

FYI on NDR

National Disaster Resilience

JANUARY 2021



Zakian reflects on a year of implementing, leveraging, and creativity

As we near the end of the year, John Zakian, Disaster Resilience Grant Program Manager & Chief Resilience Officer took a moment to reflect on the tremendous year of work done to spend National Disaster Resiliency funds in Minot. "If you look project by project, 2020 has been the year of implementing, leveraging and creativity. We, in effect, took all the projects that had yet to be implemented and worked to bring ideas to action. We are now on a course where all the funds are on track to be spent on time and in very effective ways in addressing both critical needs of residents, especially our vulnerable populations, and promoting sustainable growth in the city."

"The underlying premise of National Disaster Resilience (NDR) is that it's a one-time unique undertaking by the United States Department of Housing and Urban Development (HUD) and the whole goal is to pick, out of intense competition, what appeared to be the most exciting, innovative grant proposals with a focus on sustaining and promoting resilience – trying new things while also heavily trying to prioritize using the NDR funds for leverage. If you look at what has happened, we've been successful on all fronts."

Zakian is particularly proud of the work done in the Minot community because of its unique position as a grantee of NDR funds. "It's important to remember the immense community work done to win the National Disaster Resiliency grant. Of the 40 applicants, only 13 were awarded. Minot is the smallest size and the only entity that was not already a grantee. The city overcame several significant hurdles, and it was a community wide effort. Right now, we are a model grantee making a case of being one of the most successful and strongest of all grantees proving to HUD their risk in giving us the funds was worth it."

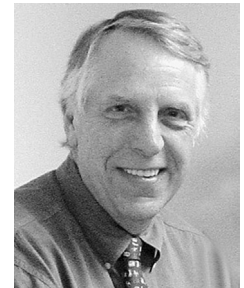
Using NDR funds as leverage, Minot has been able to bring several successful projects that benefit the Minot community to fruition.

Blu on Broadway a 5-story mixed use development that broke ground this summer meets two key goals of the NDR program

by providing quality housing for low- or moderate-income residents and leveraging funding sources. Located directly on South Broadway, a main thoroughfare in the heart of Minot, the project tore down an empty warehouse to bring 9,000 square feet of commercial and/or office space, and 42 residential apartments that will be guaranteed affordable for the citizens of Minot. "We are addressing a critical need in the city for low and moderate income housing in a really innovative way. Using NDR funds to promote a mixed-use project that revitalizes a site on Broadway and includes private investment (51% private funds/49% NDR funds). This is the true spirit of leveraging NDR funds to bring private investment to the Magic City." Blu on Broadway is also the first project in Minot history that has used Tax Increment Financing (TIF) which addressed a critical need for improving First Street Southwest which runs parallel to Broadway, without financially burdening any adjacent property owners, uniquely helping to move the community forward.

The Gap financing program is another example of leveraging NDR funds to partner with the North Dakota Housing Finance Agency to launch a program that is new to the area and maximizes the use of NDR funds to assist low-to-moderate income families. "The North Dakota Housing and Finance Agency brought experience, expertise, and a strong relationship with brokers and financial institutions that helped us establish the credibility of this program." This is a classic example of the progress made in 2020. "This program kind of plodded along with three or four closings for a while, but we were able to launch the program knowing that it was new and unique and that we would need to focus on demonstrating how it works to create buy-in. So far 28 applicants have closed on their new homes and \$1.8 million have been invested in the Minot housing market which has seen tremendous activity this year, and leveraged at least \$7 million in lending investment through the participating institutions."

Yet another example of NDR funds bringing investment to Minot is Souris Heights – a 54-unit supportive senior housing complex being developed by a non-profit developer who has a successful track record in Minot with several other similar properties. "Partnering with this developer we are using NDR funds as leverage to secure grant programs for affordable housing funds and tax benefits from the state that will be translated into cash used to develop this project that will become a reality next year."



Navigating the HUD requirements to spend the NDR funds has required Zakian and the City of Minot to be flexible. "Plans are great, but sometimes projects don't work. We have been very flexible in being able to adapt to those changes and reinvest that money in projects that do make sense and have lasting value to the city and downtown Minot."

At the beginning of 2020, there were still many questions about projects becoming a reality in Minot, but through the diligent work of Zakian and his team, and also strong activity support and engagement by the Mayor and members of the City Council, and various organizations and residents in the City of Minot, have brought clarity and investment for sustainable growth. "We didn't know if we would be able to see low-to-moderate income housing, we had no clear path for the Family Homeless Shelter, we didn't have clarity for City Hall's relocation or the Center for Career and Technical Education facility. Now, we have plans, action, and construction in progress. Project by project by project, we were able to move everything along in the most effective way possible that will have so many benefits: Injections of new life, new investment, new activity downtown, along the Broadway corridor, and in critically needed flood control projects."

PROJECT HIGHLIGHTS

Acquisition Program

- Overall, the City of Minot has acquired 169 properties to date: 81 properties using NDR-CDBG funds and 88 properties using State Water Commission Funds; 7 properties included in the 81 NDR properties were partially funded with State Water Commission funds. These properties are needed for on-going or upcoming flood mitigation projects.
- The City has demolished 141 properties in the first three buyout areas. All demolition activities have been completed for the 2020 demolition season. Demolition work will resume in the spring of 2021.
- The City's structure and salvage auctions continue, and all sales generate program income which will be fed directly back into acquisition program future purchases.

Affordable Housing

- 131 people have applied to the Resilient Homebuyer Program: 50 remain in the process of review and eligibility verification through a lender of their choice, 53 applied but were not eligible or withdrew, and 28 have closed to date. The program continues accepting applications.
- Construction is slated to begin in late January on Milton Young Towers (MYT) rehabilitation project; Minot Housing Authority (MHA) Board is reviewing moving and packing bids services for the temporary relocation of MYT residents.
- Construction continues on the Blu on Broadway mixed-use affordable rental housing facility; cold temperatures may slow overall work on the project.
- The City entered into a sub-recipient agreement with Essential Living to build 22 affordable housing units, which will be known as Park South II; project is currently in its winter phase and will resume as spring weather permits.
- The City entered into a sub-recipient agreement with Lutheran Social Services Housing, Inc. (LSS) to build 17 units of multi-family affordable rental housing; LSS is working with the City regarding some site-related items.

Family Shelter

- In conjunction with the aforementioned LSS Housing project, the City entered into a sub-recipient agreement to build a Family Shelter; LSS is working with the City regarding some site-related issues.

City Hall

- In April, Council approved the Wells Fargo building as the new City Hall location. In November, Council approved an offer of \$2.6 million for the purchase of the building. A Phase II Environmental Site Assessment (ESA) is underway. Any contamination found on site as a result of the Phase II ESA will be remediated prior to the acquisition of the site.

Center for Technical Education

- Minot State University, Dakota College at Bottineau, and Minot Area Development Council are working to move the purchase of the Trinity building forward.

PROJECT OVERVIEW

Reduce Flood Risk/ Improve Water Management

A. Buyouts / Acquisitions /

Demolitions / Relocations

- a. Total Budget - \$20,054,616
- b. Spent to Date - \$18,430,037

Build Affordable Resilient Neighborhoods

A. Multi-Family Affordable Housing

- a. Total Budget - \$20,897,000
- b. Spent to Date - \$4,454,412

B. Single-Family Affordable Housing

- a. Total Budget - \$12,807,750
- b. Spent to Date - \$2,329,322

C. Family Shelter

- a. Total Budget - \$3,041,500
- b. Spent to Date - \$782,782

Foster Economic Resilience and Diversification

A. Center for Technical Education

- a. Total Budget - \$3,540,000
- b. Spent to Date - \$40,230

B. Relocate City Hall

- a. Total Budget - \$7,750,000
- b. Spent to Date - \$19,102

Completed Projects

- Affordable Housing Supply & Demand Study
- Souris River Decision Support Tool
- Park South Renovations