	<b>11.8%</b>
Madison, WI	\$734	\$828	12.9%
Minneapolis-St. Paul, MN	\$644	\$753	17.0%
Nation	\$686	\$819	19.4%
Duluth, MN	\$506	\$668	32.1%

*Source: U.S. Census Bureau – 2006-2008 American Community Survey)*

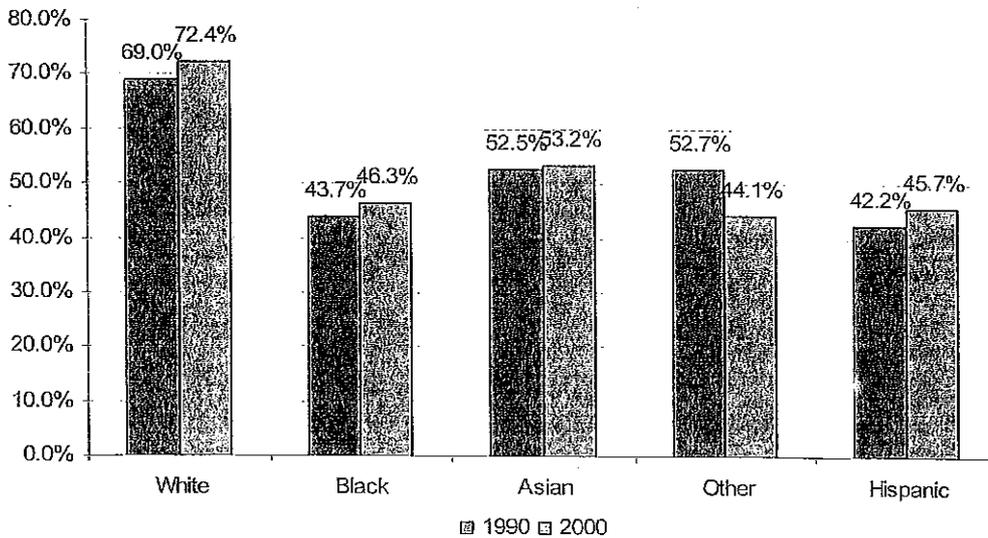
*Note: 2000 rents adjusted to 2008 dollars based on 14% inflation, [www.inflationdata.com](http://www.inflationdata.com)*

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**The share of Black and Asian householders in Fargo that own their own home increased slightly in the 1990s**  
*Homeownership rate by race/ethnicity, 1990-2000, Fargo*



**U.S. homeownership rates increased for most racial/ethnic groups in the 1990s**  
*Homeownership rate by race/ethnicity, 1990-2000, U.S.*



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**Almost half of the housing units in Fargo are in structures with 5 or more units, a rate that exceeds all other comparison communities**

*Share of housing units in multi family structures, 2008*

City	Total Housing Units in 2000	Percent Housing with 5 or more Units in 2000	Total Housing Units in 2008	Percent Housing with 5 or more Units in 2008
Fargo	41,277	45.8%	47,240	48.5%
Madison, WI	92,353	35.8%	103,328	37.3%
Minneapolis-St. Paul, MN	284,337	34.2%	294,922	34.0%
Fargo-Moorhead MSA	73,536	33%	87,456	34.1%
Sioux Falls, SD	51,724	25.6%	63,069	26.5%
Fort Collins, CO	47,766	23.8%	58,114	23.7%
Sioux Falls MSA	69,368	20.4%	91,520	19.9%
Duluth, MN	37,000	19.2%	38,753	19.6%
Nation	115,904,641	17.3%	127,762,925	17.3%

*Source: U.S. Census Bureau – 2006-2008 American Community Survey*

**While more than 2 in 5 Fargo renters is burdened by housing costs, rental housing in Fargo is relatively affordable – the percent of renters with a housing cost burden is lower than most peer communities**

*Share of renter-occupied housing units where 30% or more of income is paid for rent, 2008*

City	Total Renter Households	Paying 30% or more of Income on Rent	Percent
Sioux Falls, SD	22,083	8,429	38.2%
Fargo	24,890	10,855	43.6%
Nation	37,023,213	16,991,562	45.9%
Madison, WI	41,494	20,691	49.9%
Minneapolis-St. Paul, MN	120,797	62,324	51.6%
Duluth, MN	13,481	6,981	51.8%
Fort Collins, CO	23,520	13,316	56.6%

*Source: U.S. Census Bureau – 2006-2008 American Community Survey, B25070*

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## Needs Assessment

### Citizen Participation and Consultations

For the development of this Consolidated Plan, the City of Fargo followed its Citizen Participation Plan by distributing information that outlines the community development planning process to persons and organizations in the community. To encourage participation by the public, the City's Division of Community Development sent a memo to a mailing list made up of 130 organizations and individuals (attached to the Citizen Participation Plan, Appendix A). The Planning and Development Department also held public meetings with the Community Development Committee to explain housing and community development programs on August 27 and December 17, 2009, and solicited public input on the preparation of the Consolidated Plan for Housing and Community Development on September 29, 2009. Information was also posted on the City's website.

This document also represents a synthesis of work conducted over the last five years by a wide variety of groups and citizens concerned with housing and community development issues. Community Development staff gathered input in the months leading up to submission of the Plan. City staff consulted with several agencies to gather information and to further coordination of program delivery. The consultations included Fargo Housing and Redevelopment Authority, Fargo Police Department, Fargo Cass Public Health, Southeast Community Action, Presentation Partners in Housing, New Life Center, Family Health Care Center, Southeast Human Service Center, YWCA, Fraser, Ltd., Cass County Social Services, Nokomis Child Care Center, Fargo Senior Commission, Lutheran Social Services, Fargo Park District, Fargo and West Fargo School District, CHARISM, YMCA (after school programs), Cultural Diversity Resources, FM Home Builders Association, Neighborhood Associations (Jefferson, Madison, Roosevelt, Horace Mann, Hawthorne), Handi Wheels, United Way of Cass Clay, Downtown Community Partnership, FM Coalition for Homeless Persons, ND Coalition for Homeless Persons, Gladys Ray Shelter, Metro COG, Metro Youth Partnership, Fargo Native American Commission, Fargo Human Relations Commission, Native American Christian Ministry, Rape & Abuse Crisis Center of Fargo-Moorhead, Village Family Service Center, Habitat for Humanity, Immigrant Development Center, Beyond Shelter, Inc., FirstLink, Skills & Technology Training Center, Red River Human Service Foundation, Mental Health Association of American in ND, Fair Housing Council of the Dakotas, and Fargo Youth Commission.

In early 2010, the Community Development Committee will review the Consolidated and Annual Community Development Action Plan with funding levels for projects and programs and make a recommendation to the Fargo City Commission. Notification of the plan will be published in the *Fargo Forum*, distributed to persons interested in housing and community development and news media, and made available on the Planning Department's website (<http://www.cityoffargo.com/planning>) and other available methods. The notice will explain the contents and purposes of the plan, locations of where the plan is available for review, and how to obtain a copy. The City will also provide a reasonable number of free copies of the Plan to citizens or groups who request it.

There will be a 30-day period for public comment on the proposed Plan. The City Commission will hold a public hearing on the proposed Plan after the comment period, at which time that Commission will review and consider all comments received during the public comment period and at the public hearing. The City Commission will decide on what will be included and submitted to HUD in the final Consolidated and Annual Community Development Action Plan.

## Housing

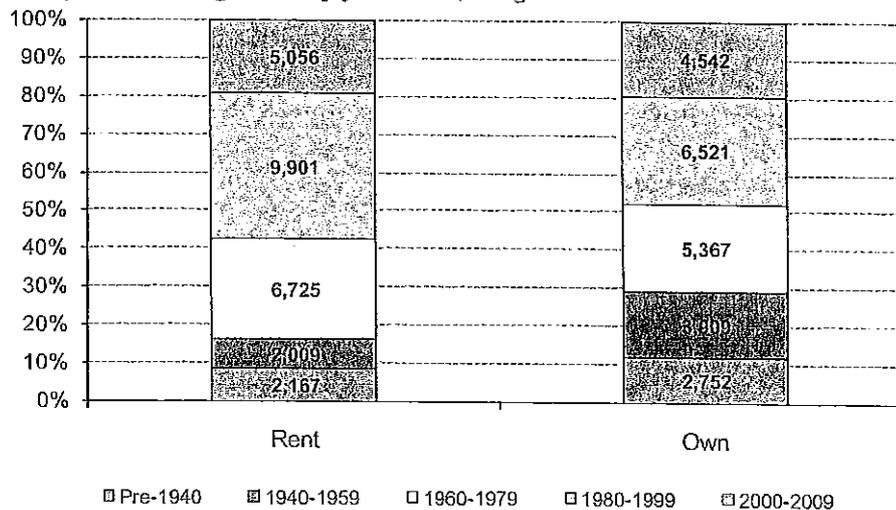
### Market Analysis

The City of Fargo has enjoyed strong economic growth and strong household growth, both of which have helped the area maintain a strong housing market. Even during the recent economic downturn, the City has endured fewer layoffs than most parts of the country, and housing construction and rehab has continued at a steady pace with an increasing number of ownership units compared to rental.<sup>11</sup>

- Between 2000 and 2009, the city averaged 454 new owner occupied housing units per year and 505 rental housing units.
- Between 2000 and 2009, the annual number of total permitted housing units was 960 on average, and dipped only slightly in 2008.
- Single family detached units are still the predominant unit type for owner occupancy, however, between 2004 and 2009, attached housing represented nearly 70% of all newly permitted units. Nearly 19% of the attached housing was in the form of twin homes, with the remainder being multiple unit dwellings and rowhouses.
- Between 2004 and 2009, housing prices have continued to slowly rise (dipping slightly in 2008) while the housing cost-to-income percentage has decreased, indicating increasing affordability. The Fargo area enjoys a lower foreclosure rate than the Country's average, though it has increased considerably relative to historical norms.<sup>12</sup>

**Fargo has added more rental units than owner units in recent years, but this is changing. Since 2000, owner units have captured an increasing share of Fargo's housing market**

*Occupied housing units by year built, Fargo*



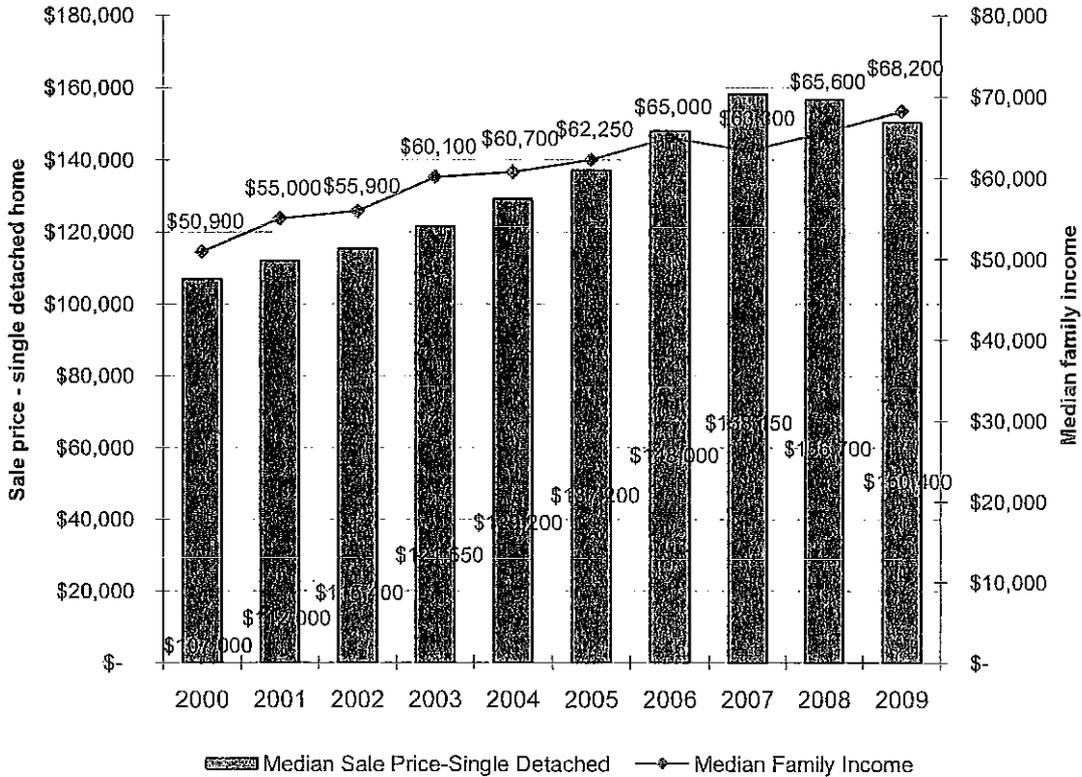
<sup>11</sup> Fargo Building Permit Summary Reports, 2004-2009

<sup>12</sup> Local Market Report, Third Quarter 2009, [www.realtor.org](http://www.realtor.org)

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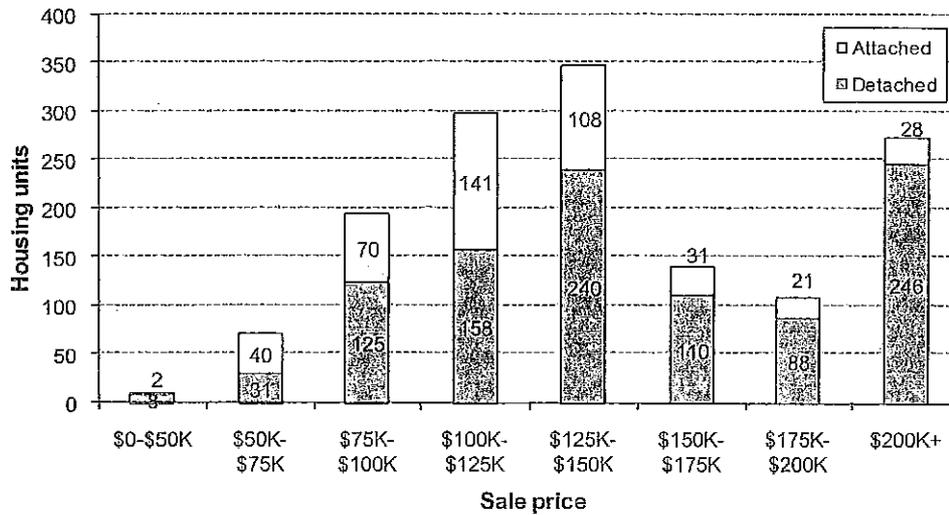
**Median family income is at pace with the median sales price for single detached housing after a troublesome few years**

Income and Sale price of single detached homes, 2000-2009



**Majority of homes sold in Fargo in 2009 were valued between \$125K-\$150K**

Home sales by value range, 2009, Fargo



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The share of households that experienced a housing problem declined in every income category except *extremely low income households (<30% MFI)*. For this group, four out of five households has a "housing problem".

*Housing problems, All households, 1990 and 2000, Fargo*

	1990	2000	Change
<b>HH Income &lt;=50% MFI</b>	7,703	9,892	28%
<b>HH Income &lt;=30% MFI</b>	3,873	4,911	27%
Housing problems	79.2%	81.6%	31%
Cost burden >30%	78.0%	78.5%	28%
Cost burden >50%	62.3%	57.5%	-17%
<b>HH Income &gt;30% to &lt;=50% MFI</b>	3,830	4,981	30%
Housing problems	67.0%	58.4%	-13%
Cost burden >30%	63.5%	55.7%	-14%
Cost burden >50%	17.3%	10.1%	-24%
<b>HH Income &gt;50 to &lt;=80% MFI</b>	5,676	8,290	46%
Housing problems	31.0%	20.7%	-2%
Cost burden >30%	27.5%	17.3%	-8%
Cost burden >50%	2.6%	2.5%	-40%
<b>HH Income &gt;80% MFI</b>	16,961	21,077	24%
Housing problems	n/a	6.9%	n/a
Cost burden >30%	n/a	5.4%	n/a
Cost burden >50%	n/a	0.3%	n/a
<b>Total Households</b>	30,340	39,259	29%
Housing problems	28.2%	25.7%	-18%
Cost burden >30%	n/a	23.4%	n/a
Cost burden >50%	n/a	9.2%	n/a

Source: CHAS Data book. Jurisdiction: Fargo (CDBG), North Dakota. Data current as of 1990 and 2000

A "Housing problem" is defined as having a cost burden in excess of 30% of household income, living in a substandard housing unit, or living in overcrowded housing (as defined by HUD)

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The majority of extremely low income renters (<30% MFI) live in a state of "housing crisis" (cost burden >50%). Large families and elderly renters are the most likely to have a housing problem.

*Housing problems, All renter households, 1990 and 2000, Fargo*

	1990					2000				
	Elderly	Small related (2 to 4)	Large related (5+)	All other HH	All renters	Elderly	Small related (2 to 4)	Large related (5+)	All other HH	All renters
HH Income <=50% MFI	1,206	1,645	183	3,450	6,484	1,484	1,642	213	4,992	8,331
HH Income <=30% MFI	620	891	96	1,764	3,371	823	810	150	2,639	4,422
Housing problems	61.5%	78.1%	82.3%	86.0%	79.3%	67.4%	81.7%	93.3%	85.0%	81.4%
Cost burden >30%	60.3%	78.1%	82.3%	83.7%	77.9%	63.3%	79.5%	77.3%	82.2%	78.0%
Cost burden >50%	42.1%	59.7%	82.3%	71.2%	63.1%	47.1%	63.7%	58.7%	57.5%	56.8%
HH Income >30% to <=50% MFI	586	754	87	1,686	3,113	661	832	63	2,353	3,909
Housing problems	62.5%	67.4%	82.8%	77.3%	72.2%	67.8%	60.8%	87.3%	56.3%	59.7%
Cost burden >30%	62.5%	63.4%	71.3%	72.8%	68.5%	67.2%	57.5%	63.5%	53.1%	56.6%
Cost burden >50%	25.1%	14.6%	0.0%	16.4%	17.2%	21.3%	2.2%	15.9%	5.4%	7.6%
HH Income >50 to <=80% MFI	578	1,021	238	1,830	3,667	768	1,394	172	3,210	5,544
Housing problems	46.4%	29.4%	56.7%	21.9%	30.1%	32.7%	17.6%	55.8%	8.4%	15.6%
Cost burden >30%	44.8%	27.0%	23.5%	19.7%	26.0%	32.7%	9.4%	21.5%	6.7%	11.4%
Cost burden >50%	6.4%	2.3%	3.4%	0.4%	2.0%	8.1%	0.0%	0.0%	0.3%	1.3%
HH Income >80% MFI	565	2,086	78	2,568	5,297	808	2,421	126	3,526	6,881
Housing problems	n/a	n/a	n/a	n/a	n/a	14.5%	7.2%	33.3%	2.0%	5.9%
Cost burden >30%	n/a	n/a	n/a	n/a	n/a	13.2%	0.0%	0.0%	0.1%	1.6%
Cost burden >50%	n/a	n/a	n/a	n/a	n/a	0.5%	0.0%	0.0%	0.0%	0.1%
Total Households	2,349	4,752	499	7,848	15,448	3,060	5,457	511	11,728	20,756
Housing problems	45.8%	32.6%	58.3%	41.6%	40.0%	44.8%	29.1%	65.2%	33.3%	34.7%
Cost burden >30%	n/a	n/a	n/a	n/a	n/a	43.2%	23.0%	37.8%	31.0%	30.9%
Cost burden >50%	n/a	n/a	n/a	n/a	n/a	19.4%	9.8%	19.2%	14.1%	13.9%

Source: CHAS Data book. Jurisdiction: Fargo (CDBG), North Dakota. Data current as of 1990 and 2000

A "Housing problem" is defined as having a cost burden in excess of 30% of household income, living in a substandard housing unit, or living in overcrowded housing (as defined by HUD)

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**Homeownership is within reach for households in the 50-80% income range but specific efforts to boost homeownership rates for this group are needed**  
*Housing problems, All owner households, 1990 and 2000, Fargo*

	1990			2000					Homeownership Rate	
	Elderly	All other HH	All owners	Elderly	Small related (2 to 4)	Large related (5+)	All other HH	All owners	1990	2000
HH Income <=50% MFI	646	573	1,219	786	381	48	346	1,561	15.8%	15.8%
HH Income <=30% MFI	214	288	209	244	91	0	154	489	13.0%	10.0%
Housing problems	72.0%	83.7%	78.7%	74.6%	89.0%	0.0%	93.5%	83.2%		
Cost burden >30%	72.0%	83.7%	78.7%	74.6%	89.0%	0.0%	93.5%	83.2%		
Cost burden >50%	32.2%	75.3%	57.0%	48.8%	89.0%	0.0%	75.3%	64.6%		
HH Income >30% to <=50% MFI	432	285	717	542	290	48	192	1,072	18.7%	21.5%
Housing problems	28.5%	68.8%	44.5%	38.0%	65.5%	83.3%	71.9%	53.5%		
Cost burden >30%	28.5%	61.4%	41.6%	36.2%	65.5%	83.3%	71.9%	52.6%		
Cost burden >50%	7.2%	34.0%	17.9%	9.2%	23.4%	37.5%	36.5%	19.2%		
HH Income >50 to <=80% MFI	691	1,318	2,009	931	969	263	583	2,746	35.4%	33.1%
Housing problems	12.6%	43.1%	32.6%	15.4%	31.8%	47.1%	47.5%	31.0%		
Cost burden >30%	11.1%	40.3%	30.3%	15.4%	27.7%	45.6%	46.8%	29.3%		
Cost burden >50%	2.2%	4.5%	3.7%	3.7%	3.1%	9.1%	8.4%	5.0%		
HH Income >80% MFI	1,756	9,908	11,664	2,352	8,721	1,204	1,919	14,196	68.8%	67.4%
Housing problems	n/a	n/a	n/a	5.1%	6.9%	8.9%	11.6%	7.4%		
Cost burden >30%	n/a	n/a	n/a	5.1%	6.6%	8.2%	11.6%	7.2%		
Cost burden >50%	n/a	n/a	n/a	1.0%	0.3%	0.3%	0.3%	0.5%		
Total Households	3,093	11,799	14,892	4,069	10,071	1,515	2,848	18,503	49.1%	47.1%
Housing problems	14.2%	16.5%	16.0%	16.0%	11.8%	17.9%	27.5%	15.6%		
Cost burden >30%	n/a	n/a	n/a	15.7%	11.1%	17.1%	27.3%	15.1%		
Cost burden >50%	n/a	n/a	n/a	5.6%	2.1%	3.0%	8.6%	3.9%		

Source: CHAS Data book. Jurisdiction: Fargo (CDBG), North Dakota. Data current as of 1990 and 2000

A "Housing problem" is defined as having a cost burden in excess of 30% of household income, living in a substandard housing unit, or living in overcrowded housing (as defined by HUD)

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### When measured in constant dollars, rents in Fargo have actually declined in the last 30 years

*Median Household Gross Rent, 1970-2000, Fargo*

	% median gross rent in national brackets			
	Median Gross rent in 1999 dollars	Rent in National Lowest 20%	Rent in National Middle 60%	Rent in National Top 20%
1970	\$455	23.6%	57.9%	18.5%
1980	\$461	24.1%	64.9%	11.0%
1990	\$453	29.8%	66.7%	3.5%
2000	\$453	30.8%	64.2%	5.0%

Source: SOCDS Census Data

### The median value of a home in Fargo (measured in constant dollars) increased by 7 percent in the 1990s

*Median Household Owner's Value, 1970-2000, Fargo*

	% median gross rent in national brackets			
	Median Owner's Value in 1999 dollars	Value in National Lowest 20%	Value in National Middle 60%	Value in National Top 20%
1970	\$84,296	7.1%	71.3%	21.6%
1980	\$114,032	5.1%	76.0%	18.8%
1990	\$89,100	10.6%	84.1%	5.3%
2000	\$95,490	16.7%	76.6%	6.8%

Source: SOCDS Census Data

A series of recommendations from Fargo's most recent Housing Market study covers subsidized and market rate housing needs, as well as demand projections.<sup>13</sup>

- 1. Tax Credit Rental Housing Construction.** Demand supports approximately 30 units per year (excluding units targeted to special populations). Also, approximately 70-80 units per year may be needed to replace expiring units.
- 2. Subsidized Housing Construction.** Demand far exceeds supply in this market segment, with greatest need for deep subsidy housing units. Highest priority in metro area is for young families with children because that group has the largest number of households showing a "cost burden". The next priority group is seniors, which indicate a higher proportion of the sub-market as being cost burdened.
- 3. Senior Housing with Services.** Good balance of supply and demand at present time. Estimate approximately 24-28 units per year to maintain current 4-5% market penetration.
- 4. Preservation of Affordable and Subsidized Rental Housing.** Low vacancy rates in subsidized buildings so preservation of existing units is important. The subsidies are increasingly difficult to replace.
- 5. Other Rental Needs.** Special needs populations continue to have unmet housing needs.

<sup>13</sup> Fargo Housing Market Study Update (2004), pp. 97-139.

6. **Single Family Detached Housing.** Estimate demand for 575-760 owner occupied units per year in the MSA. Fargo could expect to see about 50% of that production level, translating into 280-400 owner occupied units per year (approximately 155-200 of those units likely to be detached). The detached units are likely to be the higher priced units in the market.
7. **Single Family Attached.** Estimate approximately 55% of owner occupied housing starts (155-200 units per year in City of Fargo). Likely shift from twin homes to other styles as decade progresses. These types of units tend to serve a more affordable market.
8. **Financing homeownership.** Explore new models and continue with the existing.
  - a. Employer Assisted housing
  - b. Urban Homesteading/Purchase Rehab program
  - c. Lease to Purchase options
9. **Future lot development.** Land availability is not a major issue in Fargo. There is a 2 ½ year supply of lots available or in the planning stages. This means that an additional 1,000 residential lots should be planned in the next few years to keep up with demand.
10. **Owner Occupied Housing Rehabilitation.** Continue to support efforts to preserve existing housing.
11. **Acquisition/Demolition program.** Continue working to facilitate infill housing development.
12. **Diversity issues.** Develop programs aimed at increasing minority homeownership rates.
13. **Homeless.** Develop additional units of supportive housing as resources allow. This may include providing assistance to those who are coming out of non-permanent living facilities such as jails, hospitals and shelters to avoid discharging people into homelessness.
14. **Mobile Home.** Consider programs to address the condition of mobile home units.
15. **Hard-to-House Tenant issues.** Look for ways to expand tenant training programs to address barriers facing tenants with poor rental histories, problem credit and criminal backgrounds.
16. **Promote “fair share” approach to affordable housing development in Fargo metro area.** Work with communities throughout the metro area to ensure that affordable housing issues are addressed on a regional basis.

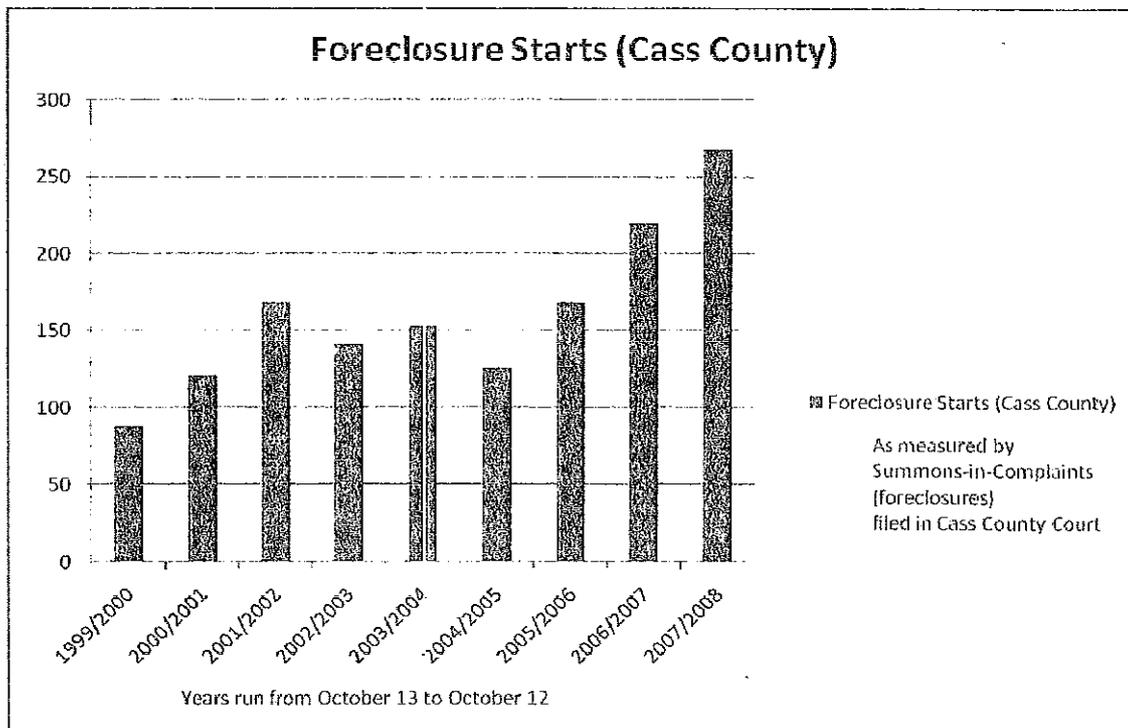
**Foreclosure**

Recently the Nation has endured a historic crisis of home foreclosures to which Fargo is not immune. Though the foreclosure rate in the area is smaller than in other parts of the country, there has been a marked increase in the number of foreclosures seen by the Cass County Court system. Nationally, mortgage foreclosure rates have increased nearly 3.5% since 2000 while Fargo's rate has increased 0.5%. While seemingly insignificant, the number is high for a community with a low level of subprime mortgage activity relative to the Nation,<sup>14</sup> and affects the lives of many homeowners.

The ND Division of Community Services has provided information on the numbers of foreclosed properties on the market. The state as a whole had 312 foreclosed properties.<sup>15</sup> The following list shows the breakdown for some of the larger communities.

- Cass County – 143 (46% of total)
- **Fargo – 83 (27% of total)**
- Grand Forks – 26 (8% of total)
- Bismarck – 19 (6% of total)

The following graph shows the number of properties in Fargo that have started in foreclosure from 10/13/1999 through 10/12/2008. Data was obtained from the Cass County Clerk of District Court's office, and is a tally of properties for which foreclosure Summons-in-Complaint documents have been issued. A sharp linear rise in foreclosures can be seen from the end of 2005 through the end of 2008.



Many of the foreclosures are directly related to subprime lending that has taken place with the recent boom in housing prices. In the City of Fargo, there were 587 subprime loans totaling \$51 million as of March, 2008. The total value of loans in "serious delinquency" totaled nearly \$6 million.

<sup>14</sup> Local Market Report, 3<sup>rd</sup> Quarter 2009, National Association of Realtors

<sup>15</sup> RealtyTrack, October 9, 2008

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The practice of subprime lending refers to loans made to borrowers who have a heightened perceived risk of default, such as those who have a history of loan delinquency or limited debt experience. The following table shows information such as delinquencies, loan-to-value, types of interest, and other data on subprime loans in the City of Fargo, broken down by zip code. Although there are subprime loans throughout the City, a higher number of loans are found in the 58102 and 58103 zip code areas, which roughly correspond to the focus area for Fargo's ongoing neighborhood revitalization activities.

	City of Fargo Total	Fargo zip code 58102	Fargo zip code 58103	Fargo zip code 58104
Number of sub-prime loans	587	178	272	137
Total value of sub-prime loans	\$51,000,000	\$15,000,000	\$22,000,000	\$14,000,000
% of sub-prime loans 30 days delinquent	10.6%	3.14%	2.05%	5.44%
% of sub-prime loans 60 days delinquent	3.7%	1.48%	2.18%	0.08%
% of sub-prime loans 90 days delinquent	15.6%	3.33%	2.86%	9.42%
% of sub-prime loans in foreclosure	17.2%	9.17%	5.38%	2.61%
% of bank owned sub-prime loans	3.4%	1.77%	0.29%	1.31%
% of sub-prime loans in "serious delinquency"	36.1%	14.27%	8.53%	13.34%
Total value of loans in "serious delinquency"	\$5,884,700	\$2,140,500	\$1,876,600	\$1,867,600
Average interest rate	9%			
% with at least one late mortgage payment in 07	42.6%			
Average loan-to-value at origination	89.8%			
# of loans with variable interest rate	500			
# of loans with interest-only rate	100			
# of loans with a pre-payment penalty	400			
# of loans with a pre-payment penalty at origination	600			
% of loans with FICO score less than 600	39%			
% of loans with FICO score greater than 660	20.3%			
# of sub-prime loans that originated in 2007	100			
# of sub-prime loans that originated in 2006	200			
# of sub-prime loans that originated in 2005	200			
# of sub-prime loans that originated in 2004 or before	100			
% of all mortgages that have full documentation on file	73%			

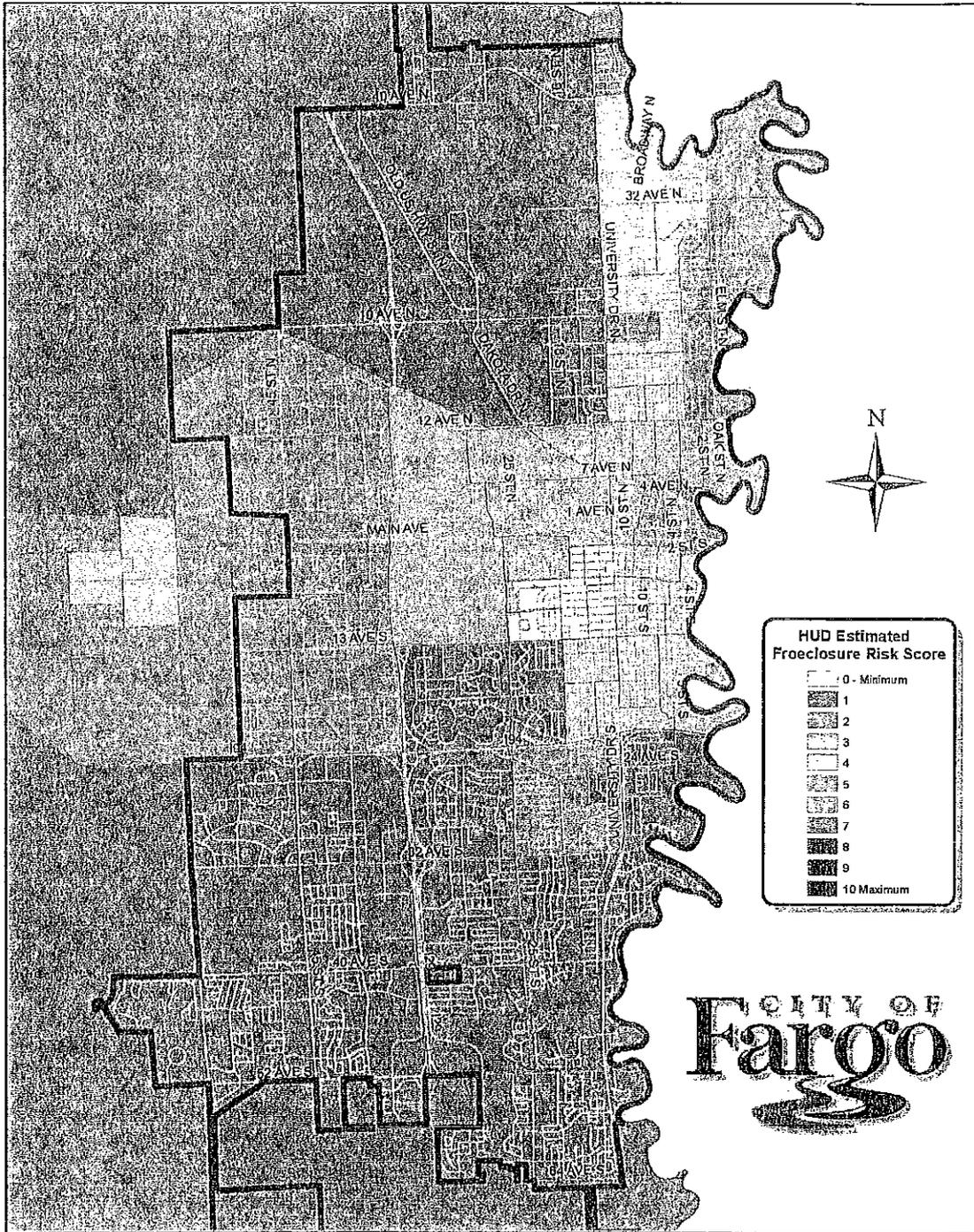
Source: Author's calculations using Federal Reserve Board estimates based on data from First American Loan Performance, March 2008

HUD has developed a foreclosure and abandonment risk score to aid communities in targeting their areas of greatest need. The map on the following page to shows the distribution and foreclosure risk scores for all Fargo census tracts and block groups.

The City of Fargo is currently utilizing Neighborhood Stabilization Program (NSP) funds to address foreclosure needs within the community. Through the activities of Purchase/Rehabilitation, Infill and Homebuyer Assistance, the City expects to have a number of projects obligated by February 2010. However, it is likely that foreclosure-related needs will remain to be addressed after this date.

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### Fargo Foreclosure/Abandonment Risk By Census Tracts and Block Groups



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**Racial/ethnic minorities and low income families**

**Racial/Ethnic Minorities.** When combining racial and ethnic minorities as traditionally defined by the Census, along with refugees of European descent (listed as "white"), minorities make up approximately 10 percent of Fargo's population.

**Low Income Families.** 45 percent of the City's households earn less than 80 percent of the area median income which, for a family of four in 2009, translates to an annual gross income of \$54,550.

The overall percentage of households experiencing housing problems declined between 1990 and 2000 but one in four households still experiences either overcrowding, substandard units, or cost burdens. Households that earn less than 30 percent of area median income face the most serious cost issues. Overcrowding and substandard housing are very small parts of the "housing problem" statistic in Fargo.

**In Fargo, minority households are more likely to experience housing problems than non-minority households**

*Housing problems by race and income, All households, 2000*

	Non-Hispanic			Hispanic	
	White	Black	Asian	American Indian	All Races
HH Income <=50% MFI	9,044	83	209	294	135
HH Income <=30% MFI	4,404	55	106	163	87
% with any housing problems	81.4%	100.0%	83.0%	76.7%	88.5%
HH Income >30% to <=50% MFI	4,640	28	103	131	48
% with any housing problems	58.6%	50.0%	56.3%	28.2%	91.7%
HH Income >50 to <=80% MFI	7,984	58	62	58	106
% with any housing problems	20.8%	34.5%	45.2%	41.4%	9.4%
HH Income >80% MFI	20,453	96	194	119	98
% with any housing problems	7.0%	14.6%	10.3%	3.4%	14.3%
Total Households	37,481	237	465	471	339
% with any housing problems	25.1%	43.5%	41.7%	40.3%	42.8%

The 2004 Housing Market Study conducted by Community Partners Research identified some of the barriers refugee and immigrant families in Fargo have in securing housing.<sup>16</sup>

- **Communication.** English language proficiency can be a barrier when searching for housing.
- **Cultural differences.** Cultural differences can conflict with "community norms" (ex. number of people living in a housing unit)
- **Short-term residency.** May not know how long they will live in the community
- **Financing practices.** Islamic cultures do not believe in paying interest and, currently North Dakota does not have *Lariba* lending alternatives available to Muslims.
- **Housing Unit Needs.** Many refugee families need large rental units, which are in short supply.
- **Transportation.** Location of housing is critical since many refugee families do not have a vehicle, drivers license, or insurance.
- **Assets.** Lack of funds for rental security deposit or down payment.

<sup>16</sup> "Housing Study Update – City of Fargo", Community Partners Research (April 2004), p. 145.

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- **Discrimination.** Fair housing issues can factor into a refugee person's ability/inability to secure housing.
- **Low income.** Most refugee households are low income, meaning they face the same barriers to securing housing that other low income persons do.

### Very low income renters are likely to experience housing problems, regardless of race or ethnicity

*Housing problems by race and income, Renter Households, 2000*

	Non-Hispanic			Hispanic	
	White	Black	Asian	American Indian	All Races
HH Income <=50% MFI	7,519	83	209	284	127
HH Income <=30% MFI	3,923	55	106	163	83
% with any housing problems	81.1%	100.0%	83.0%	76.7%	88.0%
HH Income >30% to <=50% MFI	3,596	28	103	121	44
% with any housing problems	60.0%	50.0%	56.3%	22.3%	90.9%
HH Income >50 to <=80% MFI	5,352	38	42	30	51
% with any housing problems	15.5%	52.6%	42.9%	13.3%	19.6%
HH Income >80% MFI	6,514	73	86	65	58
% with any housing problems	5.8%	13.7%	11.6%	6.2%	17.2%
Total Households	19,385	194	337	379	236
% with any housing problems	33.8%	51.0%	51.6%	42.2%	56.4%

### Fargo homeownership patterns indicate a disparity in homeownership rates for minority and non-minority households

*Housing problems by race and income, Owner Households, 2000*

	Non-Hispanic			Hispanic	
	White	Black	Asian	American Indian	All Races
HH Income <=50% MFI	1,525	0	0	10	8
HH Income <=30% MFI	481	0	0	0	4
% with any housing problems	83.8%	n/a	n/a	n/a	100.0%
HH Income >30% to <=50% MFI	1,044	0	0	10	4
% with any housing problems	53.4%	n/a	n/a	100.0%	100.0%
HH Income >50 to <=80% MFI	2,632	20	20	28	55
% with any housing problems	31.4%	0%	50.0%	71.4%	0.0%
HH Income >80% MFI	13,939	23	108	54	40
% with any housing problems	7.5%	17.4%	9.3%	0.0%	10.0%
Total Households	18,096	43	128	92	103
% with any housing problems	15.7%	9.3%	15.6%	32.6%	11.7%
Homeownership Rate	48.3%	18.1%	27.5%	19.5%	30.4%

Source: CHAS Data book. Jurisdiction: Fargo (CDBG), North Dakota. Data current as of 1990 and 2000

### Public and Assisted Housing

As of December 2009, the Fargo Housing and Redevelopment Authority (FHRA) owned 589 units of public housing and managed 1,170 Section 8 vouchers and 175 Homeless Program Vouchers. The FHRA commissioned a "Facilities Condition Assessment" in 2002 (completed by Anderson Architects) to help them determine overall condition of their properties and long range rehabilitation needs. The most significant finding in the Facilities Assessment was the deteriorated condition of the plumbing system in the High Rise. The estimated rehab cost for the High Rise was \$12 million. The FHRA is looking at options to address the rehab needs of this property, which contains 248 units of public housing. The remainder of the facilities assessment identified routine maintenance needs that have been incorporated into the FHRA's annual capital improvement plans.

The FHRA completed a comprehensive Section 504 Needs Assessment in 1985 and has been reviewing the findings periodically since that time. Significant upgrades were made in response to the original Section 504 assessment to accommodate the needs of persons with sight, hearing, and physical disabilities. Seventeen percent of the city's public housing units are completely wheelchair accessible (the 98 units at Pioneer Manor); this is triple the minimum requirement established by Section 504. The FHRA is committed to continuing to make accessibility improvements and incorporates upgrades into their rehab schedule whenever possible.

The FHRA is not only committed to improving the physical quality of the properties they own but they are also committed to continuously improving the management of those properties and the living environment of the residents of public housing. The FHRA is routinely classified as a "high performer" but their commitment to improving management includes ongoing updating of the equipment and staff skills needed to effectively manage public housing. There are several outstanding programs available to public housing residents:

- ESPM Center (Entrepreneurship for Single Parents and Minorities)
- English Language classes offered on site
- Computer labs at the High Rise and Pioneer Manor, available to all tenants
- Clothing & Connections, providing "interview" clothes to tenants seeking employment
- Training Program – Paint School
- Vocational training/work experience offered at Pioneer Manor
- Security cameras on all properties
- Support services of the ROSS grant, including meals and attendant 4 full time Social Workers, youth programs and van service
- Wellness rooms on site

DRAFT

Public Housing makes up 30% of the total number of deep subsidy units available in Fargo. All assisted units (non LIHTC) maintain waiting lists – vacancy rates are indicative of time delay in processing new tenants from waiting lists, not a mismatch in supply and demand.<sup>17</sup>

*Public and Assisted Rental Housing Units by Bedroom Mix, 2009*

Type of Occupancy/Project	0 BR/ SRO	1 BR	2BR	3 BR	4BR	Total	Vacancy Rate
<b>General Occupancy</b>							
Low Income Housing Tax Credit	0	136	450	247	20	853	6.3%
Public Housing	0	0	104	72	23	199	<1%
Sec 8 Mod Rehab	2	60	18	12	0	92	4.2%
HUD 236/Section 8	7	0	136	40	0	183	4.2%
<b>Subtotal – General Occupancy</b>	<b>9</b>	<b>196</b>	<b>708</b>	<b>371</b>	<b>43</b>	<b>1,324</b>	
<b>Senior, Handicap, Disabled</b>							
Low Income Housing Tax Credit	0	41	100	0	0	141	<1%
Public Housing	0	370	21	2	0	393	<1%
HUD 231/Section 8	0	90	0	0	0	90	2%
HUD 202/Section 8	75	0	0	0	0	75	2%
Sec 221(d)(4)/Section 8	0	39	2	0	0	41	2%
<b>Subtotal – Senior, Handicap, Disabled</b>	<b>75</b>	<b>540</b>	<b>123</b>	<b>2</b>	<b>0</b>	<b>740</b>	
<b>Section 8 – Existing</b>						<b>1,345</b>	<b>n/a</b>
<b>Total</b>	<b>84</b>	<b>736</b>	<b>831</b>	<b>373</b>	<b>43</b>	<b>3,409</b>	

Source: "Housing Study Update - City of Fargo", Community Partners Research (April 2004)

Updated Numbers 2009, Fargo Housing and Redevelopment Authority

\*Most of the projects in this table, except Low Income Housing Tax Credit, are considered "deep subsidy" units, meaning that rent is based on 30% of tenant income.

Some of the first units developed under the Low Income Housing Tax Credit program have already left the tax credit program and others are due to expire every year (on average, approximately 30 units per year). It is possible that some of these units may convert to market at the end of their contract; however it is also likely that at least some of the units will reapply for tax credits to facilitate building upgrades.

The public housing stock has significant rehab needs and, without aggressive renovation of the High Rise in particular, the community is at risk of losing a portion of this extremely important housing resource.

<sup>17</sup> Market rate rental units in Fargo exhibited vacancy rates of 6.8% for a similar time period, which is the highest annual rate of vacancy in several years. (2004 Fargo Housing Study Update, 79)

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**Special Needs Facilities and Services – Non-Homeless**

There is a need to maintain and enhance housing and supportive services for persons with special needs. Special needs persons are not homeless but will typically require supportive services to maintain stable housing. The “special needs” populations include elderly, frail elderly, seriously mentally ill, developmentally disabled, physically disabled, persons with alcohol/other drug addictions, or persons with HIV/AIDS.

**The expectation is that a disproportionate (and increasing) number of special needs individuals are extremely low income, compounding the need for housing facilities that provide appropriate services**

*Special Needs populations, Fargo, 2000-2009*

	Population	Housing Facilities	Supportive Services	Priority
<b>Elderly (age 65-85)</b> <i>Source: Census, 2006-2008 ACS</i>	(2008) 7,830 (2000) 7,601	Market rate and subsidized senior-designated housing	Services are available in 376 assisted living market rate units. 163 subsidized units offer assistance on a contract basis.	M
<b>Frail Elderly (age 85+)</b> <i>Source: Census, 2006-2008 ACS</i>	(2008) 1,939 (2000) 1,528	Nursing homes, market rate and subsidized retirement communities, assisted living facilities	See note for “Elderly” population	H
<b>Persons with a Disability (physical, mental, emotional)</b> <i>Source: Census, 2000</i>	(2000) 12,729			
<b>Seriously Mentally Ill</b> <i>Source: SE Human Svc Ctr</i>	(2009) 3,249 (2003) 2,132	None specifically designated unless Dual Diagnosis affords access		H
<b>Developmentally Disabled</b> <i>Source: SE Human Svc Ctr</i>	(2009) 1,298 (2003) 923	Group homes operated by Fraser and Friendship, Inc.		L
<b>Physically Disabled</b> <i>Source: CHAS, 2000</i>	(2000) 4,289	Accessible market rate and subsidized housing (60% of this population rents housing)		M
<b>Persons with alcohol/drug addictions</b> <i>Source: SE Human Svc Ctr</i>	(2009) 1,271 (2003) 1,031	Dakota Pioneer, Sister's Path Centre, Inc.		M
<b>Persons with HIV/AIDS</b> <i>Source: ND Dept of Health/City of Fargo</i>	(2008) 65-70 <sup>18</sup>	None specifically designated		L
<b>Public Housing Tenants</b> <i>Source: Fargo Housing Authority, 2009</i>	(2009) 1,024	589 housing units	Self sufficiency services, meals, attendant care, transp	H

*Note: Southeast Human Service Center data from 2003 and 2009 fiscal year report. Assumption is that 90 percent of the southeast region's population is in city of Fargo.*

In 2004 the Southeast Human Service Center established the Transitional Jobs Program that creates a working partnership between representatives from homeless shelters, human services, mental health and substance abuse, state correctional facilities, the ND state hospital, and the ND foster care system. This program evaluates the impact of discharges from ND institutions on homelessness, and facilitates the CoC's working partnership with state and local government to ensure that discharge policies are

<sup>18</sup> The number of cases of HIV/AIDS is very low in North Dakota so statistics are not available on a detailed geographic basis. The estimate included in the table is based on the state's 2008 HIV/AIDS Epidemiologic Profile which states that approximately 188 people in North Dakota are living with AIDS; a total of 441 people have been diagnosed with HIV since 1984 (32 percent are known to have died). Fargo accounts for 14 percent of the state's population but is also home to a regional medical center and is the only urban area in the state. As such, the assumption is that the proportion of HIV/AIDS cases is higher in Fargo than population distribution would suggest.

being developed and implemented to prevent the discharge of persons from immediately resulting in homelessness.<sup>19</sup>

Perhaps most significant is the critical need for additional senior housing in Fargo, given the statistics on increasing elderly populations. As shown in the preceding chart, the population of elderly persons age 65-85 increased 3% from 2000 to 2008. In particular, the number of elderly persons identified as "frail," or over 85 years of age increased 27% over the same time period. The need for senior housing has been researched and summarized by Fargo staff, and has identified seven important areas of focus:

**1. Top Priority.** The 2004 ND Housing Needs Assessment recommended that the state of North Dakota give top priority to finding ways to address future elderly housing issues. The study recommendations indicate that "agencies should position themselves for a significant increase in demand for programs that address housing for extremely low, low, and moderate-income residents."

- o Housing for "frail elderly" (age 85+) was identified as a high priority need in the 2005 Fargo Consolidated Plan

**2. Aging Community.** Fargo, like the rest of the country, will "age" as a community in the next 30 years. In Fargo, the number of people age 65+ is expected to increase by 91% between 2000 and 2015.<sup>20</sup>

- o 16% of Fargo pop age 60+ in 2010 – 28% by 2035<sup>21</sup>
- o The City will still have in-migration from surrounding communities (75 mile "service area") but, more of the people moving to Fargo from those areas will be over age 60 than in the past.
- o Note: 2020 is the 1st time we will see the true impact of the "aging society" we've been talking about for so long. The first Baby Boomer turns 65 in 2011.

**3. Rental Options are Important.** Affordable rental housing for seniors is important as renting is an increasingly popular option for households as they age.

- o 33% of 55-64 year old householders are renters; that percentage rises to 43% for households over age 65. (2000 Census)

**4. Affordability is a Challenge.** Finding affordable housing is very difficult for households living in poverty.

- o Almost 80% of households with income at or below the poverty level can be considered "cost burdened" (i.e., pay more than 30% of their income for housing). 58% of all households in this income bracket pay more than half of their total income for housing.<sup>22</sup>
- o In 2000, 8% of elderly households in Fargo lived in poverty (householder over age 65)

**5. Disproportionate Need.** By sub-population, it is more difficult for seniors to find affordable housing than for any other sub-population in Fargo.

- o Nearly 47% of all renters age 75+ paid more than 30% of their income for housing (i.e., were "cost burdened") - this is the demographic in the metro area that was most likely to be cost-burdened as of the 2000 Census.
- o In Fargo, large families and elderly renters are most likely to have a housing problem (i.e., cost burden, overcrowded, or substandard housing). 67% of elderly renters experienced a housing problem in 2000: 63% were cost burdened, 47% paid more than half of their total income for housing. The percentage of elderly renters with housing problems increased

<sup>19</sup> *North Dakota 2004 Continuum of Care Application – Exhibit One*, North Dakota Coalition for Homeless Persons (July 2004).

<sup>20</sup> *North Dakota Statewide Needs Assessment*, North Dakota State Data Center. (November 2004)

<sup>21</sup> Metropolitan Council of Governments 2006 Population Study

<sup>22</sup> HUD CHAS Databook 2000

from 1990 to 2000.<sup>23</sup> The situation is similar for elderly homeowners: 75% paid more than 30% of income for housing and 49% paid more than half of their income for housing.

**6. More Units Needed.** The 2004 FM housing market study noted that the overall demand for subsidized housing (especially deep subsidy) exceeded supply. Highest priority for new units in the metro area is for young families with children (largest number of households with a cost burden) and seniors (higher proportion of the subpopulation cost burdened).

- o Vacancy rates in subsidized housing projects targeted to senior and/or disabled tenants are extremely low (0-2%)

**7. Fair Housing.** Distribution of affordable housing across the community is necessary for access to housing to be fair.

- o The principles embodied in the concept of fair housing are fundamental to healthy communities.
- o The difficulties developers encounter when trying to site special needs housing facilities have an impact on fair housing choice.

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<sup>23</sup> HUD CHAS Databook 2000

### **Barriers to affordable housing**

Availability of both new and existing units of affordable housing has been an increasing challenge in Fargo, both for renters and owners. Fargo's approach to addressing affordability includes local regulatory review and coordination and development of local financing alternatives. Significant effort has been made to ensure that local regulation does not act as a barrier to housing affordability. The City's tax policies, zoning controls, building inspections and housing related incentives, for the most part, do not act as a barrier to affordable housing creation/preservation.

**Tax policies.** The City has a two-year property tax exemption for newly constructed owner occupied housing that is weighted more heavily toward affordable units. Fargo also has a property tax exemption for home remodeling projects that freezes the pre-rehab value for a period of 3-5 years, depending on the age of the home. In addition, the state of North Dakota has a Homestead tax credit that is designed to reduce the property tax burden on low income elderly and disabled homeowners. One potential issue with the homestead credit is the limit established by statute on the value of eligible property. The current statute says that the first \$100,000 of a property's value is eligible for exemption.

**Zoning and Land use controls.** Fargo does not have an outer ring growth boundary but is trying to encourage smart growth to allow for more efficient use of existing infrastructure systems. The Fargo Land Development Code outlines several categories of residential zoning that allow for variation in lot sizes and densities. In 2003, the City of Fargo adopted a new zoning category (SR-5) for the specific purpose of providing developers with an opportunity to build housing on smaller lots, with the end result often being an increase in affordability. The Code also allows for cluster housing development and other alternative development models, again, to facilitate the efficient use of land for the development of housing.

The process of applying zoning to property is an area that can prove challenging to developers, particularly developers interested in building affordable housing. The community often displays fears of density, in general, and affordability, in particular. This "classism" can sometimes prompt changes in subdivision design that negatively affect project affordability.

**Building codes, fees, charges.** The Building Inspections Department adopted the International Building Code (2006 edition) to govern rehabilitation of existing residential properties. This Code has helped to address some of the concerns that had been expressed about the application of new construction codes to older residential properties.

From a cost/process perspective, when compared to other communities, Fargo's Building Inspection and plan review process is both affordable and expedient. This means that the process itself is not a barrier to housing affordability. Also, the city's Rental Inspection program works to ensure that the community's rental housing stock is safe, sanitary and decent; fees are only applied if a property owner refuses to correct code violations. Some advocate that this is an impediment to continued affordability of certain units, but it is the city's position that affordability cannot come at the expense of safety.

**Other Incentives.** The city has an aggressive housing rehab program. Homeowners can qualify for loans or grants, depending on income and location of property. Rehab assistance is an important incentive to maintain because it is becoming more and more apparent that the City's existing housing stock is also it's most affordable housing stock. Another incentive designed to aid in housing affordability is the downpayment assistance program available to low/mod homebuyers in the community. The city uses both CDBG and HOME funds to rehabilitate and/or create affordable rental housing units, with rents and income targeting guaranteed by pre-determined "periods of affordability". The City also aids in housing affordability through snow removal and special assessment assistance to elderly, disabled and income-qualified individuals and families.

## Fair Housing

"The principles embodied in the concept of 'fair housing' are fundamental to healthy communities, and communities must be encouraged and supported to include real, effective fair housing strategies in their overall planning and development process, not only because it is the law, but because it is the right thing to do."<sup>24</sup>

The City of Fargo is committed to promoting fair housing choice in an affirmative manner. According to HUD, 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 affect of restricting housing choices or the availability of housing choices *on the basis* of race, color, religion, sex, disability, familial status or national origin.

The following is a summary of the impediments to fair housing choice in Fargo, as identified in the 2002 Analysis of Impediments<sup>25</sup> and more recent housing studies.

- 1. Education** . Individuals lack information on fair housing, specifically regarding their rights and their responsibilities on housing issues.
- 2. Historic Isolation**. The pattern of modern housing developments has effectively segregated people by income in many areas of the community. In some cases, it relates to the location of public housing and in others it is the patterns of private sector housing development that contribute to this isolation.
- 3. NIMBY**. As in many areas of the country, community resistance to the integration of diverse types of housing into existing neighborhoods is growing in Fargo. The Planning Commission and City Commission deal with "not-in-my-back-yard" arguments on a routine basis, relating to everything from the location of bike trails to group homes for persons with mental disabilities or for the homeless. The difficulties developers encounter when trying to site special needs housing facilities definitely have an impact on fair housing choice. The siting battle (or even the potential of a long and protracted battle) can influence the selection of a site and can even determine whether or not a housing project ever gets off the ground.
- 4. Affordability**. From 2006 to 2007, North Dakota experienced the Nation's 16<sup>th</sup> highest home price increase at 7.1 %.<sup>26</sup> While the cost of construction and/or the rising cost of housing rehab limit housing choice, the way subdivisions are developed also has an impact on the cost of housing and segregation of individuals by income. The creation of a variety of types of lots for residential development is the first step in facilitating construction of new affordable housing, which has a direct impact on the community's ability to develop diversity within its neighborhoods.
- 5. Accessibility**. The economic feasibility of retrofitting existing apartment buildings for accessibility can be seen as an impediment to fair housing choice in the community. Consistent integration of accessibility enhancements in newly constructed rental housing is also important to fair housing choice. Even when housing is made accessible, it is increasingly

<sup>24</sup> Ibid.

<sup>25</sup> "Analysis of Impediments to Fair Housing Choice", Fargo Department of Planning and Development (July 2002).

<sup>26</sup> "State of Affordable Housing in North Dakota", North Dakota Housing Finance Agency (2008)

difficult for a disabled person living on SSI payments to afford a modest one-bedroom or efficiency unit.<sup>27</sup>

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<sup>27</sup> "Priced Out in 2008: The Housing crisis for People with Disabilities", Technical Assistance Collaborative (April 2009)

### Lead based Paint Hazards

Lead based paint poisoning is an environmental health problem that can pose health risks to young children. Blood lead levels (BLL) as low as 10 µg/dL are associated with harmful effects on children's learning and behavior. Very high BLLs ( $\geq 70$  µg/dL) cause devastating health consequences, including seizures, coma, and death.<sup>28</sup>

A recent CDC report on Childhood Lead Poisoning Prevention noted that approximately 40% of all U.S. housing units (about 38 million homes) have some lead-based paint, and 25% of all U.S. housing units (about 24 million homes) have significant lead-based paint hazards. Of units built before 1940, 68% have significant lead-based paint hazards, as do 43% of units built from 1940 to 1959. Nationwide, about 4.2 million units with some lead-based paint are occupied by families with children aged < 6 years. Young children in low-income families living in the 1.2 million housing units in the United States that have significant lead paint hazards as defined by HUD regulations are at highest risk for exposure to lead.<sup>29</sup>

Sixty-one percent of all residential properties in the City of Fargo were built before 1979. While the possibility exists that any home built before 1979 contains lead based paint, the properties at highest risk for lead paint hazard are those built before 1950. Twenty-seven percent of the housing stock in the community was built before 1950. As would be expected, these homes are concentrated in the center city districts (older neighborhoods).

### **One in four Fargo residential properties was built before 1950**

*Residential properties by year built, Fargo*

	<i>Single family detached</i>	<i>All other types of housing</i>	<i>Total residential properties</i>
<b>Pre-1950</b>	4,828	688	5,516
<b>1951-1978</b>	6,001	792	6,793
<b>1979-2004</b>	5,190	2,633	7,823
<b>Total Pre-1978</b>	10,829	1,480	12,309
<b>Total Residential properties</b>	16,019	4,113	20,132

*Source: Fargo City Assessor's Department*

*Note: This calculation is based on residential properties, and not on residential housing units.*

The City will continue to require testing for lead-based paint and leaded dust on all Housing Rehab projects on homes built prior to 1978. General contractors on rehab projects are required to have, at a minimum, persons certified by the North Dakota State Department of Health as Lead Abatement Supervisors. The contractor may also have workers certified by NDS DH as Lead Abatement Workers in which case a Certified Lead Abatement Supervisor must be able to be on site of at lead hazard reduction project within 2 hours.

The city will also continue to have clearance testing on all city funded rehab projects including lead hazard reduction work conducted by a City Health Department Environmental Health Practitioner who is a NDS DH Certified Lead Risk Assessor. The position of Housing Rehab Specialist will continue to require North Dakota State Department of Health certification as both a Lead Abatement Supervisor and Lead Risk Assessor in addition to training on the EPA's Renovation, Repair and Painting Program. The Rehab Specialist will also continue to be required to be an International Code Council Certified Building Inspector.

<sup>28</sup> Screening Young Children for Lead Poisoning, Centers for Disease Control and Prevention (November 1997), 9.

<sup>29</sup> Centers for Disease Control and Prevention. "Preventing Lead Exposure in Young Children: A Housing-Based Approach to Primary Prevention of Lead Poisoning". Atlanta: CDC (2004), 23.

### Summary of Need

The "Housing Market Analysis", "Housing Needs Table" and "Non-Homeless Special Needs Table" are included in Appendix C in the form currently prescribed by HUD. The tables include annual goals which will be updated each year via the Annual Action Plan and Annual Performance Report. The following issues emerge from examining the information presented in the Housing Needs analysis.

- Significant rehab needs in public housing must be addressed to maintain the community's inventory of subsidized units.
- Affordability concerns for households earning less than 30 percent of the area median income. The majority of this group rents, so rental affordability is key. Also, elderly households earning less than 30% of median income exhibit significant cost burden at high rates. Disabled persons who are receiving SSI payments as their primary income find that cost of rent is a significant burden.
- Homeownership rate is low, with disproportionately low rates of minority homeownership.
- Owner occupied housing costs are rising for all income ranges.
- Age-based projections through 2020 show younger population decreasing, with a large increase in middle-aged, empty-nester and senior households, which means shifting housing demand.
- Education on fair housing issues.
- Construction of new subsidized units (i.e., LIHTC) should target seniors and extremely low income households (less than 30 percent median income) as well as families with children and people with disabilities.

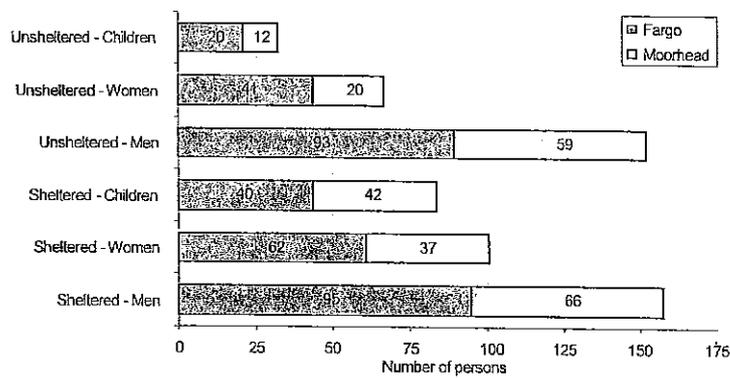
## Homeless

### Nature and Extent of Homelessness

The network of services for homeless individuals and families operates on a metropolitan basis. While a state line separates the communities of Fargo and Moorhead, the area's homeless population does not generally view the line as a barrier. They will travel to where necessary services are available. However, for the purpose of this report, homeless statistics and facilities are only discussed for the City of Fargo.

### **Fargo is home to 58 percent of homeless persons in Fargo Moorhead**

*Location and basic demographics by City, Wilder Survey, Oct 2006*



There are three general types of homelessness: Chronic, Episodic and Transitional.

- **Chronic** homeless - protracted homeless experience, spells in the system are frequent and long<sup>30</sup>
- **Episodic** homeless - use system with intermittent frequency but for short periods
- **Transitional** homeless - experience only one short spell of homelessness

	<b>Shelter days consumed</b>	<b>Needed Solution</b>
Chronically homeless	Stay for a "long time" 2.27 stays for 637 days	<ul style="list-style-type: none"> <li>• Permanent supportive housing</li> </ul>
Episodically homeless	4-5 stays (a lot of time but not in 1 block) 4.85 stays for 263 days	<ul style="list-style-type: none"> <li>• "Low demand" or harm reduction models</li> <li>• Residential treatment/transitional housing</li> </ul>
Transitional homeless	1-2 stays (2-60 days) 1.36 stays for 58 days	<ul style="list-style-type: none"> <li>• Prevention</li> <li>• Help for a quick return to housing</li> </ul>

*Stats are based on cluster distribution of single homeless adults in New York, Corporation for Supportive Housing*

<sup>30</sup> Chronic homelessness is defined as an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or has had at least 4 episodes of homelessness in the past 3 years. The chronically homeless are estimated to be approximately 10 percent of the total homeless population but they use more than 50 percent of the total resources used by homeless persons.

### Basic Characteristics

- **Age.** Two-thirds of the homeless persons in Fargo are men, with an average age of 44. The average age of a homeless woman in Fargo is 34.<sup>31</sup>
- **Marital Status.** Over half of those interviewed have never married (55%).
- **Veterans.** Veterans make up 36% of homeless males in Fargo.
- **Residency.** 38% of homeless persons in Fargo have lived in North Dakota for at least two years. The 62% that are more "recent" residents are most likely to come to North Dakota from Minnesota (39%) or have lived in North Dakota before (33%).
- **Children.** One third of the women (32%) in sheltered locations had at least one child with them.
- **Race/Ethnicity.** Fargo's homeless population contains a disproportionate number of persons of color, particularly American Indian (26%). About two-fifths (39%) of Fargo's homeless adults are persons of color.
- **Unsheltered.** Three out of four "unsheltered" homeless were men and almost half were American Indian.
- **Duration of Homelessness.** Thirty-six percent (36%) of the homeless population meet the Federal definition of chronic homelessness.
- **Education.** Almost 80% of Fargo's homeless population has a high school diploma or GED – 30% have attended at least some college.
- **Employment.** Forty-one percent (41%) of homeless persons in Fargo is employed – 15% in a full time status. For those who are not working, the most common barriers are transportation (40%), physical health problems (33%), lack of housing (27%), and mental health problems (27%).
- **Income.** The average amount of income in Fargo that homeless persons received was \$449/month; the median income was \$400.
- **Affordability of Housing.** The average amount of rent that a homeless person surveyed said they could pay for rent was \$235/month (including utilities). Twenty-two percent (22%) of people surveyed could not afford to pay rent.
- **Health and well being.** Ninety-three percent (93%) of the long term homeless population, and 77% of the total homeless population, report having a mental illness, substance abuse disorder or chronic physical health problem. Forty-four percent (44%) of homeless adults in Fargo were told by a doctor in the last two years that they have a serious mental illness.<sup>32</sup> Forty-three percent (43%) of homeless adults report that they consider themselves to be alcoholic or chemically dependent.

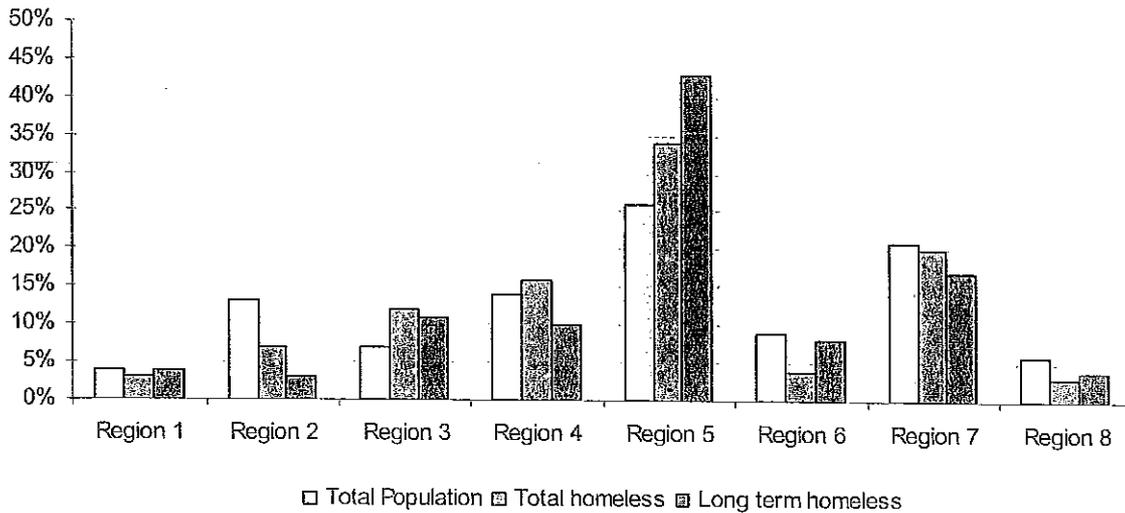
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<sup>31</sup> The statistics for the Homeless Needs Analysis are taken from: "Homeless adults and their children in Fargo, North Dakota and Moorhead, Minnesota: Regional survey of persons without permanent shelter", Wilder Research Center 2006.

<sup>32</sup> Mental illness as referenced in this survey includes: schizophrenia, manic-depression or bipolar disorder, some other type of delusional disorder, major depression, anti-social personality disorder or post-traumatic stress disorder.

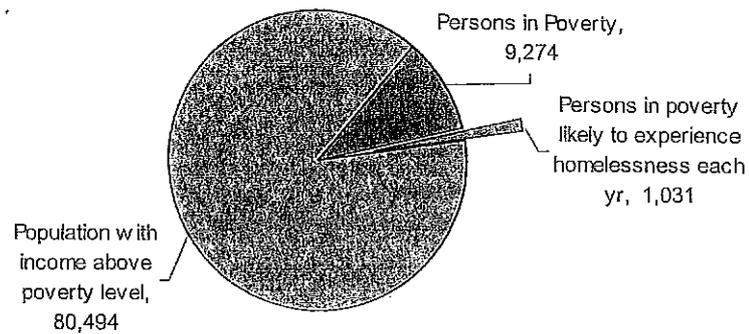
**Local data collection efforts are key - almost half of the state's  
Long term homeless population lives in Fargo**

*Population distribution by region, 2006 ND Point in Time survey,  
January 2006*



**Approximately 10% of people living in poverty will  
experience homelessness in any given year**

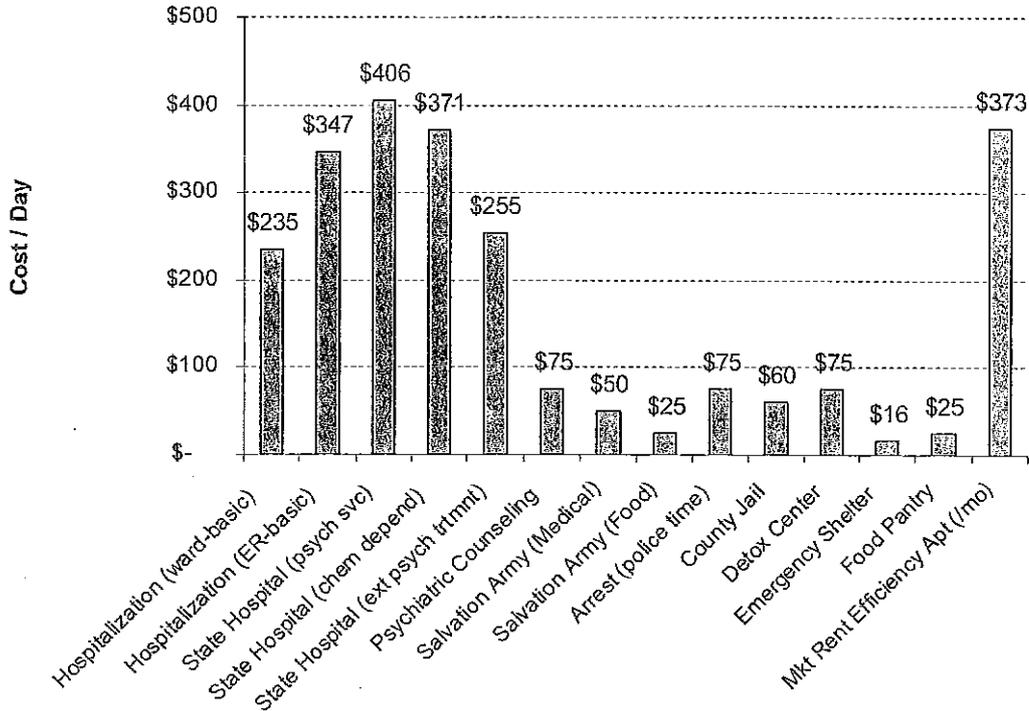
*2000 Census Poverty statistics, Fargo*



DRAFT

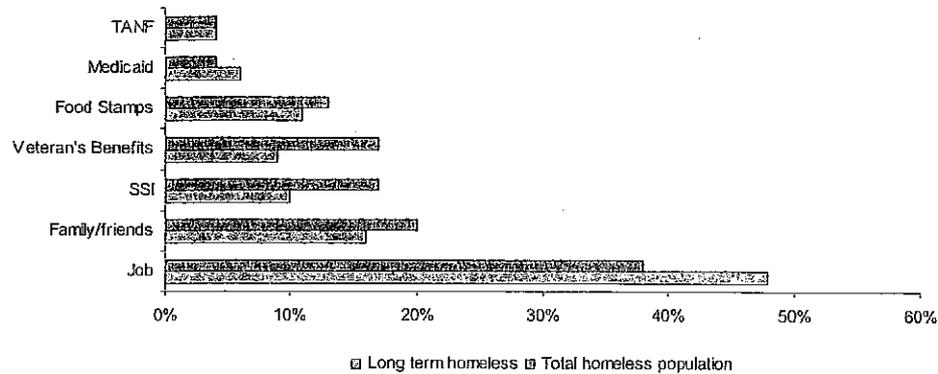
**Crisis and Institution-based services tend to be expensive and the costs are distributed across many agencies**

*Estimated cost of providing services, Fargo-Moorhead/ND, 2006*



**Employment is the most common source of income for Fargo's long term homeless population**

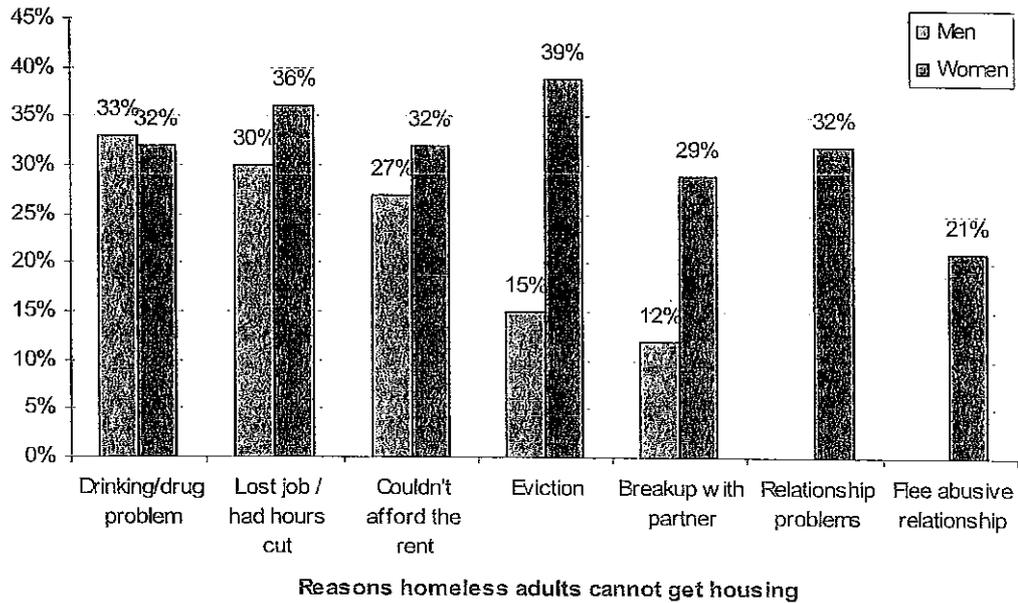
*Source of income, ND Point in time survey January 2006*



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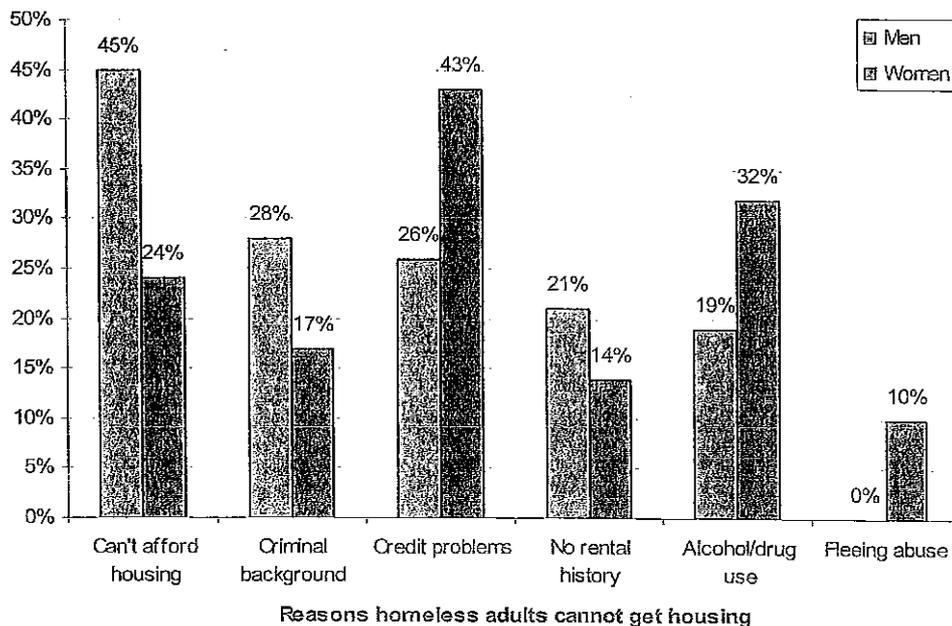
**Economics and behavioral issues top the list of reasons homeless adults in Fargo left their last stable housing situation**

*Reason left last housing, Homeless adults, Fargo, October 2003*



**Credit problems are the number one reason homeless women in Fargo can't find housing; for men the primary reason is affordability**

*Reason cannot find housing, Homeless adults, Fargo, October 2003*



### Homeless Facilities and Services

Emergency shelter needs are generally being met with existing facilities. In times of high demand, local emergency shelters do what they can to make room for everyone that needs housing, even when they are at capacity. One of the challenges facing local shelters, however, is that the length of stay is increasing. A deficiency in one part of the system affects all of the other parts. People are staying longer in emergency shelter in part because there is a lack of transitional housing for shelter occupants to transition into or a lack of permanent housing that is affordable to the homeless family. Transitional housing has consistently been identified as a gap, as has housing that is affordable to poverty level households.

The key component for both transitional housing and for permanent supportive housing is the support. Housing that is tied to support services is the true gap in the City of Fargo. Fargo has a robust housing market so the availability of suitable units is less of an issue than is the availability of services to support existing housing units. However, units that are affordable to extremely low income households almost always require subsidy of some kind which justifies the priority placed on maintaining existing subsidized units and creating additional units to serve households earning less than 30 percent of median income.

Finding affordable housing is the end need for many homeless individuals and families but it is only one of the components of success for others. Some of the families and individuals who move from homelessness into permanent housing will need to be supported with self sufficiency training, case management, transportation and child care assistance. Some adults with mental illness and/or disabilities or serious medical conditions will require supportive services for an indefinite period of time if they are to successfully maintain a stable housing situation.

The bottom line is that even if the people described above can find housing that is safe, sanitary and affordable, they are unlikely to be able to maintain a stable housing situation for the long term. Many will be unable to be successful without follow-up services and support.

In addition, there are many in our community who are "hard to house". They are not formally "diagnosed" with a condition (SMI or DD) that gains them access to the case management system which increases their chance of falling through the cracks when it comes to finding a supported housing environment that will help them achieve long term success. Additionally, people with poor credit/rental histories, criminal backgrounds and behavioral issues (ex, chronic substance abuse) will have difficulty accessing housing even if affordability is not an issue, further exacerbating the risk of prolonged homelessness.

DRAFT

**Several non-profit service providers operate housing facilities/programs for the community's homeless population**

*Homeless Housing Beds by type of occupancy, 2009*

Type of Occupancy/Project	Emergency Shelter Men	Emergency Shelter Women & Children	Trans Housing families	Trans Housing non family	Perm Supp Housing families	Perm Housing non-families
SRO (S+C)						22
S+C (FHRA)					62	13
Vets Manor (SHP)						11
Sister's Path (LIHTC, SHP)					33	
Dakotah Pioneer (LIHTC)				31		
New Life Center	89		1	20		
YWCA		65	35	2		
Gladys Ray Shelter	25	10				
Project HART				48		
Youthworks				6		
Perry Center			10	13		
<b>Total</b>	<b>114</b> (beds)	<b>75</b> (beds)	<b>46</b> (beds)	<b>120</b> (beds)	<b>95</b> (beds)	<b>46</b> (beds)

*\*A 42 unit permanent supportive housing project is currently under construction by Beyond Shelter, Inc (Cooper House).*

### **Fargo's 10 Year Plan to End Long Term Homelessness**

In Fargo, the January 2009 Point in Time Survey counted 352 homeless persons (291 adults, 61 youth under 18). Fifty-six (56) persons were identified as chronically homeless. The system that serves homeless people is designed to help facilitate a transition from a state of acute housing crisis to more independent, stable living. The continuum of emergency shelter, transitional housing, and permanent housing is generally very effective and works for the majority of the homeless population. However, there is a portion of the homeless population that is extremely difficult to house. This group, which locally represents about 30% of the local homeless population, is considered "long term homeless". These individuals had been homeless for an average of 1.4 years.

The primary contributing factors to chronic homelessness as revealed in the Point in Time survey were:

- Chronic health condition
- Serious mental illness (diagnosed or undiagnosed) with inconsistent use of meds/treatment
- Substance abuse disorders
- Unemployable or unable to keep job because of disability
- Limited or no social support network
- Discharge from jail, prison, hospital, shelter, Detox, treatment, foster care
- Poor rental histories and criminal backgrounds

As a result, the City of Fargo decided to take steps to end long term homelessness because:

- The **traditional system** that serves the homeless does **not** appear to be particularly **successful for this group**, as evidenced by their repeated and extended periods of homelessness.
- **Scarce system resources** are being **disproportionately used** by a relatively small portion of the population. To illustrate – 43% of emergency shelter space is occupied by long term homeless individuals; 75% of detox users and 19% of jail inmates are homeless. In addition, this population tends to use emergency medical care to treat the multitude of health issues that they are experiencing.
- Fargo is home to almost half of the long term homeless in the state of North Dakota and should, therefore, be integrally involved and **contributing to statewide efforts** to end homelessness.
- It is **unacceptable** for a progressive community to **turn away** from chronic homelessness. Disability and poverty should not sentence someone to a life of long term homelessness.

To end long term homelessness in Fargo, we will need to identify housing and service supports for 224 households. We will not develop another need-based model but instead, create a demand-based model that offers the housing options our target tenants want. Housing options/programs must be attractive to the long term homeless population – you cannot mandate participation and expect to succeed. This Plan outlines a 7-point strategy to eliminate the housing crises that create long term homelessness in our community.

**1. *Increase the availability of permanent supportive housing.***

Housing that is both affordable and available to homeless people is in short supply. Connecting people to existing housing units by working together to mitigate perceived landlord risk will open many possibilities.

**2. *Improve consumers' ability to pay for housing.***

The gap between these tenants' ability to pay for housing and the rents commanded in the market is never likely to close completely, which means that rent subsidies must be more available to this population for the long term. In addition, to maintain long term housing stability, it will be necessary to increase the personal income of formerly homeless individuals and families by pursuing employment placement, benefit management and financial planning/education.

3. ***Develop partnerships that will move people into housing first.***  
Chronically homeless individuals and families “regard housing as an immediate need” and the traditional continuum of care as a series of hurdles that they are unable or unwilling to overcome.<sup>33</sup> Moving people into housing first will immediately end their homelessness, demonstrate a commitment to and respect for consumer choice, and be more likely to lead to better physical and mental health because the assistance is being offered in a way that makes sense to consumers.
4. ***Make outreach to long term homeless more effective.***  
For the long term homeless more than for any other group, engaging with the “system” does not come easily. Respect and responsiveness are likely to generate trust and allow a chronically homeless person to accept the help that will help them end their homelessness.
5. ***Stop discharging people into homelessness.***  
People leaving institutional settings face many challenges at discharge; finding stable housing is one of the key components of success in almost every case.
6. ***Enhance the coordination and availability of prevention services.***  
Intervening in the lives of those most at-risk of long term homelessness before their housing crisis pushes them into homelessness is definitely the best, most effective, way to end future homelessness.
7. ***Collect data and share information about homelessness in the metro area.***  
Accurate and timely information is necessary for policymakers and the community to understand the issue of homelessness in our metro area and to measure our progress in ending it.

The City of Fargo’s plan to end long term homelessness is intended to be part of a region wide solution – not “the” solution. Fargo is in the center of a metropolitan area that needs to address homelessness in a coordinated fashion and is just one community in a State that that must address both rural and urban homelessness issues. With deliberate and active collaboration, Fargo’s plan can become part of a fabric of ideas that will truly affect the lives of the long term homeless living in our communities.

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<sup>33</sup> “Housing First, Consumer Choice, and Harm Reduction for Homeless Individuals with a Dual Diagnosis”, Sam Tsemberis, Leyla Gulcer and Maria Nakae. *American Journal of Public Health* April 2004, Vol 94 No. 4, 651.

### Precariously housed non-homeless

People who work with the homeless and with low income people always remind users of homeless data that the number of people in the homeless system at any given point in time is only half of the issue that needs to be addressed. The "hidden homeless" are commonly described as the people who are "doubled up" with friends or relatives but have no permanent home of their own. This group will typically represent approximately same number of people that are staying in emergency shelter at any given point in time.<sup>34</sup>

The "precariously housed" or people "at risk" of becoming homeless represent the "front door" to homelessness that must be closed if communities are to make progress on reducing or even eliminating homelessness as a social problem. Research has shown that approximately 10 percent of people living in poverty will cycle through the homeless system in a given year.<sup>35</sup>

For the precariously housed individuals in our community, eviction may be imminent, or marginal personal economics may mean that an inability to afford housing will trigger a homeless episode. Outreach to poverty level families via case workers, self sufficiency programs or other means could help ensure that intervention happens early enough to actually prevent homelessness from occurring. Actual intervention assistance like emergency rent or utility assistance or even assistance with security deposits is another means of homelessness prevention that is proven effective but is difficult to fund.

### Summary of Need

The following issues emerge from examining the information presented in the Homeless Needs analysis.

- Develop permanent supportive housing to effectively transition people out of homelessness
- Find housing options for hard to house populations (bad credit, criminal background, behavioral issues, et al)
- Ensure culturally appropriate housing and support service solutions to maximize successful reduction in homelessness, particularly for the American Indian population which makes up a disproportionate share of the community's homeless
- Provide support to extremely low income households (<30 percent area median income) because they are the most precariously housed non-homeless
- Support efforts of the Continuum of Care and State agencies to bolster discharge planning practices to prevent newly discharged individuals from becoming homeless
- Increase public awareness of homelessness and the needs of this population

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<sup>34</sup> "Homeless Adults and their Children", Wilder Research Foundation November 2004 (p. 8-9)

<sup>35</sup> "Estimating the Need", Corporation for Supportive Housing (p. 15).

## Non-Housing

The following section addresses some of the priority needs identified in the major areas of community development activity in Fargo: downtown, neighborhoods, refugees/immigrants, and self sufficiency.

### Downtown

Ensuring neighborhood sustainability requires ongoing effort. The implementation of the Renaissance Zone in 1999 has served as a catalyst for investment in downtown. This state/local tax incentive combined with consistent investment of community development funds has spurred over 93 million dollars of investment in downtown Fargo since its inception.

The City's Blight Study has identified four "deteriorated areas" in downtown Fargo. Much effort has been focused on the Broadway/NP Deteriorated and East NP areas in the last five years. Broadway in particular has seen significant improvements to its streets, sidewalks and building facades. This has helped to encourage greater investment and increased pedestrian traffic. The continued investment of resources (both public and private) in these and other identified areas will help move the community toward sustainability for this unique mixed use neighborhood.

### Refugees and Immigrants

"Those communities experiencing rapid immigrant population growth may find certain community resources – housing, schools, social services -- strained in the future, but with that growth comes expansion in their local workforces, tax bases, and markets for goods and services."<sup>36</sup>

In 2009, Fargo is still a relatively homogenous community but that appears to be changing. 75 percent of the City's foreign born population entered the community in the 1990s - since 1990, more than 5,000 refugees from 40 countries have been formally re-settled in Fargo. Since 2000, it is estimated that 27 percent of the City's population growth is attributable to New Americans. Refugees make up the largest portion of the community's foreign born population.

The Center for New Americans is a cooperative ministry of Lutheran Social Services (LSS) and the Episcopal Diocese of North Dakota. Together they help refugees resettle into North Dakota communities. The United Nations defines a refugee as:

A person who is outside his or her country of origin and is unwilling or unable to return to their home country because of documented persecution or a well-founded fear of persecution based on race, religion, nationality, membership in a particular social group or political opinion.<sup>37</sup>

Refugees pay the same income taxes, sales taxes, property taxes, and social security taxes as a U.S. citizen does. Refugees are legally admitted into the U.S. and as such, have many of the same rights and responsibilities as residents.

Since the mid-1990s, the largest refugee populations coming to Fargo have been Bosnian, Sudanese (approximately 100 languages spoken in this country), Bhutanese, Iraqi, Liberian, Somalian, and Kurdish. In the 1970s and 80s, the largest refugee population came from Vietnam. Currently we are

<sup>36</sup> "The New Neighbors", 21.

<sup>37</sup> "Center for New Americans" brochure, (Lutheran Social Services).

seeing the highest monthly number of refugees coming to Fargo since the September 11<sup>th</sup> attacks, many of whom are Bhutanese and Iraqi.

Very few of the refugees that resettle in the U.S. return to their homelands. Many do not have the option to return (continued threat of persecution); Kosoyars are an exception to that rule, as they were given the option of returning home. There is a fair amount of movement between communities within the United States; refugee families sometimes move to other cities because of personal preference or because other family members have been settled in other parts of the country. In Fargo, the Bosnian, Vietnamese, Somali and Sudanese populations are starting to reach a level where there is a substantial community network. These core numbers help new refugee families feel more comfortable in the community and oftentimes increase the chance that they will stay in the community. As a result, Fargo is seeing an increasing number of grocery stores, markets and other services catering to a variety of ethnicities within the community.

Some of the needs of the refugee community as identified by citizens and by service providers are:

- Transportation and child care assistance to facilitate work
- English language and citizenship training made available by native speakers
- Leadership development and technical assistance for new non-profit organizations
- Neighborhood-based spaces to both educate and connect people
- Fair housing education for landlords and tenants
- Education on law enforcement issues
- Assistance for entrepreneurs, particularly within the refugee community
- Targeted homeownership education for refugee families firmly established in the community
- Education on immigration and naturalization issues

### **Self Sufficiency**

The needs of low income individuals in the community are very much the same as the needs of refugee families in the community. The primary difference is the addition of the language barrier for people for whom English is a second language.

Self Sufficiency enhancement requires service providers to work together to take a comprehensive view of a person's needs. The transportation and child care needs identified in the refugee section of the document apply for all low income households. Assistance for entrepreneurs and homeownership assistance and education are also relevant for all low income households, providing them with the means to increase personal wealth and consequently, long term self sufficiency.

### **Neighborhoods**

Neighborhood empowerment is one of the main tenets of the community building philosophy. Building strong neighborhoods has numerous community wide benefits. Citizens are more involved in the political process and are better able to help policy makers make better decisions about their neighborhood.

The City of Fargo has defined 34 residential neighborhoods within city limits. These neighborhoods generally include an average of 3,000 people, 1,300 housing units all on one square mile of land.

There are a wide variety of community development activities that will further the neighborhood building philosophy. An important first step in many neighborhoods is to go through a neighborhood planning process. The purpose of a neighborhood plan is to bring the residents of an area together to talk about shared goals and concerns. The result of the process is a document that captures citizen priorities and links them to a specific set of actions, with the intent of achieving the goals outlined in the plan. These

plans are used to provide input to policy makers throughout the community when decisions regarding a particular neighborhood are under consideration.

In addition to a neighborhood planning program, the city can continue to support neighborhood revitalization by assisting with needed infrastructure upgrades wherever possible, helping to maintain a solid housing stock, and providing general "capacity building" support for fledgling and existing neighborhood organizations.

Much of the foundational work of neighborhood building can happen community wide. There are however, special facility needs that may need to be considered in the community's low income and/or fragile neighborhood and sub-neighborhood areas<sup>38</sup> (see map on following page). Neighborhood Resource Centers may provide a solution in some areas; in others the necessary improvement may be a playground or recreational amenity. Some neighborhoods (such as Madison) may have schools that are recipients of school-wide "No Child Left Behind" funds, which indicates a greater need and a higher poverty rate in the surrounding neighborhood. In any case, the intent is to provide residents with a point of commonality to facilitate community building while also providing an enhancement to the quality of life for the people living in the targeted neighborhood.

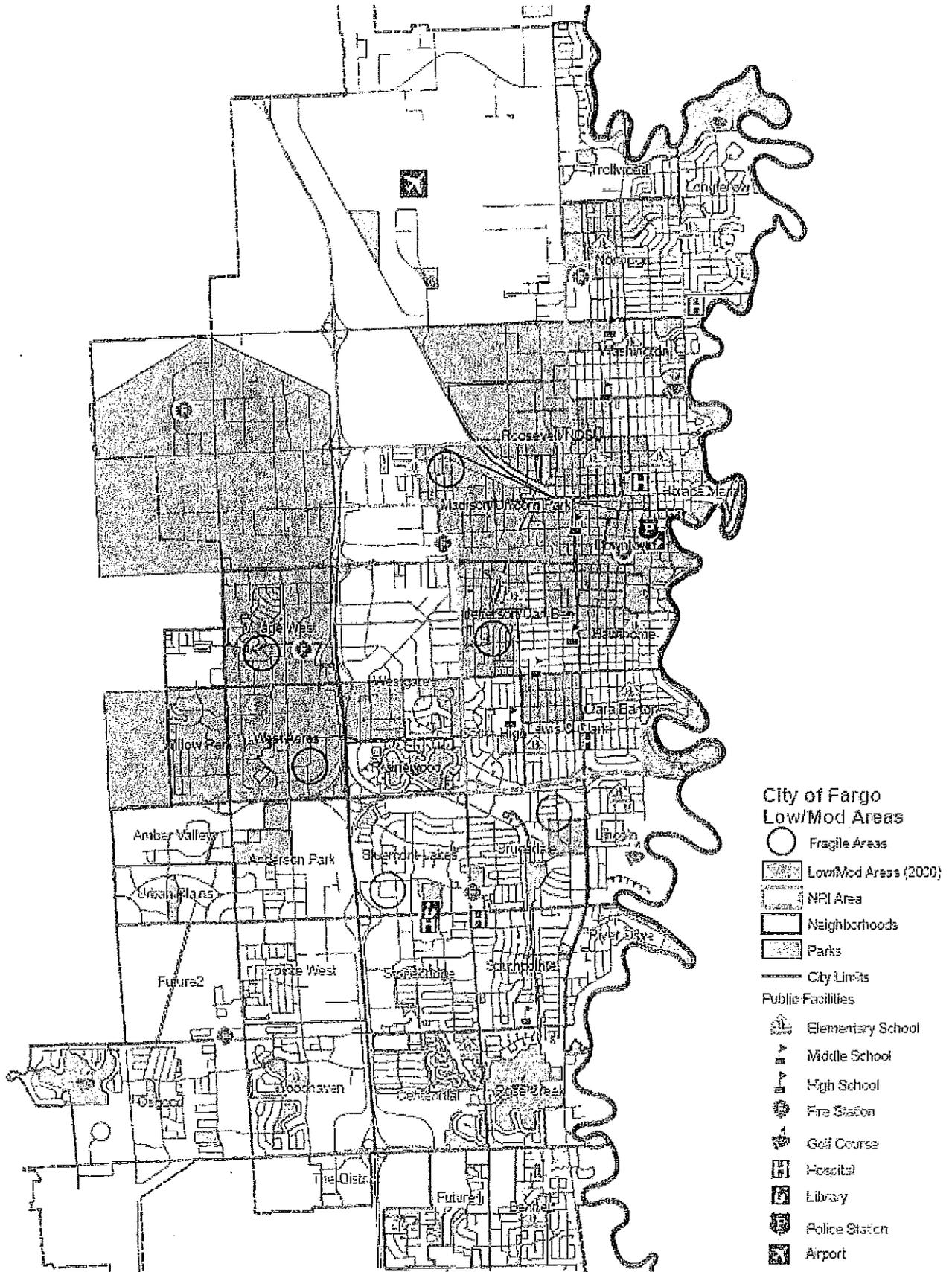
### Summary of Need

A "Community Development Needs Table" is included in Appendix C in the form currently prescribed by HUD. The table includes annual goals for various types of facilities and services eligible for CDBG funds. The goals will be updated each year via the Annual Action Plan and Annual Performance Report. The following issues emerged from the city's analysis of community development needs.

- Self sufficiency enhancement, particularly for extremely low income households (English language training, transportation, job skills, entrepreneurship, microenterprise support)
- Continued leadership development within local ethnic communities (i.e., New Americans) to facilitate self determined activity and successful integration into the community fabric
- Neighborhood based youth/family facilities in low income and/or "fragile" neighborhoods
- Elimination of deteriorated property and blighted conditions in both residential neighborhoods and the central business district

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<sup>38</sup> A "fragile" area is defined here as an area that is lacking in public facilities/amenities, has a high concentration of housing that is generally affordable to households under 60% area median income (rental or owner), has issues with crime (either emerging or already present), and a low homeownership rate. These areas oftentimes coincide with HUD-designated low/mod areas but sometimes pockets of need are evident only at the "sub-neighborhood" level, which is smaller than a census block group and can be lost amidst a larger area of a different character.



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## Strategic Plan

The Consolidated Plan analyzes local context, linkages, organizational structures, and community development needs for the purpose of laying out a specific course of action for community development activities. It is the guidebook that a community uses to effectively allocate and utilize community development dollars.

The Department of Housing and Urban Development has embraced three basic goals for successful community development:

### 1. Provide Decent Housing

- Assisting homeless persons obtain affordable housing
- Assisting persons at risk of becoming homeless
- Retention of affordable housing stock
- Increase the availability of affordable permanent housing to low and moderate income families, particularly to members of disadvantaged minorities
- Increasing the supply of supportive housing, which includes structural features and services to enable persons with special needs to live in dignity and independently
- Providing affordable housing that is accessible to job opportunities

### 2. Encourage a Suitable Living Environment

- Improving the safety and livability of neighborhoods
- Increasing access to quality public and private facilities and services
- Reducing the isolation of income groups within areas through spatial deconcentration of housing opportunities for lower income persons and the revitalization of deteriorating neighborhoods
- Restoring and preserving properties of special historic, architectural, or aesthetic value
- Conservation of energy resources

### 3. Expand Economic Opportunities

- Job creation and retention
- Establishment, stabilization, and expansion of small businesses (including microbusinesses)
- Provision of public services concerned with employment
- Provision of jobs to low income persons living in areas affected by those programs and activities, or jobs resulting from carrying out activities under programs covered by the plan
- Availability of mortgage financing for low income persons at reasonable rates using non-discriminatory lending practices
- Access to capital and credit for development activities that promote the long term economic and social viability of the community
- Empowerment and self-sufficiency for low income persons to reduce generational poverty in federally assisted housing and public housing

The above-stated goals represent activities that span the practice of community development. The provision of decent housing, a suitable living environment, and expanded economic opportunities for people in all income groups and geographic areas of the city will make the community stronger. It will help further efforts to prevent crime, build livable neighborhoods, attract businesses and new residents, and continue the economic expansion that Fargo has enjoyed in the past.

The goal of the City of Fargo is to enhance, maintain and sustain a livable community that includes a vibrant downtown integrated with surrounding neighborhoods that offer a wide range of housing choices and mixed uses. The 2010-2014 strategic plan outlines Fargo's priorities, the way we will measure progress, and the strategies the city will pursue to make it happen.

## Findings

An examination of community characteristics (relative to other Midwestern communities) and the findings outlined in the City's Needs Assessment helped identify priority needs that should be addressed with community development funds.

- **Homeownership rates** in Fargo are low. The City is likely to have a low homeownership rate relative to the state and national rates because of some of the characteristics of the population (high percent of student and elderly households, small household size) but the fact remains that the rate could be increased. Efforts to encourage minority homeownership and homeownership for low income households (50-80% of median income) are key initiatives. Additionally, working to ensure a variety of homeownership options throughout the community will encourage increases in homeownership across all income and age groups.
- Relatively speaking, housing in Fargo is **affordable**. Rents in Fargo have not increased, in real dollars since 1970 and incomes appear to be rising faster than housing costs. However, certain segments of the population do face significant affordability issues. Most rental households earning less than 30 percent of area median income face a severe cost burden. And for homeownership to remain within reach for households earning less than 120 percent of area median income, additional new construction of affordable owner occupied housing is needed.
- **Homelessness** is an issue that has a different scale in North Dakota and in the City of Fargo than it does in larger, more urbanized, areas. The most recent survey of homelessness in Fargo counted 352 homeless persons, 16 percent of whom could be considered chronically homeless. Even though Fargo is home to approximately 15 percent of the state's population, it is home to more than one-third of the state's homeless population. The City has a good emergency shelter system, some transitional housing and a permanent supportive housing development under construction. However, continuing the work to address crisis housing situations and to provide a robust continuum of housing options will allow people to prevent homelessness and maintain housing stability.
- Fargo is becoming a more **diverse community**. Immigrants come from two distinct groups – a highly educated and relatively affluent group associated with the metro area's universities medical institutions, and a relatively disadvantaged group of refugees that have been resettled to the United States to avoid persecution in their native lands. In addition, Native Americans exhibit the most need (as measured by poverty, education levels, homeownership). Community systems and residents must continue to adjust to accommodate this diversity of language, culture, and need.
- **A neighborhood's physical and social infrastructure** combine to show the strength and long term viability of a place. Continued investment in the physical infrastructure of the City's neighborhoods (housing, streets, utilities, neighborhood facilities, parks and open space) and aggressive elimination of blight will encourage vitality in older and more fragile neighborhoods. In addition, investing in social infrastructure may be just as important. Social infrastructure involves leadership development and support for the activities of grass roots organizations (ex. neighborhood groups, ethnic communities).
- Efforts to **reduce poverty levels** by increasing earning power and family self sufficiency have a major impact on community and individual well being. HUD's definition of "extremely low income" (less than 30 percent of area median income) is roughly equal to the federal poverty level. All of the data included in this report shows that extremely low income households face the most extreme cost burdens and overall life challenges. They are unlikely to own a home and as such, are unlikely to be accumulating wealth in the form of a housing asset. Their lack of personal financial resources increases the difficulty associated with meeting basic food and shelter needs, as well as transportation and child care needs. In general, this group of people is living in a precarious situation. Efforts to support stability for extremely low income/poverty households are important because this is the group in greatest need.

### Housing Needs

- Significant rehab needs in public housing must be addressed to maintain the community's inventory of subsidized units.
- Affordability concerns for households earning less than 30 percent of the area median income. The majority of this group rents so rental affordability is key. Also, elderly households earning less than 30% of median income exhibit significant cost burden at high rates.
- Homeownership rate is low, with disproportionately low rates of minority homeownership
- Owner occupied housing costs are rising for all income ranges
- Age-based projections through 2020 show younger population decreasing, with a large increase in senior, middle-aged, empty-nester households, which means shifting housing demand with a strong future bias toward home ownership.
- Education on fair housing issues.
- Construction of new subsidized units (i.e., LIHTC) should target extremely low income households (less than 30 percent median income) as well as families with children and seniors.

### Homeless Needs

- Develop additional permanent supportive housing to effectively transition people out of homelessness
- Find housing options for hard to house populations (bad credit, criminal background, behavioral issues, et al)
- Ensure culturally appropriate housing and support service solutions to maximize successful reduction in homelessness, particularly for the American Indian population which makes up a disproportionate share of the community's homeless.
- Provide support to extremely low income households (<30 percent area median income) because they are the most precariously housed non-homeless
- Support efforts of the Continuum of Care and State agencies to bolster discharge planning practices to prevent newly discharged individuals from becoming homeless.
- Increase public awareness of homelessness and the needs of this population

### Non-Housing Community Development Needs

- Self sufficiency enhancement, particularly for extremely low income households (English language education, transportation, job skills, entrepreneurship, microenterprise support)
- Leadership development within local ethnic communities (i.e., Native and New Americans) to facilitate self determined activity and successful integration into the community fabric
- Neighborhood based youth/family facilities in low income and/or "fragile" neighborhoods
- Elimination of deteriorated property and blighted conditions in both residential neighborhoods and the central business district

## Goals

To address the priority needs identified in the City's 5 Year Consolidated Plan for Housing and Community Development, Fargo has identified the following six goals. Specific objectives are provided to further define each of these goals.

### 1. Affordable Housing and Homeownership

*Create and maintain affordable housing options and increase homeownership in the City of Fargo*

- (H-1) Rehabilitate older owner occupied housing
- (H-2) Work with local partners to create new and rehabilitate affordable housing throughout the community, including the preservation of the existing subsidized housing
- (H-3) Assist low income homeowners with infrastructure assessments to help maintain the affordability of homeownership
- (H-4) Increase public awareness of affordability concerns and the needs of at-risk populations
- (H-5) Provide opportunities for housing education to potential and recent homeowners and tenants
- (H-6) Provide downpayment assistance to low/moderate income homebuyers
- (H-7) Increase homeownership rates for minorities

### 2. Homelessness

*Participate in collaborative efforts to reduce and prevent homelessness in the community*

- (HO-1) Work to end chronic homelessness through Fargo's 10 Year Plan
- (HO-2) Provide a continuum of housing options for Fargo's homeless populations and encourage the development of supportive housing partnerships

### 3. Neighborhoods

*Make sure that all Fargo neighborhoods are neighborhoods of choice*

- (CD-1) Eliminate blighted conditions from the downtown business district and Fargo's central residential neighborhoods
- (CD-2) Foster the establishment of strong neighborhoods through the implementation of neighborhood revitalization efforts

### 4. Fair Housing and Diversity

*Promote the principles of fair housing and acceptance of diversity*

- (CD-3) Provide education on fair housing issues

### 5. Poverty Reduction

*Reduce poverty by supporting efforts to increase the self sufficiency/self determination of low and moderate income households and individuals in the community*

- (CD-4) 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, driving skills, pre-GED, community gardening, leadership training)
- (CD-5) Support metropolitan efforts to address the transportation and other barriers to work that affect low income individuals (i.e., child care, education, etc)

### 6. Administration

*Administer the Community Development program to meet community needs and Federal grant requirements*

- Overall Community Development program administration

## Objectives

The following table provides more detail on the objectives that will help the City of Fargo address its priority needs in the areas of housing, homelessness and non-housing community development.

### Summary of Specific Homeless, Housing and Non-housing Community Development Objectives

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<b>Priority Need Category</b>	<b>Housing</b>
<b>Goal</b>	<b>Affordable Housing</b>
<b>Specific Objective</b>	<b>Rehabilitate older owner occupied housing</b>
<b>Number</b>	<b>H-1</b>

One of the key factors in promoting homeownership is helping low and moderate income families maintain their homes. The City has focused many of its housing and neighborhood building efforts through the locally designated "Neighborhood Revitalization Initiative" (NRI). The NRI area encompasses the majority of pre-1920 housing in the City of Fargo; it is made up of the residential areas that surround the downtown business district. Much of the NRI area is considered to be low/mod (see map on page 58). NRI neighborhoods are often facing challenges with respect to the conversion of single detached owner occupied housing to rental housing. The erosion of homeownership opportunities in these neighborhoods has far-reaching effects. The City should continue to focus housing rehab efforts in NRI areas utilizing existing programs and exploring ideas for new homeownership incentives that may further encourage new homeowners to compete more strenuously with investors in the acquisition of single family housing in the neighborhood.

The City will continue to fund the housing rehab program with both CDBG and HOME funds. The proposed output for objective H-1 is to rehab approximately 75 housing units over the next five years; \$1.5M HOME, \$250K CDBG, which is \$300K/year HOME and \$50K/year CDBG. HUD's Neighborhood Stabilization Program (NSP), Officer Next Door and Teacher Next Door programs have been a valuable piece of the City's strategy in NRI areas. We will continue to coordinate these tools with other revitalization efforts to the greatest extent possible.

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**Summary of Specific Homeless, Housing and  
Non-housing Community Development Objectives**

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**Priority Need Category Housing**

**Goal Affordable Housing**

**Specific Objective Work with local partners to create new and rehabilitate affordable housing throughout the community, including the preservation of the existing subsidized housing**

**Number H-2**

Fargo is growing at a rate of 1-2 percent each year. Over the past 20 years, the City experienced growth of more than 25 percent. That means that almost 1,000 new households are formed in the community each year. The City recognizes, with its community development plan, that it is important to create affordable owner and renter occupied housing throughout the entire community. There are opportunities to work with local non-profit housing organizations (i.e., Beyond Shelter, Inc, Habitat for Humanity, faith organizations) to create new affordable owner occupied housing units in both new and existing neighborhoods. The City has several for- and not-for-profit developers that are responsible for creating the vast majority of affordable housing that is created in the community. The City should continue to look for ways to effectively partner with the development community to ensure the distribution of and creation of affordable housing in Fargo.

In addition, subsidized housing is the backbone of the community's affordable housing inventory. Subsidized units are typically income and/or rent restricted; public housing and Section 8 provide rent subsidies to ensure affordability for the community's lowest income households. Tax credit housing provides an inventory of units that are guaranteed to be available to low income households at affordable rents. Section 811, Section 202, Continuum of Care Supportive Housing Program, Shelter+Care and other types of subsidized housing provide low income and homeless individuals access to both the housing and services that are needed to achieve housing stability. In many cases the subsidies attached to these units (either at construction or at the tenant level) cannot be replaced; their loss would mean real dollars to the community and the individuals in need.

Rental housing is also an important source of affordable housing in the Fargo Moorhead area. It is important not only as a housing principle but as a component of continued economic success. Housing and job creation are two economic indicators that routinely go together. In other words, it is rare that a community can be strong in one and not the other. Approximately 55% of all housing units in the community are rental units. It is important to make sure that rental units throughout the community are maintained and in good condition. In the five year period covered by the Consolidated Plan, the proposed output for objective H-2 is to rehab or construct approximately 350 housing units; \$800K HOME, \$200K CDBG.

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**Priority Need Category Housing**

**Goal Affordable Housing**

**Specific Objective Assist low income homeowners with infrastructure assessments to help maintain the affordability of homeownership**

**Number H-3**

In Fargo, infrastructure costs are "special assessed" to properties that benefit from the work that is done. This affects new housing as infrastructure is first installed in an area and it affects housing in older neighborhoods when infrastructure upgrades or repairs are necessary to maintain system integrity. The cost of special assessments can be high and is a threat to sustainable homeownership for many low and moderate income families. For example, a typical residential lot in an older neighborhood could be assessed \$3,600 for water main replacement and associated street repair, which would translate into a payment of \$28 per month. For the last several years, the City has used CDBG funds to provide special assessment assistance to low and moderate income households in older neighborhoods. The intent is to help homeowners stay in their homes. The proposed output for Objective H-3 is to assist approximately 250 households over the 5 year Consolidated Plan period with the cost of special assessments; \$100K CDBG.

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**Summary of Specific Homeless, Housing and  
Non-housing Community Development Objectives**

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**Priority Need Category** Housing

**Goal** Affordable Housing

**Specific Objective** Increase public awareness of affordability concerns and the needs of at-risk populations

**Number** H-4

Developing affordable and special needs housing is a difficult task. The financing mechanisms are complicated because developers need to bring several sources of money to the table to get the units built. Finding funding to support ongoing operation of the facility, including support service to tenants, is equally difficult. However, another challenge in the development process has nothing to do with money. Public opposition to these kinds of projects can prove to be as significant a barrier to developing a solution as any financial hurdle may be.

The City feels that increasing public awareness of affordability concerns and the needs of at-risk populations is an important part of any effective solution. There are many misconceptions and stereotypes about "affordability" that can cloud public debate. There is also a lack of understanding of the facts regarding homelessness, certain subpopulations, the nature of poverty, what it means to be "working poor", and the role "affordable housing" plays in a successful housing market.

In a functioning democracy, people need to have access to adequate information if they are to make informed decisions about particular issues. Information is one of the tools that may be most effective in fighting the fear that accompanies change and difference. There are no specific outputs identified for Objective H-4, but activities might include a discussion of the role of group living and other publicly assisted/low income facilities, dissemination of information on homelessness, the nature of poverty and affordable housing and its impact on the community.

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**Priority Need Category** Housing

**Goal** Affordable Housing

**Specific Objective** Provide opportunities for housing education to potential and recent homeowners and tenants

**Number** H-5

Homebuyer education helps potential homebuyers find out if they are ready for homeownership, as does tenant education for renters. However, the need for information does not stop once the transaction is complete. The City currently sponsors homebuyer and tenant education courses at the Village Financial Service Center. Future efforts may also involve a more concerted effort to provide information to homeowners and renters, which could include information on lead based paint, predatory lending, protecting home equity, basic home maintenance, etc. These activities will be accomplished via administrative activities. The proposed goal of this effort is to offer at least 14 homebuyer and tenant education classes each year and serve 1,800 individuals over 5 years; \$175K CDBG, \$25K HOME.

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**Summary of Specific Homeless, Housing and  
Non-housing Community Development Objectives**

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**Priority Need Category** Housing  
**Goal** Homeownership  
**Specific Objective** Provide downpayment assistance to low income households  
**Number** H-6

Fargo is one community in a metro area that is home to three universities – more than 17 percent of the City's residents are enrolled in college. As such, the homeownership rate is more comparable to urban areas and other "college communities" than it is to the national average. Rental housing surveys have indicated that 90 percent of renters are not interested in purchasing a home in the short term. In fact 41 percent of Fargo renters have owned homes in the past but have chosen, for one reason or another, to rent.

It is the City's belief that both rental and owner occupied housing are important to a healthy community that is attractive to people of all walks of life. The City is committed to making sure that homeownership is an option for those who are interested in pursuing it. The City will continue to encourage homeownership by providing downpayment and closing cost assistance to eligible low and moderate income households. The program goal is to provide financial assistance to approximately 140 households over 5 years using HOME funds; \$700K HOME, approximately \$140,000 per year.

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**Priority Need Category** Housing  
**Goal** Homeownership  
**Specific Objective** Increase homeownership rates for minorities  
**Number** H-7

Fargo's minority population is relatively small but the community is diversifying at a pace that exceeds historic rates. Homeownership is, at the present time, less likely to occur in minority than it is in non-minority households in Fargo (reference chart on page 32). Many of the community's "first generation immigrants" have been in the country for five or more years and are good candidates for homeownership. To increase the homeownership rates for minorities, the City will work with local partners (lenders, non-profits) to provide targeted outreach and homebuyer education. Efforts will be specific to different ethnic groups, recognizing both language and cultural barriers that may exist. The City will also work with the local realtors and homebuilders associations to explore ideas for effective outreach to potential minority homeowners. Having meaningful opportunities to engage with the community can help accomplish social, economic and cultural integration. Participating in parent/child activities is one mechanism of engagement. Homeownership, entrepreneurship, leadership, citizenship are all measures of community integration.

Community Development efforts should continue to support leadership development and skill building programs developed and operated by local non-profits, as well as opportunities for outreach and connection with ethnic communities and new immigrants. The proposed goal of this program is to provide outreach and/or education to at least 25 minority households each year, with approximately 20 of the households moving into the home buying market by the end of the education process; \$100K HOME, \$20,000 per year.

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**Summary of Specific Homeless, Housing and  
Non-housing Community Development Objectives**

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**Priority Need Category** Homelessness

**Goal** Homelessness

**Specific Objective** Work to end chronic homelessness through Fargo's 10 Year Plan

**Number** HO-1

In 2006, the City initiated a strategic planning process focused on ending long term homelessness in our community in 10 years (2016). As has much of the nation, the City of Fargo has increased the amount of attention paid to the issue of chronic homelessness in the last several years. The City of Fargo participated in the federally-sponsored Policy Academy training process in 2003 and holds a chair on the North Dakota Interagency Council on Homelessness (established in spring 2005).

Fargo's 10 Year Plan was approved by the City Commission in August 2006. The planning process included representatives from more than 40 organizations from across the metro area and identifies effective solutions for housing the long term homeless population living in this community. Additionally, Fargo's plan was a precursor to the State of North Dakota's 10 Year Plan and eight other 10 year plans throughout the State of North Dakota. These include the first 10 year plans in the Nation's tribal areas. Fargo's full plan is available on the City's website at: <http://www.cityoffargo.com/Homelessness>.

Ending chronic homelessness takes a commitment to a full continuum of housing and services needed to provide housing stability to a subpopulation that is typically very hard to house. Recent surveys of homelessness indicate that 114 long-term homeless individuals live in Fargo at any given point in time. This represents 32 percent of the total homeless population in the City. Almost all of the chronic homeless have some underlying characteristic or behavior that makes them difficult to house (behavior, disability, chronic substance abuse, mental illness). Permanent Supportive Housing is invariably the answer when one asks the question, "How can we end chronic homelessness?" The level of service will vary by population but there will be a need for some type of ongoing support; for most that support will be indefinite. For some, the stability gained by getting off the street and into housing will prompt a life change that will allow for true independent living.

Understanding the nature and extent of homelessness must be the first tool in the community's toolbox to end homelessness. The City must continue to collaborate with local partners to develop potential housing solutions to this problem. The City will work with other entities in the development of partnerships that make supportive housing possible and provide assistance to projects that develop as is appropriate, as well as strengthen potential partnerships with area landlords willing to rent to long-term homeless individuals. The other side of the issue requires a conscious effort to prevent chronic homelessness from ever taking hold in a person's life. The City should support programs/efforts that intervene before a housing crisis develops (ex. discharge planning, eviction prevention).

The City will help sponsor a regular survey of the homeless population in the metro area. The survey is coordinated locally by FM Homeless Coalition and is likely to cost the City of Fargo \$5,000 every three years.

The City will also actively participate in the development of the North Dakota Continuum of Care each year and in the work with the State's Interagency Council on Homelessness, which is charged with overseeing the State's 10 Year Plan to End Chronic Homelessness. In addition, the City will continue to support Project Homeless Connect events and work to humanize the issue of homelessness in the Fargo Moorhead area. For Objective HO-1, the City will assist approximately 225 individuals by continuing to work out of its 10 Year Plan to End Long-Term Homelessness.

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**Summary of Specific Homeless, Housing and  
Non-housing Community Development Objectives**

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**Priority Need Category** Homelessness

**Goal** Homelessness

**Specific Objective** Provide a continuum of housing options for Fargo's homeless populations and encourage the development of supportive housing partnerships

**Number** HO-2

The homeless population is not homogenous in need or circumstance. Families and individuals will have different needs with respect to ending their homelessness. For some, emergency shelter is an adequate intervention. For others, emergency shelter is the first stop, but transitional or permanent supportive housing and that type of housing's supports are required to end the episode of homelessness. Availability of housing that is affordable to extremely low income households is an appropriate solution for a portion of the homeless.

A homeless person is also a low income person. Service providers are now finding ways to engage a homeless person with some of the existing mainstream resources that are already available to serve low income persons because it is an efficient use of resources that does not require "new money" for homeless services. Eligibility barriers may require changes in how programs are administered but addressing regulatory issues is one way of developing "new" supportive housing partnerships.

The bottom line is that a community needs to have a full continuum of housing options available if it is to expect success in ending homelessness by filling the need of the people in the homeless system. The City should monitor needs of the homeless subpopulations and work with agencies that serve homeless and special needs populations to provide appropriate assistance when facility needs arise. The expectation is that approximately 30 households will be served in 5 years.

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**Priority Need Category** Non-Housing Community Development

**Goal** Neighborhoods

**Specific Objective** Eliminate blighted conditions from the downtown business district and Fargo's central residential neighborhoods

**Number** CD-1

The City will undertake activities to eliminate blighted conditions from Downtown Fargo. This effort will possibly include the provision of matching grants for Storefront rehabilitation and participation in other special redevelopment projects that eliminate blight downtown. These two activities have the dual benefit of enhancing the downtown environment and thus, the desirability of the district, and also helping property owners maintain and/or restore their historic properties.

As far as dealing with "problem properties", specifically in Fargo's older neighborhoods, strategy should include proactive code enforcement on rental properties and utilization of the City's Inspections Division to take code related action on dilapidated and dangerous properties where the owner has not demonstrated a willingness to cooperate. Another strategy may include acquisition and demolition of dilapidated properties that are beyond repair and subsequent development of new housing/neighborhood facilities in place of the blighted property. Finally, rehab of older residential properties can do more to prevent blight from taking hold than clean-up programs can ever hope to correct.

The City will be aware of opportunities to leverage local funds with federal dollars, where appropriate. The City currently budgets approximately \$200,000 per year for these types of activities and is likely to continue to do so, within the constraints of the grant cap. It is estimated that these funds will support 15 projects over a 5-year period.

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**Summary of Specific Homeless, Housing and  
Non-housing Community Development Objectives**

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**Priority Need Category** Non-Housing Community Development

**Goal** Neighborhoods

**Specific Objective** Foster the establishment of strong neighborhoods through the implementation of neighborhood revitalization efforts

**Number** CD-2

Cities with strong neighborhoods are interesting, vital, healthy places to live. A system of strong neighborhoods provides citizens with mechanisms for regular input into the public process and empowers people to effect change. The City will work to establish strong neighborhoods in Fargo by supporting both organizations and facilities.

Interested neighborhoods can work with the Planning Department to develop a unique action plan that addresses their neighborhood's assets and challenges. The priority of planning staff is to facilitate comprehensive planning processes in all low/mod and NRI neighborhoods. Plans are funded from the Administration budget (hard cost of approximately \$500-\$3,000 per plan in addition to staff time). To further support the development of neighborhood organizations, the City will provide various forms of capacity building assistance (organizational assistance, publication assistance, mailings, and/or assistance with project coordination and development).

Some neighborhoods may require enhanced or additional public facilities to become stronger. The City will actively evaluate needs in the community's neighborhoods and will take action as appropriate, either through the direct provision of financial assistance or by facilitating discussions with other entities.

Neighborhood facilities are particularly important for youth because socialization issues contribute to "at-risk" status of low income youth. Youth who become disconnected from mainstream systems have very different day-to-day lives than those of the typical American adolescent. "These youth are vulnerable to further failures and continued disconnection from society, often resulting in lifelong economic and social hardship."<sup>39</sup> Some of the factors that contribute to at-risk status, particularly for youth, are high incidences of criminal activity in the neighborhood, lack of community linkages, and lack of community support services or response. These community factors, in addition to the familial factors of socioeconomic status, dysfunctional home life and lack of parental involvement, high mobility, and being in a non-English speaking household all come together to define the neighborhood characteristics that justify a concerted place-based intervention in the lives of youth and adults.

The City will be aware of needs and opportunities in low-to-moderate income neighborhoods and leverage funds to meet those needs. Over the next 5 years, the City has budgeted \$500,000 for neighborhood facility activities, and hopes to benefit 8 neighborhoods and approximately 32,000 households.

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<sup>39</sup> "Education Alternatives for Vulnerable Youth", Laudan Y. Aron and Janine M. Zweig (The Urban Institute, November 2003), p. 3.

**Summary of Specific Homeless, Housing and  
Non-housing Community Development Objectives**

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**Priority Need Category** Non-Housing Community Development

**Goal** Fair Housing and Diversity

**Specific Objective** Provide education on fair housing issues

**Number** CD-3

The City of Fargo is committed to furthering fair housing choice. The Fargo Human Relations Commission, Fargo Native American Commission and the staff associated with the commissions are good local resources on fair housing issues. However, with the loss of the Tenant Hotline, previously staffed by the local Community Action Agency and funded by HUD, the need for landlord/tenant education is increasing. Working with Fair Housing of the Dakotas, the Human Relations and Native American Commissions and others to provide education on fair housing choice in the community will remain a priority, as will efforts to develop landlord and tenant education programs and materials on rights and responsibilities of tenants and landlords, cultural diversity issues, and fair housing practices. The City will also continue to fund a tenant education program provided free by the Village Financial Service Center (approx \$20,000 per year, CDBG) which will benefit approximately 400 individuals over a 5-year period.

In addition, housing accessibility is one of the impediments to fair housing choice identified in the City's last Analysis of Impediments review. Taking a more proactive role in providing both local housing professionals and the public with information about accessibility in housing, universal design, and related concepts should help shape community perspective on this issue. Activities that require funding are likely to be part of the annual Administration budget; \$2,500 CDBG.

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**Priority Need Category** Non-Housing Community Development

**Goal** Poverty Reduction

**Specific Objective** Support skill building and other opportunities designed to improve self sufficiency and personal success

**Number** CD-4

Anti-poverty strategies must be sustained if they are to be effective. Short-term interventions rarely have the impact that is necessary to interrupt the cycle of poverty and stabilize a family's situation. Self-improvement opportunities for youth and adults offered in a positive, "safe" environment allows families to address a myriad of the issues they may be facing. Skill building, adult education, access to healthcare, targeted job training, leadership development, entrepreneurship training – all are interventions that can improve self sufficiency and personal success.

Poverty reduction for *limited English speakers* almost always includes opportunities for developing language skills (written and oral). However, transportation barriers, family obligations, and proposed increases in work participation requirements for those on TANF and other forms of public assistance can make it even more difficult for immigrants and refugees to receive language or vocational training in conjunction with maintaining steady employment.<sup>40</sup> Providing opportunities for in-neighborhood/easy-to-access language skills development offered by local adult education programs and also for language development that is directed by ethnic groups themselves should greatly increase access to and effectiveness of English language skill building activity.

Although there are no specific projects identified at this time, the City will continue its work to address the needs of low-to-moderate income households. Over the next 5 years, the City has budgeted \$350,000 for poverty reduction, skill building and self-sufficiency activities with the hopes of benefitting 50,000 individuals.

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<sup>40</sup> "Immigrants and TANF: A Look at Immigrant Welfare Recipients in Three Cities", Karen C. Tumlin and Wendy Zimmerman (The Urban Institute, October 2003).

**Summary of Specific Homeless, Housing and  
Non-housing Community Development Objectives**

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**Priority Need Category Non-Housing Community Development**

**Goal Poverty Reduction**

**Specific Objective Support metropolitan efforts to address the transportation and other barriers to work that affect low income individuals**

**Number CD-5**

Transportation has been identified as a barrier to employment for low and moderate income families in our community for years. The Metropolitan Council of Governments has spearheaded a metropolitan-wide transportation effort – the Metropolitan Transportation Initiative (MTI). MTI received federal funding that must be matched with local dollars. The City of Fargo is using CDBG funds to provide direct assistance to low income households to utilize public transportation in conjunction with this program. The effort will continue to help to coordinate the range of transportation programs already available in the community and will fill specific gaps in service, as related to employment for low income individuals. The City may also consider job training, child care and other employment-related issues for CDBG funding; \$50K CDBG over 5 years is expected to benefit approximately 1,500 individuals.

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## Performance Measurement

"Program outcome measurement is focused on measuring whether or not a program is meeting its intended purpose. A program goal is a measure of productivity – a statement of accomplishments. For example, the goal of a housing rehab program may be the rehabilitation of fifteen units of substandard housing. The intended outcomes may be to revitalize a neighborhood or make it safer."<sup>41</sup>

The 2010-2014 Consolidated Plan outlines a baseline system the City of Fargo will use to measure performance of local community development programs and progress toward achievement of goals. Specific measures of program achievement (outputs) are outlined in the Objectives section of the document.

### Program Outcomes

Program outcomes will be measured by a series of fifteen indicators that are intended to identify changes in neighborhood/community quality of life. Measures 1-4 are included at HUD's request; measures 5-8 are locally initiated.

Measure #1	Homeownership rates in targeted neighborhoods/community (Census/ACS/City)
Measure #2	Total # of minority households expected to be assisted in becoming homeowners
Measure #3	Change in property values as result of rehab (constant dollars/s.f.) (City)
Measure #4	Number of unit years of affordability in rental projects (City)
Measure #5	Number of housing units where rehab eliminated at least one significant health/safety deficiency (City)
Measure #6	Percent of residential parcels that are single family detached or twinhomes (City)
Measure #7	Percent of parcels abandoned/non-revenue producing/tax delinquent (City)
Measure #8	Number of chronically homeless individuals (City)

"The forces acting to change economic viability of a neighborhood for better or for worse are complex. They can be captured to some degree by quantitative analysis but they are also the sum of the perceptions of those who live, work, and otherwise have a stake in the neighborhood. An accurate portrait of change requires both objective and subjective inputs..."<sup>42</sup> As such, to provide a quantifiable measure of perceptions, the City may also consider implementing a citizen survey in the future.

### Indicators of community development efficacy and neighborhood quality of life

"Two of the most important factors affecting neighborhood trends are the **rate of homeownership** and the **strength of neighborhood institutions**, such as community organizations and churches."<sup>43</sup> Increasing homeownership rates is often seen as an effective means for improving neighborhoods because it addresses several interrelated problems. Homeownership gives residents a greater stake in working to improve their neighborhoods, it increases their equity by increasing property values, and

<sup>41</sup> "Measuring Up: Productivity and Performance in the HOME program", Department of Housing and Urban Development, prepared by ICF Consulting (2003), 29.

<sup>42</sup> "Measuring the Economic Impact of Community-based Homeownership Programs on Neighborhood Revitalization", Lindley R. Higgins. LISC Center for Homeownership and George Mason University School of Public Policy (April 2001).

<sup>43</sup> Ibid., Chapter 3

generates greater neighborhood stability, increased political activity and improved social behavior within neighborhoods.

**“Residential real estate prices** may be the best indicator of neighborhood revitalization since they show the increased desire of people to invest and live there.”<sup>44</sup>

“Attracting private investment to a neighborhood, including the **purchase of market-rate homes and retail establishment start-ups**, may be the primary determinant of whether a development threshold occurs.”<sup>45</sup>

“The two elements of a “good neighborhood” mentioned most often by almost all the groups were **safety and good upkeep of properties**. Mentioned almost as frequently was a cluster of characteristics related to good neighbors (known, friendly, watching out for each other, cohesive as a group), quality schools, accessibility, and a high rate of owner occupancy.”<sup>46</sup>

Can commonly available indicators serve as proxies for the six common, valid dimensions of neighborhood quality of life? The Urban Institute developed statistical models that show that certain generic measures have high explanatory power, predicting changes in the six dimensions of neighborhood quality of life.

- The **mortgage approval rate** is predictive of the Social Disadvantage and Prestige factors and is reasonably predictive of the Crime factor.
- **Median dollar amount of mortgages** is a strong predictor of the Prestige factor and Social Disadvantage factor.
- **Median sales price of homes** is a good indicator of Social Disadvantage and Prestige factors but it's redundant to median mortgage amount so is not necessary if HMDA data is representative in your community.
- **Number of businesses** is extremely predictive of Business and Jobs factor.
- **Number of mortgage loan application records** is modestly predictive of housing type and tenure.
- Together these three Census statistics provide decent explanatory power for Social Disadvantage, Housing type and tenure, Prestige, Crime, and Housing Vacancy factors - **% of households with children headed by females, % of housing units with no vehicle available, and Unemployment rate.**<sup>47</sup>

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<sup>44</sup> Ibid., Chapter 5

<sup>45</sup> Ibid., Chapter 8

<sup>46</sup> “The Impact of CDBG Spending on Urban Neighborhoods”, Prepared for the U.S. Department of Housing and Urban Development, Office of Policy Research and Development by the Urban Institute (October 2002), 29.

<sup>47</sup> Ibid.

## **Other Considerations**

### **Displacement**

It is the policy of the City of Fargo to avoid the displacement of individuals whenever possible and minimize displacement in all situations. Every project involving federal dollars will require a statement to the file on relocation issues as they pertain to the project.

A "displaced person" is a person that moves from real property permanently as a direct result of the rehabilitation of said real property. Displacement occurs if the owner issues a vacate notice to the person or refuses to renew an expiring lease in order to evade the responsibility of providing relocation assistance.

The property owner and/or the grantee should communicate with affected tenants as early in the rehab process as possible, providing general information about the project and a Notice of Displacement/Non-displacement as soon as the determination has been made.

### **Obstacles to meeting underserved needs**

The City of Fargo has not identified any underserved needs in the Consolidated Plan.

### **Anti Poverty strategy**

The City will continue to work to reduce poverty in the community by committing to helping families enhance self sufficiency and by working to ensure that a full continuum of housing opportunities are available to residents of the community.

These goals are most likely to be accomplished by working in partnership with other agencies of similar mission. These partners include the Fargo Housing and Redevelopment Authority, Job Service of North Dakota, CHARISM Community Centers, Cultural Diversity Resources, Southeast ND Community Action, Presentation Partners in Housing, and other local service providers and social service agencies.

### **Institutional Structure**

A five Member City Commission governs the City of Fargo. All of the commissioners are elected at large and serve four-year terms.

The City of Fargo is the responsible entity for the development of the Consolidated Plan. Fargo is a CDBG entitlement community and a participating jurisdiction under the HOME program. Previously, the City received HOME funds via an allocation from the State of North Dakota.

The Community Development Committee recommends the specific allocation of funds and oversees the administration of community development programs for the city of Fargo. City Commission appoints this Committee. The Committee consists of eight voting members, which include the two city commissioners, City Manager, two at-large community representatives, Housing Authority Director, Planning Commission Chair, and a member of the Fargo School Board. Ex officio members include the United Way, FM Home Builders Association, and Downtown Community Partnership. All budgetary decisions are made final at the City Commission level.

The Fargo Housing and Redevelopment Authority (FHRA) is governed by a five-member Board of Directors, which is appointed by Mayor and confirmed by the City Commission.

The Department of Planning and Development is the lead agency in the implementation of the City of Fargo's community development program. The above public entities work in cooperation with various non-profit, public and private entities to further the goals of Decent Housing, a Suitable Living Environment, and Expanded Economic Opportunity.

### Coordination

The City is an active participant in the F-M Homeless Coalition and statewide Continuum of Care Planning Committee, as well as other community wide partnerships that discuss a variety of housing issues facing the metropolitan area. The City works closely with the Fargo Housing and Redevelopment Authority to meet the housing needs of low income households in the community.

We are actively involved with local housing organizations and have promoted the utilization of non-profit development organizations to address housing needs of the community. The City provides technical assistance whenever possible with the intent of developing organizational capacity, and also serves as an integral link between agencies.

### Recapture / Resale Requirements for HOME Funds

Resale and/or recapture policies must be put in place to assure that HOME-assisted housing units remain affordable. This is accomplished via deed restrictions, covenants attached to the land, mortgages, or other similar mechanisms. The City of Fargo typically accomplishes this by using a Land Use Restriction Agreement.

Resale and recapture determinations will be made for each project that is proposed in an annual action plan. However, most City of Fargo HOME funded projects will be subject to the recapture provision, as opposed to the resale provision. The recapture option follows the provisions in 24 CFR 92.254(a)(5)(ii), which allows for recapturing the entire amount of HOME investment or a prorated amount based on specific criteria that are established for each project. Any recaptured funds must be used to carry out eligible HOME activities. If the form of HOME assistance rendered a project is not subject to recapture, the resale option must be used.

Fargo does not intend to use HOME funds to refinance existing debt that is secured by housing that is being rehabilitated with HOME funds (as per 92.206(b)).

### Affirmative Marketing policy

For any HOME-assisted project with five or more units, the City commits to taking actions that will provide information to attract eligible persons from all racial, ethnic, and gender groups in the housing market area that is assisted by HOME funding. **All correspondence, notices and advertisements related to the HOME Program, will contain the Equal Housing Opportunity logo or slogan.**

Participants in the HOME Program will be required to use affirmative fair housing marketing practices in soliciting renters or buyers, determining their eligibility, and concluding all transactions. Any HOME-assisted housing must comply with the following procedures for the required compliance period, depending on the program used.

- Owners **advertising** vacant units **must include the equal housing opportunity logo or statement.** Advertising media may include newspapers, radio, televisions, brochures, leaflets, or a

sign in a window.

- The owner will be required to **solicit applications for vacant units from persons in the housing market who are least likely to apply for the HOME-assisted housing** without the benefit of special outreach efforts. In general, persons who are not of the race or ethnicity of the residents of the neighborhood in which the rehabilitated building is located, shall be considered those least likely to apply. Special outreach efforts will include contacts with community action agencies, human service centers and county social service offices.
- The owner must maintain a **file containing all marketing efforts** (e.g., copies of newspaper ads, memos of phone calls, copies of letters, etc.) and the records to assess the results of these actions are to be available for inspection by the DCS.
- The owner shall maintain a **listing of all tenants residing in each unit** from the time of application through the end of the compliance period.

## Appendix A: Citizen Participation

### Citizen Participation Plan

This plan outlines the citizen participation process that will be used by the City of Fargo in the planning and implementation of housing and community development programs. These programs include the Community Development Block Grant Program, the HOME Program (including the American Dream Downpayment Initiative), and other HUD programs being implemented by the City of Fargo.

#### General

Citizen participation is of great use to the City in identifying community development needs, assessing the effectiveness of ongoing housing and community development programs, and developing community development priorities.

Citizens are encouraged to participate in the development of the strategic and action plans, decisions on the amendment of the plans, and review of the annual performance report. In addition, citizen input is used to formulate local plans (not required by statute) related to housing and community development.

Participation by low and moderate income persons, residents of blighted areas, residents of predominantly low and moderate income neighborhoods, minorities, non-English speaking persons, and persons with disabilities are especially encouraged. When the Planning and Development Department is notified that a significant number of non-English speaking persons are interested in participating in a community development meeting, contacts will be made to obtain interpreter assistance.

The City of Fargo will provide citizens, public agencies, and other interested persons with reasonable and timely access to information and records relating to housing and community development plans and programs and the use of housing and community development funds. Documents related to Fargo Housing and Community Development programs will be made available to citizens upon request. Information will also be distributed to persons and organizations with an interest in housing and community development, through newsletters, the internet, brochures, and news media. There will be open access to all community development meetings.

#### Development of Consolidated and Action Plans

**Information about Process.** The City will distribute information that outlines the process to be used in developing housing and community development plans. Information will be distributed to citizens through an advertisement in the *Fargo Forum*, the Department's web site, and mailings to persons and organizations working in housing and community development. The Planning and Development Department will hold at least one public meeting to explain housing and community development plans and programs, giving the public no less than two weeks notice of the meeting. The meeting will be held at a convenient time and location for potential beneficiaries of the programs.

Information distributed will include a description of the process that will be used to develop the annual action plan and budget, the amount of assistance expected to be available, the range of activities that can be implemented, any known displacement to occur, and the City policies to minimize displacement.

**Proposals.** Citizens/organizations will be invited to submit specific proposals for review in the budgeting process. In addition the City may initiate and develop projects and programs based on citizen comments.

The City will provide technical assistance to groups representative of persons of low and moderate income that request such assistance in developing proposals for funding assistance under any of the programs covered by the housing and community development plan, with the level of assistance to be determined by the Planning and Development Department. The assistance will not include the provision of "grant writing" funds to the groups.

**Input.** It is important to use all available methods to determine community development needs, assess effectiveness of existing programs, and develop community development plans. The City of Fargo may also obtain citizen input from interviews with people working in housing and community development, citizen public opinion surveys, waiting lists for housing assistance, and information from other city departments.

During the development of the Consolidated Plan, the Department will consult with providers of assisted housing, health services, social services, child welfare agencies, housing and redevelopment authorities, and adjacent units of local governments, in an effort to better ascertain Fargo's community development needs.

**Plan Development.** The Planning and Development Department will be responsible for determining if an activity is eligible for inclusion in the annual action plan. The Community Development Committee will be responsible for evaluating proposals considered for the annual action plan. The Committee will be assisted by the Planning and Development Department staff responsible for researching proposals and preparing staff reviews of each proposal under consideration for the annual budget. The Committee may establish criteria to prioritize specific proposals under consideration for funding under Neighborhood Activities and Low Income Client Activities and use that criteria to rank proposals. The Committee will also recommend a process for the allocation of Downtown Development Funds. Citizens have an opportunity to make comments to the Committee on proposed projects and programs.

**Review and Approval of proposed Plan.** The Community Development Committee will propose an annual action plan with funding levels for projects and programs and recommend that plan to the City Commission. This Action Plan will also be referred to the Planning Commission for review and comment on the conformance of the plan with the Comprehensive Plan, the Downtown Area Plan, and adopted Neighborhood Plans.

An Action Plan summary will be published in the *Fargo Forum*, distributed to persons interested in housing and community development, distributed to the news media, made available on the Department's web site, and distributed by other available methods. The notice will explain the contents and purposes of the plan, locations where the plan is available for review, and how to obtain a copy of the proposed plan. The City will provide a reasonable number of free copies of the plan to citizens or groups who request it.

There will be a 30-day period for public comment on the proposed action plan. The City Commission will hold a public hearing on the proposed plan after this comment period at which time they will review and consider all comments received on the proposed plan during the public comment period and at the public hearing. The City Commission will decide what will be included in the final annual action plan and budget. An explanation will be made available for public review of all written comments and public hearing comments not accepted. A summary of these comments will be attached to the final plan.

### Action Plan Amendments

During the year between the time when action plans are approved, it may be necessary to amend the action plan and budget. The Plan must be amended if there is a change in the purpose, scope, location, or beneficiaries of an activity, if a new activity (not previously included in the Action Plan) is to be funded, or if there is a change in allocation priorities or method of funds distribution. An amendment can be deemed to be minor, substantial, or emergency. An amendment will be considered to be "substantial" if a new activity is funded, an activity is canceled, if there is a budget amendment that transfers an amount greater than \$50,000, or if the Planning and Development Department determines that it is a substantial amendment to the plan. An "emergency" amendment is developed in response to a local emergency and will typically be consistent with HUD's "urgent need" criteria. All other amendments will be deemed "minor" plan amendments.

**Substantial Amendment.** The Community Development Committee and the Planning Commission will review and comment on all proposed substantial changes. Notice of proposed substantial changes will be distributed to the news media, distributed to persons interested in housing and community development, and published in the Fargo Forum at least 30 days prior to the City Commission meeting at which the change will be considered. The City Commission prior to taking action will consider all comments on the proposed change. The City Commission may make the proposed change, reject the proposed change, or make a modified change. An explanation will be made available for public review of written comments and other public comments not accepted by the City Commission.

**Minor Amendment.** Minor plan amendments will be placed on the City Commission Agenda. This agenda is published in the newspaper prior to the meeting. Citizens may attend the City Commission meeting and comment on the proposed change.

**Emergency Plan Amendment.** Notice of proposed emergency changes will be published in the newspaper at least 7 days prior to the City Commission meeting at which the change will be considered. The City Commission prior to taking action will consider all comments on the proposed change. The City Commission may make the proposed change, reject the proposed change, or make a modified change. An explanation will be made available for public review of written comments and other public comments not accepted by the City Commission.

### Annual Performance Reports

The Planning and Development Department will be responsible for preparing all reports on the programs which are part of the Housing and Community Development Plan. Prior to submitting annual performance reports to HUD, the reports will be available for public comment and distributed to the Community Development Committee, the Planning Commission and City Commission. Notice of the availability of the report will be published in the newspaper at least 15 days prior to submitting the report to HUD. All comments will be considered by the Department prior to submitting the report, and a summary of all written comments will be included with the report.

### Process for Comment or Complaint

Persons who have a concern or complaint on housing or community development programs should contact the Fargo Planning and Development Department, 200 North Third Street, Fargo, ND. Phone 241-1474. Telephone calls will be provided a verbal or written response as determined by the Department. Written complaints will be provided written responses within 15 working days, where practicable.

## **Citizen Participation Documentation**

Attached are a number of documents relating to citizen participation in the 2010-2014 Consolidated Planning process. Included are the following:

- Copy of the Public Notice for Hearing on September 29, 2009
- Community Development Mailing List, notified of September 29<sup>th</sup> Public Hearing for input on the 2010-2014 consolidated planning process
- Region V comments received for the Statewide Consolidated Plan, September 17, 2009
- Community Development Committee Minutes from December 17, 2009
- Community Development Committee Minutes from January 28, 2010
- City Commission minutes and comments from public hearing on March 15, 2010

**Appendix B: Priority Needs Tables**

# 2010 ANNUAL ACTION PLAN

## *City of Fargo, North Dakota*

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**EXECUTIVE SUMMARY**

The 2010 Fargo Community Development Action Plan addresses the City's allocation of \$1.39 million in federal funds for the purpose of furthering the creation and retention of affordable housing, revitalizing blighted areas, and assisting low income households and neighborhoods.

The activities included in the Plan address priority needs in the areas of housing, homelessness and non-housing community development. Specific goals focus on affordable housing and homeownership, homelessness, neighborhoods, fair housing and diversity, and poverty reduction.

All of the anticipated HOME funds will benefit low/mod households and, an estimated 80 percent of CDBG funds will provide a low/mod benefit. The majority of activities address the HUD objective of decent housing, but there are also activities in the areas of economic opportunity and suitable living environment. The following table summarizes the distribution of Fargo's FY2010 projects by HUD's Performance Measure System.

<b>OBJECTIVE / OUTCOME</b>	<b>Suitable Living Environment</b>	<b>Decent Housing</b>	<b>Creating Economic Opportunities</b>
<b>Availability/ Accessibility</b>	Facilities and Capital Projects	CHDO Housing Project Housing Education Programs Cooper House – Onsite Nurse	Skills and Technology Training
<b>Affordability</b>	Snow Removal Assistance	Housing Rehab-Owner Downpayment Assistance	Metropolitan Transportation Initiative
<b>Sustainability: Promoting Livable or Viable communities</b>	Gladys Ray Shelter Myrt Armstrong Center Neighborhood Project	YWCA Cass Clay Shelter Security	Downtown Slum and Blight Projects  Native American Commission Sweat Lodge Facility

The City of Fargo has exhibited a commitment to these issues in previous action plans and has demonstrated capacity in successfully implementing the proposed projects. The 2010 Annual Action Plan outlines the City's approach to subrecipient and self-monitoring, which includes regular file monitoring and periodic on-site monitoring of funded projects.

## Introduction

The City of Fargo is a CDBG entitlement community and a HOME participating jurisdiction. This plan will address the following topics related to the use of CDBG and HOME funds in the City of Fargo in the 2010 program year (May 1, 2010 to April 30, 2011).

- Source of Funds, including expected grant, program income, and revolving fund receipts
- Specific Consolidated Plan Objectives met by 2010 activities
- Summary of 2010 Budget and programmatic expenditure limits
- Description of Projects included in 2010 budget
- Geographic Distribution of the projects
- A summary of special considerations, including discussion on the topics of homeless and other special populations, public housing, poverty reduction strategies, lead paint hazards, minority concentrations, underserved needs, removing barriers to affordable housing, partnerships, and fair housing.
- Local plans for monitoring sub-recipients and HUD-funded activities in general

## Source of Funds

### Federal Resources

This document develops a budget for the annual CDBG and HOME funds received by the City of Fargo. The following describes Federal resources as well as several other annually appropriated federal housing resources that are utilized in the community.

**CDBG.** The City of Fargo anticipates a total of \$784,237 in Fiscal Year 2010 with a grant allocation of \$754,237 and program income estimated at \$30,000.

**HOME.** The City anticipates a HOME budget of \$610,000 to work with in 2010. The grant allocation to the City is \$510,000 and program income is estimated to be \$100,000.<sup>1</sup>

### FY2010 Budget

	CDBG 10 proposed	HOME 10 proposed
Grant	\$754,237	\$510,000
Program Income	\$30,000	\$100,000
<i>Total</i>	<i>\$784,237</i>	<i>\$610,000</i>
<i>Total CDBG + HOME</i>		<b><i>\$1,394,237</i></b>

**Section 8.** As of January 2009, the City of Fargo, through the Fargo Housing and Redevelopment Authority, has access to \$4.5 million in Section 8 voucher funding. The HRA can issue approximately 1,170 vouchers with that budget authority. On average 76-82% of FHRA voucher holders earn less than 30% area median income.

In addition to the voucher program, the HRA manages one project-based Section 8 project: the Full Circle SRO (69 4<sup>th</sup> St, 22 units for people who are homeless and have a disability, \$56,364).

<sup>1</sup> The State has agreed, via a Memorandum of Agreement, to allow the City to keep program income and recaptured funds that were generated from the activities funded with HOME dollars that originated from the state of North Dakota (funds expended from all grant years up to, and including, the 2002 grant year).

**Low Income Housing Tax Credits.** The allocation of tax credits in North Dakota takes place in April and, if there are additional credits available, again in June. The City of Fargo expects to review several credit applications for the 2010 round but, at the time this plan is being written, no applications have been submitted. There is an estimated \$2.4 million in LIHTC available statewide for 2010.

**McKinney-Vento Homeless Assistance Act programs.** There are three projects in Fargo that are current recipients of SHP renewal funds. These renewal dollars total approximately \$440,729 (Sister's Path - \$150,000, YWCA Transitional Housing - \$214,781, YWCA Supportive Housing Program - \$75,948). HUD will likely be processing new applications in March of 2010, but the distribution of those funds is currently unknown.

The FHRA administers 35 Shelter + Care vouchers for homeless persons in the City of Fargo, 26 Chronic Shelter + Care certificates, 13 Tenant Based Rental Assistance vouchers, and 70 Veteran Affairs Vouchers.

**ESGP.** Five local service providers access ESGP dollars through the State of North Dakota. These grant applications are due in May, and the 2010 anticipated allocation is not yet known. The 2009 allocation totaled \$376,514, which included \$100,000 in matching funds from the state. Approximately 30% or \$119,118 was received by Fargo. The agencies that apply for ESGP funds in Fargo are the New Life Center, YWCA, Centre Inc, the Southeast ND Community Action Agency, the Gladys Ray Emergency Shelter and Youthworks. At the time of writing, the North Dakota Division of Community Services estimated that the 2010 allocation would be of a similar nature, and therefore \$100,000 is estimated.

**HPRP.** In the latter half of 2009, organizations in Fargo were awarded Homelessness Prevention and Rapid Re-Housing Program (HPRP) funds through the American Recovery and Reinvestment Act of 2009. Allocations totaled \$725,800 and included \$441,667 to the Gladys Ray Shelter, \$213,333 to YWCA Cass Clay and approximately \$70,800 to Youthworks. Though the funds were allocated in 2009, much likely remains to be expended during the Action Plan time period of May 1, 2010 to April 30, 2011.

**FY2010 Budget – Other Federal Housing Programs**

	<b>Annual \$</b>	<b>Funds Allocated by:</b>
Section 8 – Voucher	\$4,500,000	HUD to Fargo Housing and Redevelopment Authority
Section 8 – Project Based	\$56,364	HUD to Fargo Housing and Redevelopment Authority
Low Income Housing Tax Credit	n/a	ND Housing Finance Agency
McKinney Vento – SHP	\$440,729	HUD to ND Coalition for Homeless Persons to Service Providers
McKinney Vento – S+C	\$150,000	HUD to ND Coalition for Homeless Persons to Fargo Housing and Redevelopment Authority
ESGP	\$100,000	HUD to ND Division of Community Services to Service Providers
HPRP	\$725,800	HUD to ND Division of Community Services to Service Providers
<b>TOTAL</b>	<b>\$5,972,893</b>	

## Specific Objectives

The City of Fargo intends to focus efforts on the six goals that were identified in the 2010-2014 five-year Consolidated Plan.

1. Affordable Housing
2. Homeownership
3. Homelessness
4. Neighborhoods
5. Fair Housing and Diversity
6. Poverty Reduction

The 2010 Action Plan addresses the following priority needs objectives that have been identified in the 2010-2014 Consolidated Plan.

<b>Priority Needs / Objectives Addressed – 2010 Action Plan</b>		
<b>Priority Need Objective</b>		<b>Priority Need (Goal)</b>
H-1	Rehabilitate older owner-occupied housing	Housing (Affordable Housing)
H-2	Work with local partners to create new affordable housing in the community	Housing (Affordable Housing)
H-4	Increase public awareness of affordability concerns and the needs of at-risk populations	Housing (Affordable Housing)
H-5	Provide opportunities for education to potential and recent homeowners	Housing (Affordable Housing)
H-6	Provide downpayment assistance to low/moderate income homebuyers	Housing (Affordable Housing)
H-7	Increase homeownership rates for minorities	Housing (Affordable Housing)
HO-1	Work to end chronic homelessness through Fargo's 10 Year Plan	Homelessness (Homelessness)
HO-2	Provide a continuum of housing options for Fargo's homeless populations and encourage the development of supportive housing partnerships	Homelessness (Homelessness)
CD-1	Eliminate blighted conditions from the Downtown business district and Fargo's central residential neighborhoods	Community Dev (Neighborhoods)
CD-2	Foster the establishment of strong neighborhoods through the implementation of neighborhood revitalization efforts	Community Dev (Neighborhoods)
CD-3	Provide education on fair housing issues	Community Dev (Fair Housing/Diversity)
CD-4	Support skill building opportunities designed to improve self sufficiency and personal success	Community Dev (Poverty Reduction)
CD-5	Support metropolitan efforts to address transportation and other barriers to work that affect low income individuals	Community Dev (Poverty Reduction)

## Summary of 2010 Budget

The 2010 budget continues to place a high priority on housing and homelessness, as well as neighborhood improvement. The City of Fargo's 2010 CDBG budget indicates that more than 80% of non-Admin funds will be spent on activities that benefit low income persons. It is likely that funds spent in the 2010 program year (and thus reported in the 2010 CAPER) will follow a similar pattern, which is to expect between 75-80% of funds expended to benefit low/mod households.

<b>SUMMARY</b>		
<b>FY2010 Community Development Budget – proposed</b>		
	CDBG	HOME
<b>Housing</b>		
1. Housing Rehabilitation – Owner	50,000	300,000
2. Downpayment Assistance		159,000
3. CHDO Housing projects		100,000
<b>Downtown Project</b>		
4. Downtown Slum/Blight Projects	150,000	
<b>Public Service Projects</b>		
5. Housing Education (Tenant and Homebuyer) - Village	30,000	
6. Emergency Shelter - Gladys Ray Shelter	40,000	
7. Snow Removal Assistance	2,500	
8. Transportation - Metropolitan Transportation Initiative (OUT Program)	10,000	
9. Job Creation - Skills and Technology Training	5,000	
10. Cooper House - Nurse	20,000	
<b>Facilities and Capital Projects</b>		
11. Facilities and Capital projects to be considered for 2010	273,351	
Family Health Care Center – Health Care Facility		
Fraser, Ltd. – Transitional Housing for Youth		
Immigrant Development Center – Farmer's Market/Landscaping		
Nokomis Childcare Center – Facility Improvements		
12. Myrt Armstrong Center – Flooring	10,516	
13. Neighborhood Project	12,000	
14. Native American Commission – Sweat Lodge Facility Improvement	10,000	
15. Security System Upgrade – YWCA Cass Clay	14,023	
<b>Administration/Planning</b>		
16. Admin & Planning (Wilder Homeless Survey, Continuum of Care coordination, New American community, Fair Housing Activities, Homeless Connect and Housing Market Study)	156,847	51,000
<b>Total Budgeted</b>	<b>\$784,237</b>	<b>\$610,000</b>
2010 Grant	754,237	510,000
Anticipated Program Income	30,000	100,000
<b>Total Available</b>	<b>\$784,237</b>	<b>\$610,000</b>
<b>Unallocated</b>	<b>\$0</b>	<b>\$0</b>

## HOME Recapture/Resale Requirements

Resale and/or recapture policies must be in place to assure that HOME-assisted housing units remain affordable through deed restrictions, covenants attached to the land, mortgages, or other similar mechanisms. The City of Fargo typically accomplishes this by using a Land Use Restriction Agreement (LURA) (see example in Appendix B).

All HOME funded projects in Fargo's 2010 Action Plan are subject to the recapture provision, as opposed to the resale provision. The recapture option follows the provisions in 24 CFR 92.254(a)(5)(ii), which allows for recapturing the entire amount of HOME investment or a prorated amount based on specific criteria that are established for each project. Any recaptured funds must be used to carry out eligible HOME activities. If the form of HOME assistance is not subject to recapture, the resale option must be used. In the case of CHDO proceeds, the City of Fargo permits Beyond Shelter, Inc to retain any CHDO proceeds resulting from the HOME investment with the condition that the proceeds be used to develop additional affordable housing in the City of Fargo (24 CFR 92.3000(a)(2)). In addition, all CHDO proceeds and uses will be reported to the City.

Fargo does not intend to use HOME funds to refinance existing debt that is secured by housing that is being rehabilitated with HOME funds (as per 92.206(b)). The City will use only the forms of investment described in 24 CFR 92.205(b) (grants, deferred payment loans, non-interest bearing loans).

## Expenditure Caps

The City's 2010 community development budget allocation is consistent with the programmatic expenditure caps outlined in HUD regulations. For CDBG, actual compliance with expenditure cap limits is measured on the basis of funds actually spent during a particular program year. For HOME, compliance is measured on the basis of the allocation/expenditure of funds that can be attributed to a particular grant year.

### CDBG Grant program restrictions

Max Admin expenditure	Proposed	\$156,847
20% of 2010 grant, plus 2010 program income	Cap amount	\$156,847
<ul style="list-style-type: none"> <li>Project #16 - Administration - \$147,700</li> </ul>		
Max Public Service expenditure	Proposed	\$107,500
15% of 2010 grant, plus 2010 program income	Cap amount	\$117,636
<ul style="list-style-type: none"> <li>Project #5 – Housing Education (Tenant and Homebuyer) - Village</li> <li>Project #6 – Emergency Shelter - Gladys Ray Shelter</li> <li>Project #7 – Snow Removal Assistance</li> <li>Project #8 – Metropolitan Transportation Initiative</li> <li>Project #9 – Job Creation - Skills and Technology Training</li> <li>Project #10 – Cooper House – Nurse</li> </ul>		
Max Slum/Blight expenditure	Proposed	\$150,000
30% of program expenses over 3 years (2008, 2009 & 2010)	Cap amount	\$300,354
<ul style="list-style-type: none"> <li>Project #4 – Downtown Slum/Blight Projects - \$150,000</li> </ul>		

### HOME Grant program restrictions

Max Admin expenditure	Proposed	\$51,000
10% of 2010 grant, plus 2010 program income (excludes recap. funds)	Cap amount	\$51,000
<ul style="list-style-type: none"> <li>Project #16 – Administration - \$51,000</li> </ul>		
Min CHDO set-aside	Proposed	\$100,000
15% of annual allocation	Req set-aside	\$76,500
<ul style="list-style-type: none"> <li>Project #3 – CHDO Housing projects - \$100,000</li> </ul>		

## **Description of Projects**

This section includes a detailed description of each proposed project. The narratives include a general project description, discussion of the Priority Needs and specific objective(s) addressed, proposed performance indicators, as well as a project timeline and expected outcomes.

The City will follow its adopted Affirmative Marketing policy for any HOME-assisted projects with five or more units, as described in the 2010-2014 Consolidated Plan (p. 80). The City is committed to working with minority, women-owned, and small businesses in the conduct of its activities related to the provision of affordable housing.

The City will partner with an eligible Community Housing Development Organization (CHDO) on one of the following projects, to meet the CHDO requirements set forth in the HOME program.

**Project Title** **Housing Rehab – Owner**  
**Action Plan ID** 1  
**Local Project ID**

**Applicant’s name** Various (administered by the City)  
**Project Description** Program to rehabilitate existing owner-occupied houses that are at least 40 years old and have a value of less than \$135,000. Eligible properties can be single family residences, including manufactured homes permanently attached to real property, and two-unit structures where the owner lives in one of the units and rents the other to a tenant (must be a legal rental unit and have been in existence for 10 years). The average cost of a rehabilitation project is \$20,000. Most of the houses that are rehabilitated are located in Fargo’s older low/mod neighborhoods.

**Location** Older neighborhoods (housing stock at least 40 years old)

**Priority Need** Housing  
**Con Plan Objective Number** H-1, Rehabilitate older owner-occupied housing  
 CD-1, Eliminate blighted conditions from Fargo’s residential neighborhoods

HUD Matrix Code 14A (Rehab – single unit residential)  
 CDBG Citation 570.202  
 CDBG National Obj Low/Mod Housing  
 HUD Obj/Outcome Affordability for the purpose of providing decent affordable housing  
 Start Date May 1, 2010  
 Completion Date April 30, 2011

- Performance Indicators**
- Direct Benefit - Low and moderate income homeowners
  - Indirect Benefit - Residents of affected older neighborhoods (well maintained housing stock)
  - Rehabilitate 15 homes that are at least 40 years old

**Units at completion** 15  
**Program income** This activity will generate program income and recaptured funds (HOME). Some of the funds will be repaid because the assistance is given in the form of a low-interest amortized loan. Some of the granted rehab funds may be repaid if a sale or other circumstance triggers repayment of the assistance.

**HOME Match** This activity is expected to generate some match, in the form of tax exemptions granted to HOME assisted properties and below-market interest rates associated with city NRI funds. All match will be documented and reported to HUD.

**Resale/Recapture** Recapture – loans either forgiven over 10 year period or have 5-15 year amortization

<b>Funding Sources</b>	
CDBG	\$50,000
ESG	
HOME	\$300,000
HOPWA	
<b>Total formula grant funds</b>	<b>\$350,000</b>
Prior year funds	
Assisted housing	
Other funding	
<b>Total</b>	<b>\$350,000</b>

The primary purpose of the project is to help:  
 The homeless \_\_\_\_\_ Persons with HIV/AIDS \_\_\_\_\_ Persons with disabilities \_\_\_\_\_ Public Housing Needs \_\_\_\_\_

**Project Title** **Downpayment Assistance**  
**Action Plan ID** 2  
**Local Project ID** n/a  
**Applicant's name** Various (administered by the City)  
**Project Description** This program offers down payment and closing cost assistance to low and moderate income households that are trying to purchase a home. Over the last two years, the average purchase price of a home in this program was \$101,021. The City requires each applicant to complete an approved homebuyer education program prior to making an offer to purchase a home.  
**Location** Citywide  
**Priority Need** Housing  
**Con Plan Objective** H-6, Provide downpayment assistance to low/moderate income homebuyers  
**Number** H-7, Increase homeownership rates for minorities  
**HUD Matrix Code** 13 (Homeownership Assistance – Direct)  
**CDBG Citation** 570.201(n)  
**CDBG National Obj** LMC  
**HUD Obj/Outcome** Affordability for the purpose of providing decent affordable housing  
**Start Date** May 1, 2010  
**Completion Date** April 30, 2011  
**Performance Indicators**

- Assist 30 households in purchasing a home  
 The majority of families served by this program are classified as moderate income families. Typically, 10-15 percent of the families served have been low income families, and those families had an income between 40 and 50 percent of median. Over the last two years, 68 families have been served, 7 of which were 30-50 percent of median income and 61 who were 51-80 percent median. Assuming a similar client mix as is typically served, we expect to benefit 4 low income households (30-50 percent of median), and 26 moderate income households (50-80 percent of median).

**Units at completion** N/A  
**Program income** This activity is likely to generate recaptured funds (HOME).  
**HOME Match** This activity is expected to generate match in the form of below-market interest rates on first mortgages.  
**Resale/Recapture** Recapture – loans due on sale of the home with mortgage due to be calculated based on net proceeds of sale.

Funding Sources	
CDBG	
ESG	
HOME	\$159,000
HOPWA	
Total formula grant funds	
Prior year funds	
Assisted housing	
Other funding – ADDI DCS	
Total	\$159,000

The primary purpose of the project is to help:  
 The homeless \_\_\_\_\_ Persons with HIV/AIDS \_\_\_\_\_ Persons with disabilities \_\_\_\_\_ Public Housing Needs \_\_\_\_\_

**Project Title** CHDO Housing Project  
**Action Plan ID** 3  
**Local Project ID**

**Applicant's name** Beyond Shelter, Inc.

**Project Description** Beyond Shelter, Inc. is currently the only CHDO authorized to receive HOME CHDO set aside funds. The City will work with Beyond Shelter on the Crossroads Senior Housing Development. The project will include the development of approximately 80 housing units targeted to low income seniors age 55 and older.

**Location** 1670 East Gateway Circle S  
**Priority Need** Housing

**Con Plan Objective Number** H-2, Work with local partners to create new affordable housing in the community

HUD Matrix Code 12 (Construction of Housing)  
 CDBG Citation 570.201(m)  
 CDBG National Obj N/A  
 HUD Obj/Outcome Availability/Accessibility for the purpose of providing decent affordable housing  
 Start Date May 1, 2010  
 Completion Date April 30, 2011

Performance Indicators Complete the construction of affordable housing units to serve households at or below 50% AMI  
 Units at completion 80  
 Program income This activity is not expected to generate program income.

HOME Match This activity is expected to generate match that can be used toward the 25% match requirement. All match will be documented and reported to HUD.

Resale/Recapture Recapture

<b>Funding Sources</b>	
CDBG	
ESG	
HOME	\$100,000
HOPWA	
<b>Total formula grant funds</b>	<b>\$100,000</b>
Prior year funds	
Assisted housing	
PHA	
Other funding	
<b>Total</b>	<b>\$100,000</b>

The primary purpose of the project is to help:  
 The homeless  Persons with HIV/AIDS  Persons with disabilities  Public Housing Needs

**Project Title** **Downtown Slum and Blight Projects**  
**Action Plan ID** 4  
**Local Project ID**

**Applicant's name** Various  
**Project Description** The Community Development Committee wishes to set aside funds for potential projects in the Downtown area that will address slum and blight conditions. Included among these potential projects will be storefront rehabilitation grants to property owners which must be matched one-for-one with private dollars and be utilized for façade renovation. Other activities undertaken with the intention of eliminating blighted conditions in designated areas may be considered as well. At this time, specific projects are yet to be determined.  
**Location** Downtown Fargo, designated blighted areas (generally, Census Tract 7, Block Groups 1 and 2)  
**Priority Need** Non-Housing Community Development  
**Con Plan Objective Number** CD-1, Eliminate blighted conditions from the downtown business district  
 CD-2, Foster the establishment of strong neighborhoods through the implementation of neighborhood revitalization efforts  
 HUD Matrix Code 14E (Rehab – publicly or privately owned commercial)  
 CDBG Citation 570.202  
 CDBG National Obj SBA (Slum/Blight Area)  
 HUD Obj/Outcome Sustainability for the purpose of creating economic opportunity  
 Start Date May 1, 2010  
 Completion Date April 30, 2011  
**Performance Indicators** Provide grants to eliminate blighted conditions at a yet-to-be-determined number of properties.  
**Units at completion** To be determined  
**Program income** This activity is not expected to generate program income.

<b>Funding Sources</b>	
CDBG	\$150,000
ESG	
HOME	
HOPWA	
<b>Total formula grant funds</b>	<b>\$150,000</b>
Prior year funds	
Assisted housing	
PHA	
Other funding	
<b>Total</b>	<b>\$150,000</b>

The primary purpose of the project is to help:  
 The homeless \_\_\_\_\_ Persons with HIV/AIDS \_\_\_\_\_ Persons with disabilities \_\_\_\_\_ Public Housing Needs \_\_\_\_\_

**Project Title** **Housing Education Programs (Tenant/Homebuyer)**  
**Action Plan ID** 5  
**Local Project ID**

**Applicant's name** The Village Family Service Center  
**Project Description** The Village's Financial Resource Center provides educational courses for both new homeowners and tenants of rental housing. The homebuyer training program is a two-day (8 hour) education program and a one-hour financial counseling session. The tenant education program also includes 8 hours of classroom time and a one-hour counseling session. The tenant education program provides new renters with the skills to find and keep a decent, safe and affordable home as well as educating those with poor rental histories in becoming more marketable tenants.

**Location** Citywide (public service)

**Priority Need** Housing

**Con Plan Objective Number** H-5, Provide opportunities for education to potential and recent homeowners  
 CD-3, Provide education on fair housing issues  
**HUD Matrix Code** 05R (Homeownership Assistance – Not Direct)  
**CDBG Citation** 570.204  
**CDBG National Obj** Low/Mod Clientele  
**HUD Obj/Outcome** Accessibility for the purpose of providing decent affordable housing  
**Start Date** May 1, 2010  
**Completion Date** April 30, 2011

- Performance Indicators**
- Provide at least 21 separate homebuyer education training sessions and 16 separate tenant education sessions.
  - Provide homebuyer education to at least 200 Fargo households (at least 110 of whom are low and moderate income individuals)
  - Provide tenant education training to at least 450 low/moderate income households in Fargo that are at-risk for housing crisis/homelessness.

**Units at completion** n/a

**Program income** This activity is not expected to generate program income.

<b>Funding Sources</b>	
CDBG	\$30,000
ESG	
HOME	
HOPWA	
<b>Total formula grant funds</b>	<b>\$30,000</b>
Prior year funds	
Assisted housing	
PHA	
Other funding – ADDI DCS	
<b>Total</b>	<b>\$30,000</b>

The primary purpose of the project is to help:  
 The homeless  Persons with HIV/AIDS  Persons with disabilities  Public Housing Needs

**Project Title** Gladys Ray Emergency Shelter  
**Action Plan ID** 6  
**Local Project ID**

**Applicant's name** City of Fargo

**Project Description** Provide operating support for the Gladys Ray Emergency Shelter.  
**Location** 1519 1<sup>st</sup> Avenue South  
**Priority Need** Homelessness

**Con Plan Objective Number** HO-1, Work to end chronic homelessness in Fargo

HUD Matrix Code 03T (Operating Costs of Homeless/AIDS Patients Programs)  
 CDBG Citation 570.207(b)(2)  
 CDBG National Obj Low/Mod income, Limited Clientele (Homeless Persons)  
 HUD Obj/Outcome Sustainability in order to create a suitable living environment  
 Start Date May 1, 2010  
 Completion Date April 31, 2011  
 Performance Indicators Provide operating funding for emergency shelter, which has been developed to help meet the needs stated in Fargo's 10 year Plan to End Long Term Homelessness  
 Units at completion n/a  
 Program income n/a  
 HOME Match n/a  
 Resale/Recapture n/a

Funding Sources	
CDBG	\$40,000
ESG	
HOME	
HOPWA	
Total formula grant funds	\$40,000
Prior year funds	
Assisted housing	
PHA	
Other funding	
Total	\$40,000

The primary purpose of the project is to help:  
 The homeless  X  Persons with HIV/AIDS \_\_\_\_\_ Persons with disabilities \_\_\_\_\_ Public Housing Needs \_\_\_\_\_

**Project Title** **Snow Removal Assistance**  
**Action Plan ID** 7  
**Local Project ID**

**Applicant's name** City of Fargo  
**Project Description** Project to assist with snow removal for low income seniors and persons with disabilities. Snow removal service includes one path to the front door, and the sidewalk in front of the house.  
**Location** City-wide  
**Priority Need** Non-Housing Community Development

**Con Plan Objective Number** CD-4, Support skill building opportunities designed to improve self sufficiency and personal success  
**HUD Matrix Code** 05A (Senior Services)  
 05B (Handicapped Services)  
**CDBG Citation** 570.201(e)  
**CDBG National Obj** Low/Mod Clientele  
**HUD Obj/Outcome** Affordability in order to create a suitable living environment  
**Start Date** May 1, 2010  
**Completion Date** April 31, 2011  
**Performance Indicators** This project will benefit an estimated 12 senior/disabled households. All will be at or below 50% of the area median income.  
**Units at completion** n/a  
**Program income** n/a

<b>Funding Sources</b>	
CDBG	\$2,500
ESG	
HOME	
HOPWA	
Total formula grant funds	
Prior year funds	
Assisted housing	
PHA	
Other funding	
<b>Total</b>	<b>\$2,500</b>

The primary purpose of the project is to help:  
 The homeless  Persons with HIV/AIDS  Persons with disabilities  Public Housing Needs

**Project Title** Metropolitan Transportation Initiative – OUT Program  
**Action Plan ID** 8  
**Local Project ID**

**Applicant's name** City of Fargo (Metro Area Transit)  
**Project Description** CDBG funds will be used to address transportation needs for low income residents. The OUT program (Opportunities under Transit) will supply vouchers to assist disadvantaged individuals seeking employment or attending employment related activities, with discounted bus passes. Administration of the OUT program may include expanding eligibility beyond its current focus on employment to meet the changing transportation needs of the disadvantaged.

**Location** Citywide (public service)  
**Priority Need** Non-Housing Community Development

**Con Plan Objective Number** CD-5, Support metropolitan efforts to address transportation and other barriers to work that affect low income individuals

HUD Matrix Code 05E (Public service – Transportation Services)  
 CDBG Citation 570.201(e)  
 CDBG National Obj Low/Mod Clientele  
 HUD Obj/Outcome Affordability for the purpose of creating economic opportunities  
 Start Date May 1, 2010  
 Completion Date April 30, 2011

**Performance Indicators** Provide subsidy to at least 250 individuals for rides on Metro Area Transit to help low income individuals with employment related activities

**Units at completion** n/a  
**Program income** This activity is not expected to generate program income.

<b>Funding Sources</b>	
CDBG	\$10,000
ESG	
HOME	
HOPWA	
<b>Total formula grant funds</b>	<b>\$10,000</b>
Prior year funds	
Assisted housing	
PHA	
Other funding	
<b>Total</b>	<b>\$10,000</b>

The primary purpose of the project is to help:  
 The homeless      Persons with HIV/AIDS      Persons with disabilities      Public Housing Needs

**Project Title** Skills and Technology Center  
**Action Plan ID** 9  
**Local Project ID**

**Applicant's name** The Skills and Technology Center  
**Project Description** The Skills and Technology Training Center, in cooperation with Cass County Social Services and North Dakota Job Service, will offer a targeted job skills development program for refugees and low income individuals.

**Location** Citywide (public service)  
**Priority Need** Public Service

**Con Plan Objective Number** CD-4, Support skill building opportunities designed to improve self sufficiency and personal success  
**HUD Matrix Code** 05H (Employment Training)  
**CDBG Citation** 570.201(e)  
**CDBG National Obj** Low/Mod Clientele  
**HUD Obj/Outcome** Availability/Accessibility for the purpose of creating economic opportunity  
**Start Date** May 1, 2010  
**Completion Date** April 30, 2011

**Performance Indicators** Provide training to 5 low/moderate income adults. Program participants must either be underemployed or be classified as a refugees.

**Units at completion** n/a  
**Program income** This activity is not expected to generate program income.

<b>Funding Sources</b>	
CDBG	\$5,000
ESG	
HOME	
HOPWA	
<b>Total formula grant funds</b>	<b>\$5,000</b>
Prior year funds	
Assisted housing	
PHA	
Other funding	
<b>Total</b>	<b>\$5,000</b>

The primary purpose of the project is to help:  
 The homeless                      Persons with HIV/AIDS                      Persons with disabilities                      Public Housing Needs

**Project Title** Cooper House – On-site nurse  
**Action Plan ID** 10  
**Local Project ID**

**Applicant's name** City of Fargo  
**Project Description** CDBG funds will be used to support a full-time nurse at the Cooper House, a newly constructed permanent supportive housing development for long-term homeless populations.  
**Location** 414 11<sup>th</sup> Street North  
**Priority Need** Non-Housing Community Development

**Con Plan Objective Number** HO-1 Work to end chronic homelessness through Fargo's 10 Year Plan  
 HO-2 Provide a continuum of housing options for Fargo's homeless populations and encourage the development of supportive housing partnerships  
**HUD Matrix Code** 03T (Operating Costs of Homeless/AIDS Patients Programs)  
**CDBG Citation** 570.201(c)  
**CDBG National Obj** Low/Mod income  
**HUD Obj/Outcome** Availability/Accessibility for the purpose of creating Decent Housing  
**Start Date** May 1, 2010  
**Completion Date** April 31, 2011  
**Performance Indicators** Help to support one full-time nurse at the Cooper House facility  
**Units at completion** n/a  
**Program income** This activity is not expected to generate program income.

<b>Funding Sources</b>	
CDBG	\$20,000
ESG	
HOME	
HOPWA	
Total formula grant funds	\$20,000
Prior year funds	
Assisted housing	
PHA	
Other funding	
<b>Total</b>	<b>\$20,000</b>

The primary purpose of the project is to help:  
 The homeless  Persons with HIV/AIDS  Persons with disabilities  Public Housing Needs

**Project Title** **Facilities and Capital Projects**  
**Action Plan ID** 11  
**Local Project ID**

**Applicant's name** Various  
**Project Description** The Community Development Committee wishes to set aside funds for potential projects in Fargo that will address the facilities and capital needs of organizations that benefit low and moderate income people. The potential projects being considered at this time are:

- Family Health Care Center – Assist with facility expansion/renovation into a new location at 301 NP Ave N.
- Fraser, Ltd. – Facility improvements to 711 S University Drive Transitional Housing for Young Adults.
- Immigrant Development Center – Assist with the facility and landscape development of a downtown farmer's market employing low-income entrepreneurs.
- Nokomis Childcare Center – Assist with facility improvements at 658 23rd St S to improve energy efficiency and health/safety/code issues.

**Location** Various  
**Priority Need** Non-Housing Community Development

**Con Plan Objective Number** CD-4, Support skill-building and other opportunities designed to improve self-sufficiency and personal success  
 HO-2, Provide a continuum of housing options for Fargo's homeless populations and encourage the development of supportive housing partnerships

HUD Matrix Code To be determined  
 CDBG Citation To be determined  
 CDBG National Obj Low/Mod Clientele  
 HUD Obj/Outcome Availability in order to create a suitable living environment  
 Start Date May 1, 2010  
 Completion Date April 31, 2011  
 Performance Indicators To be determined  
 Units at completion n/a  
 Program income This activity is not expected to generate program income.

<b>Funding Sources</b>	
CDBG	\$273,351
ESG	
HOME	
HOPWA	
<b>Total formula grant funds</b>	<b>\$273,351</b>
Prior year funds	
Assisted housing	
PHA	
Other funding	
<b>Total</b>	<b>\$273,351</b>

The primary purpose of the project is to help:  
 The homeless \_\_\_\_\_ Persons with HIV/AIDS \_\_\_\_\_ Persons with disabilities \_\_\_\_\_ Public Housing Needs \_\_\_\_\_

**Project Title** Myrt Armstrong Center - Flooring  
**Action Plan ID** 12  
**Local Project ID**

**Applicant's name** Myrt Armstrong Center  
**Project Description** CDBG funds will be used to remove and replace the existing flooring in the Myrt Armstrong Center, which serves as a gathering place for individuals with mental health needs.  
**Location** 1419 1 Ave S, Fargo  
**Priority Need** Non-housing community development

**Con Plan Objective Number** CD-4, Support skill-building and other opportunities designed to improve self-sufficiency and personal success  
**HUD Matrix Code** 03B (Handicapped Centers)  
**CDBG Citation** 570.201(c)  
**CDBG National Obj** Low/Moderate Income  
**HUD Obj/Outcome** Sustainability for the purpose of creating a suitable living environment  
**Start Date** May1, 2010  
**Completion Date** April 31, 2011  
**Performance Indicators** Removal and replacement of flooring  
**Units at completion** n/a  
**Program income** This activity is not expected to generate program income.

<b>Funding Sources</b>	
CDBG	\$10,516
ESG	
HOME	
HOPWA	
<b>Total formula grant funds</b>	<b>\$10,516</b>
Prior year funds	
Assisted housing	
PHA	
Other funding	
<b>Total</b>	<b>\$10,516</b>

The primary purpose of the project is to help:  
 The homeless  Persons with HIV/AIDS  Persons with disabilities  Public Housing Needs

**Project Title** Neighborhood Project  
**Action Plan ID** 13  
**Local Project ID**

**Applicant's name** To be determined  
**Project Description** The Community Development Committee would like to set aside CDBG funds for a potential project that will help beautify and improve a low/moderate income neighborhood.  
**Location** To be determined, low/moderate income neighborhood  
**Priority Need** Non-housing community development

**Con Plan Objective Number** CD-1 (Eliminate blighted conditions from the downtown business district and Fargo's central residential neighborhoods)  
**HUD Matrix Code** 03E (Neighborhood Facilities)  
**CDBG Citation** 570.201(c)  
**CDBG National Obj** Low/Moderate Income  
**HUD Obj/Outcome** Sustainability for the purpose of creating a suitable living environment  
**Start Date** May1, 2010  
**Completion Date** April 31, 2011  
**Performance Indicators** Complete one or more projects that improve the appearance and livability of a blighted neighborhood. (Additional performance indicators may be added when the final project is determined.)  
**Units at completion** n/a  
**Program income** This activity is not expected to generate program income.

<b>Funding Sources</b>	
CDBG	\$12,000
ESG	
HOME	
HOPWA	
Total formula grant funds	\$12,000
Prior year funds	
Assisted housing	
PHA	
Other funding	
<b>Total</b>	<b>\$12,000</b>

The primary purpose of the project is to help:  
 The homeless \_\_\_\_\_ Persons with HIV/AIDS \_\_\_\_\_ Persons with disabilities \_\_\_\_\_ Public Housing Needs \_\_\_\_\_

**Project Title** Native American Commission – Sweat Lodge Facility  
**Action Plan ID** 14  
**Local Project ID**

**Applicant's name** Native American Commission  
**Project Description** CDBG funds will be used for improvements to a sweat lodge facility, including construction of storage space for equipment and supplies. The space will also function to protect sweat participants from the elements during winter months.  
**Location** Census Tract 101.05, Block Group 1  
**Priority Need** Non-Housing Community Development  
**Objective Number** CD-4, Support skill-building and other opportunities designed to improve self-sufficiency and personal success  
**HUD Matrix Code** 03E (Neighborhood Facilities)  
**CDBG Citation** 570.201(c)  
**CDBG National Obj** Low/Moderate Income  
**HUD Obj/Outcome** Sustainability for the purpose of creating a suitable living environment  
**Start Date** May 1, 2010  
**Completion Date** April 30, 2011  
**Performance Indicators** Complete code-related improvements to a sweat lodge facility in Fargo  
**Units at completion** n/a  
**Program income** This activity is not expected to generate program income.

Funding Sources	
CDBG	\$10,000
ESG	
HOME	
HOPWA	
Total formula grant funds	\$10,000
Prior year funds	
Assisted housing	
PHA	
Other funding	
<b>Total</b>	<b>\$10,000</b>

The primary purpose of the project is to help:  
 The homeless \_\_\_\_\_ Persons with HIV/AIDS \_\_\_\_\_ Persons with disabilities \_\_\_\_\_ Public Housing Needs \_\_\_\_\_

**Project Title** YWCA Cass Clay – Upgrade Shelter Security  
**Action Plan ID** 15  
**Local Project ID**

**Applicant's name** YWCA Cass Clay  
**Project Description** Update the security systems to ensure safety for staff and the women and children during their shelter stay.  
**Location** 3000 S. University Drive, Fargo  
**Priority Need** Homeless Needs

**Con Plan Objective Number** HO-2, Provide a continuum of housing options for Fargo's homeless populations  
**HUD Matrix Code** 03C (Homeless Facilities)  
**CDBG Citation** 570.201(c)  
**CDBG National Obj** Low/Mod Clientele  
**HUD Obj/Outcome** Sustainability in order to create decent housing  
**Start Date** May 1, 2010  
**Completion Date** April 30, 2011  
**Performance Indicators** Provide security for 65+ women and children who reside at the shelter at any given time.  
**Units at completion** n/a  
**Program income** Project will not generate program income

<b>Funding Sources</b>	
CDBG	\$14,023
ESG	
HOME	
HOPWA	
Total formula grant funds	\$14,023
Prior year funds	
Assisted housing	
PHA	
Other funding	
<b>Total</b>	<b>\$14,023</b>

The primary purpose of the project is to help:  
 The homeless  Persons with HIV/AIDS  Persons with disabilities  Public Housing Needs

**Project Title** Administration and Planning  
**Action Plan ID** 16  
**Local Project ID**

**Applicant's name** City of Fargo  
**Project Description** Funds are used for the administration of community development programs and general planning activities.

HOME funds pay for administration of the Home Buyer Assistance program and some of the delivery costs of the housing rehabilitation program. CDBG funds pay for administrative costs of the personnel that work on the planning and delivery of these community development programs, in addition to special plans and studies, including the Wilder Study and a Housing Market study. These funds will also be used for fair housing activities and Project Homeless Connect.

**Location** Citywide  
**Priority Need** Planning and Admin (Administrative funds are used to develop and implement all approved community development activities. However, specific admin activities will address the following priority needs objectives.)

**Objective Number** H-4, Increase public awareness of affordability concerns and the needs of at-risk  
 HO-1, Work to end chronic homelessness in Fargo  
 HO-2, Provide a continuum of housing options for Fargo's homeless population and encourage the development of supportive housing partnerships  
 CD-3, Provide education on fair housing issues

**HUD Matrix Code** 21A (General Administration)  
 21H (Admin costs of a PJ)

**CDBG Citation** 570.206  
**CDBG National Obj** N/A

**Start Date** May 1, 2010  
**Completion Date** April 30, 2011  
**Performance Indicators** n/a

**Units at completion** n/a  
**Program income** This activity is not expected to generate program income.

<b>Funding Sources</b>	
CDBG	\$156,847
ESG	
HOME	\$51,000
HOPWA	
<b>Total formula grant funds</b>	<b>\$207,847</b>
Prior year funds	
Assisted housing	
PHA	
Other funding	
<b>Total</b>	<b>\$207,847</b>

## Geographic Distribution of Projects

The primary beneficiaries of all listed projects are low/moderate income households in the City of Fargo. In Fargo, most of the low/mod areas are concentrated in the core of the City, which are also some of Fargo's oldest neighborhoods.

The City's strategy for prioritizing community development activities is to target neighborhoods that are low/mod, where affordable housing is available, and that are older (developed pre-1920).

These neighborhoods typically share a number of characteristics that warrant community development interventions. There are opportunities for comprehensive neighborhood planning efforts that identify issues in a strategic way while at the same time empowering residents to act in concert with the City to address those needs. The housing stock is generally in good condition but is in need of re-investment/improvement. Oftentimes residents concerns about safety and public service provision are beginning to emerge. It is at this point that the City feels it can be most effective in using community development resources to affect the lives of the citizens of these neighborhoods as well as the quality of life in the community as a whole.

In addition to targeted low/mod and affordable existing neighborhoods, the City also considers it important to assure a fair distribution of affordable housing across the community (new and existing neighborhoods). Some of the new housing projects in this and future budget years will reflect this priority.

### GEOGRAPHIC DISTRIBUTION SUMMARY FY2010 Community Development Projects

	Location
1. Housing Rehabilitation – Owner	Citywide – housing stock must be over 40 years old
2. Downpayment Assistance	Citywide
3. CHDO Housing Project	Census Tract 9.02, Block Group 3
4. Downtown Slum and Blight Projects	Census Tract 7, Block Groups 1 and 2
5. Housing Education Programs (Tenant/Homebuyer)	Service - Citywide
6. Gladys Ray Emergency Shelter	Service - Citywide
7. Snow removal Assistance	Service – Citywide
8. Metropolitan Transportation Initiative – OUT Program	Service - Citywide
9. Skills and Technology Center	Service - Citywide
10. Cooper House – On-site Nurse	Service – Citywide
11. Facilities and Capital Projects	Census Tract 7, Block Group 2 Census Tract 8.01, Block Group 2 Census Tract 8.01, Block Group 1 Census Tract 6, Block Group 1 Census Tract 8.02, Block Group 5
12. Myrt Armstrong Center - Flooring	Census Tract 8.02, Block Group 1
13. Neighborhood Project	Low/Mod Income Neighborhood not yet determined
14. Native American Commission – Sweatlodge Facility	Census Tract 101.05, Block Group 1
15. YWCA Cass Clay – Upgrade Shelter Security	Census Tract 10.02, Block Group 1
16. Administration and Planning	Service – Citywide

## **Summary of Special Considerations**

The following is a summary of how the Fargo 2010 Community Development Action Plan addresses the special considerations that have been identified by HUD.

### **Homeless and Other Special Populations**

The City Planning Department continues to be involved in local and statewide Continuum of Care efforts and regularly provides CDBG funds to support the planning process. In addition, the Planning Department continues to move forward with the goals and objectives of Fargo's "10-Year Plan to End Long Term Homelessness", which brings together public and private partners from the metropolitan area to craft a local strategy for addressing the needs of this population. Funds are set aside in the 2010 budget to support project ideas that may come out of that process (See Project #6 and #10 above).

CDBG funds have been directed to the newly developed Gladys Ray Emergency shelter in Fargo. These funds will help to support operations at the new shelter. The 2010 Action Plan also includes funding for the Tenant Education program, which is aimed at helping individuals avoid housing crisis situations. HOME dollars will also be used to support the Crossroads Senior Housing development, which will provide approximately 80 units of affordable housing for persons age 55 and older.

### **Public Housing**

The City is supporting the Fargo Housing Authority's commitment to scattered site housing, family self sufficiency programs, enhancement of properties and resident opportunities, as well as the ongoing housing disposition plan. The City continues to be involved in discussions with the Fargo Housing and Redevelopment Authority about the significant future capital needs of the community's public housing stock.

The City is involved with the development of the former Cooper Tire site. This location will be used for affordable housing and potentially retail, and will be managed by the Fargo Housing and Development Authority. The City assisted with demolition of the existing structures in 2008, and helped to subsidize the new rental units with HOME funds in 2009. In 2010, CDBG funds will be utilized to hire a full-time nurse serving those living in the housing that are just coming out of homelessness.

### **Lead based paint hazards**

The City will continue to work to raise public awareness of lead based paint hazards. The City will also work with all sub-recipients and applicants for community development funds in ensuring that lead based paint hazards are appropriately addressed. Program applicants for rehab and downpayment assistance receive materials on lead paint and the Department maintains locally-specific information on our web site.

### **Anti-poverty strategy – Reducing the number of poverty level families**

The City supports the Fargo Housing and Redevelopment Authority's efforts to provide a number of self-sufficiency programs that are aimed at increasing a family's economic independence. The Housing and Redevelopment Authority works closely with Job Service of North Dakota to provide necessary training opportunities to poverty level families. The City will continue to coordinate anti-poverty efforts with local service providers and social service agencies.

### **Minority Concentrations**

The 2008 American Community Survey (ACS) indicated that Fargo's minority population has grown significantly. 2.5 percent of residents were listed as a race "other than white" in the 1990 Census; the proportion of minority residents had grown to 9 percent by the 2008 ACS. However, there are no areas in the community having minority concentrations to a level that warrants concern or action. Certain census tracts have a slightly higher percentage of minority residents than others (percent of minority residents per census tract ranges from 2 to 15 percent) but the differentials are relatively small and do not contribute to an unhealthy environment.

### **Underserved Needs**

The City's current Consolidated Plan does not identify any underserved needs. As such, no specific action to address underserved needs is proposed at this time.

### **Urgent Needs**

From time to time there may be urgent needs that develop in the community for which CDBG funding must be utilized. The City of Fargo reserves the right to use up to 30% of the available funding for emergency activities that may come up due to an emergency event such as flooding, tornados or other natural disasters.

### **Other Actions – Removing Barriers to Affordable Housing**

The 2010 Action Plan demonstrates significant support for the maintenance and creation of affordable housing in the community. The Homebuyer downpayment assistance and Housing Rehab programs help remove barriers to homeownership. Also, the development of the Crossroads Senior Housing project and the Cooper House for individuals coming out of homelessness are both indicative of these efforts.

The City is also addressing the problem of increased foreclosures in the area through the Neighborhood Stabilization Program (NSP), which has been authorized by Congress under Title III of the Housing and Economic Recovery Act of 2008. Fargo received nearly \$5 million to acquire and redevelop foreclosed and abandoned properties that might otherwise have become sources of abandonment or blight. The NSP funds have been an excellent source of funding to address increasing numbers of foreclosed or vacant properties, and the City intends to utilize them for the benefit of low and moderate income homebuyers.

As of October 2008, Fargo had 83 foreclosed properties, which is 27% of North Dakota's total of 312 for the entire state. Though the home foreclosure crisis is not as serious in ND as in many states around the nation, numbers have been increasing significantly since 2000. Additionally, there has been a relatively high rate of sub-prime mortgage activity in the City, which is likely a predictor of additional foreclosures. According to Federal Reserve Board estimates at the time of writing, Fargo had 587 sub-prime loans equivalent to \$51 million. Of those, 17.2% were in active foreclosure, and 36.1% were in serious delinquency.

### **Other Actions - Partnerships**

The City is an active participant in the F-M Homeless Coalition, statewide Continuum of Care Planning Committee, the ND Interagency Council on Homelessness, as well as other community wide partnerships that discuss a variety of housing issues facing the metropolitan area.

We are actively involved with local housing organizations and have promoted the utilization of non-profit development organizations to address housing needs of the community. The City provides technical assistance whenever possible with the intent of developing organizational capacity, and we see ourselves

as a link and partner with area organizations. Specifically, we have partnered with the Fargo Housing and Redevelopment Authority to develop a Tenant-Based Rental Assistance program (TBRA). The TBRA program is in place and is being administered by the Fargo Housing and Redevelopment Authority. Local conditions leading to implementation of the TBRA are discussed in the City of Fargo's 10-Year Plan to End Homelessness (August, 2006). Prior to development of the TBRA, the only sources of rent subsidy available to homeless individuals were Section 8 and Shelter + Care. Local HOME funds are used for downpayment assistance and rehab on existing homes, which has limited creation of new affordable housing units. The 10-year plan outlines the intent of the TBRA funds, which is to reserve vouchers for long term homeless tenants who agree to stay connected with a service provider. Priority in the first 3 years of the project will go to clients with a dual diagnosis and relationship with Southeast Human Service Center's Integrated Dual Disorder Treatment team.

In addition, homelessness is indicated as a priority in Fargo's 2010-2014 Consolidated Plan. As written in the plan, there are 2 goals that address homelessness. They are:

1. Work to end chronic homelessness through Fargo's 10 Year Plan
2. Provide a continuum of housing options for Fargo's homeless populations and encourage the development of supportive housing partnerships

## **Monitoring**

The City of Fargo Department of Planning and Development is responsible for monitoring progress made on community development projects that have been funded with federal dollars.

Each recipient of community development funds will sign a written agreement that outlines program goals and objectives, the statement of work to be completed, in addition to a timeline and the list of expected accomplishments. Planning Department staff will schedule an annual site visit with selected sub-recipients to examine records on site. Many sub-recipients will also be asked to submit quarterly progress reports to the Planning Department.

In addition to monitoring sub-recipient activity, the City is also committed to monitoring progress on identified community development needs. The annual report will be used to measure specific project accomplishments and to measure program-wide accomplishments as well. The 2010-2014 Consolidated Plan outlines a series of performance measures that the City will use to evaluate program performance. Overall program design can be adjusted in accordance with the information received via the evaluation process.

The Community Development Committee will review information received from Planning Department staff, and will make recommendations, with regard to community development activities, to the Fargo City Commission.

## **Appendix A: Public Process – 2010 Budget**

Appendix includes the following information that describes the public process used to develop the 2009 CDBG and HOME budgets.

- Minutes – December 17, 2009 Community Development Committee meeting (budget overview, budget recommendation)
- Minutes – February 26, 2010 Community Development Committee meeting (budget overview, final budget recommendation)
- Notice for public hearing and public comment on 2010 Action Plan (published February 4, 2010).
- Agenda – March 8, 2010 Fargo City Commission meeting
- Minutes – March 8, 2010 Fargo City Commission meeting (budget hearing and approval)



- Special Assessment Assistance – \$45,000 in carryover funds to pay the principle amount on special assessments for low-to-moderate income households. (CDBG)
- Tenant Base Rental Assistance – \$411,000 granted in Homelessness Prevention and Rapid Re-Housing funds. (HPRP)
- Beyond Shelter – \$100,000 to assist in the construction of the Crossroads Apartments. Beyond Shelter is a Community Housing Development Organization (CHDO). (HOME)

Pat Zavoral asked how many households participate in the housing rehab program. Dan Mahli answered 16 to 25 homes are being rehabilitated on an annual basis. Mr. Mahli stated the City is working with Neighborhood Stabilization Program (NSP) funds to renovate blighted and foreclosed homes. He added the City would like to see more multi-family dwellings in older neighborhoods converted back to single-family residences. Jim Gilmour noted Federal funding isn't always feasible for converting multi-family units to single-family because of relocation requirements.

#### DOWNTOWN SLUM & BLIGHT

- \$150,000 allocated for accessibility improvements and the eliminating slum and blight conditions in downtown Fargo.

#### FACILITIES, CAPITAL & NEIGHBORHOODS

Dan Mahli stated the City anticipates \$325,000 in CDBG funds to be available for facilities and capital projects in 2010. The requests for facility improvements include:

- Family Healthcare Center – \$160,000 for the acquisition of property (Richtman's building).
- Fraser – \$132,051 for facility improvements at 711 University Drive to serve as transitional housing for homeless youth.
- Garrison Development – \$152,200 for an affordable housing development at the Union Storage building.
- Immigrant Development Center – \$80,000 for a farmer's market and landscaping at the International Market.

Jim Gilmour noted the Immigrant Development Center is looking at an alternate site. Mr. Fundingsland stated the Fargo Housing & Redevelopment Authority has been asked to hold the Cooper site in reserves. Mr. Mahli added if the land at 414 11th Street North is sold the City would receive program income from the sale and asked to use the funds at the new site.

- Neighborhood Project – \$12,000 for a neighborhood project in a low-to-moderate income area.
- Myrt Armstrong Mental Health Social Club – \$12,000 to replace deteriorated flooring.
- Fargo Native American Commission – \$10,000 for a facility improvement at the Sweatlodge.
- YWCA – \$14,023 to upgrade the security system at the emergency shelter.

Chair Mahoney moved to recommend approval of the Myrt Armstrong Center, Native American Commission, YWCA and neighborhood projects. He added the CD Committee should discuss the Family Healthcare Center, Fraser and Immigrant Development Center requests as the projects develop in the coming months. He also moved to remove Garrison Development from consideration as it is a for profit organization. Second by Mr. Paulsen. All Members present voted aye and the motion was declared carried.

(Pat Zavoral absent)

SOCIAL SERVICES

- CHARISM – \$25,000 to support youth development programs for low income and refugee populations. (City)
- Cultural Diversity Resources – \$25,000 for diversity training, cultural presentations, leadership building, education and the annual conference. (City)
- Fargo Housing & Redevelopment Authority – \$20,000 to support an on-site nurse at the Cooper House. Lynn Fundingsland stated originally he was in contact with the MeritCare Foundation and was given the impression that it would support the on-site nurse position at the Cooper House. He added Meritcare is no longer in a position to provide that service. Mr. Fundingsland has applied for Continuum of Care funding through the State of ND and is working on an application to the Dakota Medical Foundation. The Housing Authority is also willing to assist in the short term. (CDBG)
- Fargo Moorhead Coalition for Homeless Persons – \$5,000 to support operations that address Fargo's 10 Year Plan and taxi rides for emergency and shelter services. (City)
- Fargo Moorhead Native American Center (CDR) – \$6,000 to serve as a matching grant for the new Native American Center. (City)
- Emergency Snow Removal program – \$2,500 to provide emergency snow removal assistance for low income senior households. (CDBG)
- Fargo Senior Services – \$30,000 to support the Meals on Wheels program. (City)
- Fargo Youth Commission/Boys & Girls Club – \$5,000 to offer scholarships to assist low income youth. (City)
- First Link – \$5,000 to support the crisis services program. (City)
- Gladys Ray Shelter – \$40,000 to support operations. (CDBG)
- Handi-Wheels Transportation, Inc. – \$10,000 to assist with operational expenses and provide transportation to individuals with disabilities. (City)
- Home Builders Care of Fargo Moorhead Foundation – \$10,000 in carryover funds to construct accessible ramps. (CDBG)
- LSS of ND-Daily Bread & Great Plains Food Bank – \$5,000 to assist in the distribution of donated food. (City)
- Metro Transportation Initiative – \$10,000 to support the Metro Transportation Initiative's OUT Program. (CDBG)
- Metro Youth Partnership – \$25,000 to support the community's partnership with youth programs. (City)
- New Life Center – \$15,000 to provide shelter, meals, clothing, and other basic life services to homeless individuals. (City)
- North Dakota Coalition for Homeless People – \$5,000 to support activities related to the ND Continuum of Care application. (City)
- FM Symphony/ND Public Radio/NDSU – \$3,000 to support an oral history project on immigration to the FM area. (City)
- Rape and Abuse Crisis Center – \$15,000 to provide crisis support and follow-up services for victims of domestic violence. (City)
- Red River Human Services Foundation – \$12,000 for the Activity Center which supports educational and social activities for individuals with developmental disabilities. (City)
- Skills & Technology Training Center – \$5,000 to provide individualized job skills training to low income and immigrant populations. (CDBG)
- The Arts Partnership of the Red River Valley – \$85,000 to support the Art Fund - \$30,000 for operations, \$55,000 for programs. (City)
- Village Family Service Center – \$30,000 for the homebuyer and tenant education programs. (CDBG)

- Village Family Service Center, Nokomis Child Care Center – \$10,000 to fund a scholarship program for low-income families. (City)
- YWCA Cass Clay-YWCA Emergency Shelter – \$15,000 to assist with operations and support services at the emergency shelter. (City)

Rocky Schneider asked why the Skills & Technology Training Center is recommended to receive \$5,000 when it was granted \$10,000 in 2009. Dan Mahli answered the Skills and Technology Center's grant has been \$5,000 in previous years. John Paulsen moved to approve the 2010 Social Service recommendations. Second by Mr. Stoner. All Members present voted aye and the motion was declared carried.

(Jim Gilmour absent)

**Item 3. Update on Fargo's 5 Year Consolidated Plan for Housing and Community Development**

Dan Mahli stated staff is currently working on updating the City's 5-Year Consolidated Plan for Housing and Community Development. He plans to present a draft copy to the Community Development Committee at its January meeting.

**Item 4. Other Business**

Lynn Fundingsland handed out an informational sheet on the Cooper House Apartments. He stated there is no debt associated with the building and the property is anticipated to open in May 2010.

Mr. Paulsen moved to adjourn the meeting at 4:24 p.m.



Dan Mahli presented a progress report from HUD. He noted the report shows the City is doing well, ranking 99 out of 100.

Lynn Fundingsland stated the Cooper House has been sheet rocked, appliances are in and the facility is scheduled to open May 1, 2010.

Steve Stoner asked about the default rate of CDBG housing rehab and homebuyer projects. Dan Mahli answered the number is low. Mr. Stoner stated it would be a good idea to follow the counts carefully, reflecting especially on the number of foreclosures in the past three years.

Commissioner Tim Mahoney moved to publish the 2010-2014 Consolidated Plan for public comment and review and schedule a public hearing before the City Commission for final approval. Second by Don Faulkner. All Members present voted aye and the motion was declared carried.

**Item 3. Review 2010 CDBG and HOME Budget**

Dan Mahli summarized the proposed 2010 Community Development budget.

Jim Gilmour stated a majority of CDBG funds, 70%, are required to be used for facility and capital projects that serve low-to-moderate income populations. Staff recommends setting aside the capital funds to review as the 2010 requests mature. Dan Mahli added he would like the CD Committee to recommend publishing the 2010 CD budget for public comment and a public hearing and to make recommendations on the larger capital improvement projects as they come forward throughout the year.

Chair Tim Mahoney moved to recommend approval of the 2010 Community Development budget to the City Commission. Second by John Paulsen. All Members present voted aye and the motion was declared carried.

**Item 4. Update on Fargo's Neighborhood Revitalization Initiative**

Dawn Mayo gave an update on the City's Neighborhood Revitalization Initiative (NRI). She provided background on the NRI and stated the program has had a positive impact in the community. She mentioned the boundaries are stable, however, staff would like the CD Committee to consider changes to the maximum loan amount and assessed value used in determining program eligibility.

Ms. Mayo presented maps showing homes that have been: 1) assessed at \$135,000 or less, 2) assessed at \$135,000 to \$180,000, and 3) assessed over \$180,000. She stated there are a significant number of good projects that could be made eligible for the NRI program if the assessed home values and maximum loan amounts are increased.

Commissioner Dave Piepkorn asked if homeowners are sent information on the NRI program. Ms. Mayo answered the City Snapshot is the predominant means of marketing the program and added the next issue will be out in May. Commissioner Piepkorn suggested including something in the utility bill. Discussion followed on marketing the Neighborhood Revitalization Initiative to the public.

Rebecca Knutson, a resident in the Clara Barton neighborhood, spoke in support of increasing the maximum NRI loan amount and assessed value.

John Paulsen moved to raise the maximum assessed value of NRI eligible homes from \$135,000 to \$180,000 and to raise the maximum loan amount from \$40,000 to \$60,000. Second by Don Faulkner. All Members present voted aye and the motion was declared carried.

Dan Mahli will talk with Gate City Bank about the recommendation.

Rocky Schneider suggested the City consider, at some point in the future, offering a program similar to the NRI for rental properties in older neighborhoods.

**Item 5. Other Business**

No other business was presented.

The meeting adjourned at 4:30 p.m.

**CITY OF FARGO  
COMMUNITY DEVELOPMENT NOTICE**

The City of Fargo Planning and Development Department has available for public review and comment a draft five year Consolidated Plan for Housing and Community Development Activities. The 2010-2014 Consolidated Plan includes an Action Plan for how community development resources will be used in fiscal year 2010. Fargo expects to have available \$784,237 in Community Development Block Grant (CDBG) funds and \$610,000 in HOME funds. Projects in the 2010 Action Plan include the following activities.

- **HOUSING REHABILITATION-Owner Occupied** - \$350,000 for rehabilitation of existing owner-occupied housing units. This includes \$50,000 in CDBG and \$300,000 in HOME funds.
- **DOWNPAYMENT ASSISTANCE** - \$159,000 in HOME funds to assist lower income families with home purchases.
- **AFFORDABLE HOUSING PROJECTS**
  - **Beyond Shelter, Inc. CHDO Projects** - \$100,000 in HOME funds for senior housing at 1670 East Gateway Circle S.
- **DOWNTOWN PROJECTS** - \$150,000 in CDBG funds for projects that address slum and blight conditions in downtown Fargo.
- **PUBLIC SERVICE PROJECTS**
  - **Homebuyer and Tenant Education** - \$30,000 in CDBG funds to support the Village Financial Service Center with the Homebuyer and Tenant Education programs.
  - **Emergency Shelter** - \$40,000 in CDBG funds to provide operating support at the Gladys Ray Shelter in Fargo.
  - **Snow Removal Assistance** - \$2,500 in CDBG funds to offer emergency snow removal assistance to low income senior households and people with disabilities.
  - **Metropolitan Transportation Initiative** - \$10,000 in CDBG funds to support transportation services for low income individuals in Fargo.
  - **Skills and Technology Training Center** - \$5,000 in CDBG funds for job skills development for refugees and low income individuals
  - **Cooper House Nurse** - \$20,000 in CDBG funds to help support a full-time nurse serving long-term homeless populations at the Cooper House permanent supportive housing development.
- **FACILITIES/CAPITAL**
  - **Facilities and Capital Projects** – The following projects will be considered for \$273,351 in CDBG facilities/capital project funds:
    - o **Family Health Care Center** – Assist with facility expansion/renovation into a new location at 301 NP Ave N.
    - o **Fraser, Ltd.** – Facility improvements to 711 S University Drive Transitional Housing for Young Adults.
    - o **Immigrant Development Center** – Assist with the facility and landscape development of a downtown farmer’s market employing low-income entrepreneurs.
    - o **Nokomis Childcare Center** – Assist with facility improvements at 658 23<sup>rd</sup> St S to improve energy efficiency and health/safety/code issues.
  - **Myrt Armstrong Center** - \$10,516 in CDBG funds to assist with floor replacement at the drop-in center at 1419 1<sup>st</sup> Ave S.
  - **Neighborhood Project** - \$12,000 in CDBG funds for a potential project that will help enhance a low/moderate income neighborhood.
  - **Native American Commission** – \$10,000 in CDBG funds for improvements to a sweat lodge facility in Fargo.
  - **YWCA Cass Clay** – \$14,023 in CDBG funds for security system improvements at the Women’s Shelter in South Fargo.
- **ADMINISTRATION** - \$156,847 in CDBG funds for project development, planning, and administrative costs associated with the delivery of the CDBG program. HOME funds will provide an additional \$51,000 for administration.

Anyone wishing to comment on the *2010-2014 Consolidated Plan* or the *2010 Action Plan* should contact the City of Fargo Planning and Development Department, 200 3rd Street N, Fargo, ND 58102. Phone 241-1474. TDD 241-8258. FAX 241-1526. Plans are also available on the web: <http://www.cityoffargo.com/planning>. Comments will be received until March 5, 2010. Also, the City Commission will hold a public hearing on this proposed Action Plan March 8, 2010 at 5 p.m. at City Hall, 200 3rd Street N.

**Appendix B: Recapture Provision Documentation**

(sample Land Use Restriction Agreement)