

# Cavalier, Ramsey and Towner County COMPREHENSIVE HOUSING STUDY

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## **Summary of Recommendations**

Specific findings and recommendations have been provided in the individual Study sections for Langdon and Cavalier County, Devils Lake and Ramsey County, and Cando and Towner County. Each section also provides recommendations for the small Cities in each County.

Below is a broad overview of the recommendations for the Cities and counties. Readers are encouraged to consult the individual sections for more detailed findings and recommendations. Individual recommendations may vary by community, and should be consulted before proceeding with housing activities.

### **Rental Housing Development**

While most of the future housing demand will be for home ownership, it will also be necessary to generate new rental housing development. Often new rental housing can help address demand for affordable ownership options by providing desirable housing for households that want to move out of a single family home. This will often be true for seniors who are currently living in an older, single family home and who may wish to move to a no maintenance housing option.

There will also be demand for general occupancy rental housing for families. Despite a preference for ownership, many young families are not in a financial position to purchase a home. Also, as employment opportunities become available in the Cities, the work force will be coming from outside the immediate area. New arrivals will often prefer to rent their housing until they become familiar with the community and comfortable with their long-term employment prospects.

We also believe that there is pent-up demand for some types of rental units in the Cities. Rental vacancy rates are low in some Cities and for some types of rental housing. Condition is also a factor, as some of the available units are old, and some are in poor condition. Some units are not well suited to the needs of the renter market.

We have made specific rental recommendations for the Cities Langdon, Devils Lake and Cando over the five-year period from 2011 to 2016 as follows:

| <b>Rental Housing Recommendations 2011 to 2016</b> |                                  |                           |                       |                         |         |
|--|----------------------------------|---------------------------|-----------------------|-------------------------|---------|
|  | Market Rate<br>General Occupancy | Tax Credit/<br>Subsidized | Senior-<br>Designated | Senior with<br>Services | Total   |
| Langdon  | 14-16                            | 0                         | 0                     | 12-14                   | 26-30   |
| Devils Lake  | 58-62                            | 36-40                     | 36-40                 | 0                       | 130-142 |
| Cando  | 10-12                            | 0                         | 4-6                   | 0                       | 14-18   |
| Total  | 82-90                            | 36-40                     | 40-46                 | 12-14                   | 170-190 |

\* See the specific City recommendations for detailed information

The rental recommendations are based on projected household growth, replacement of rental housing that will be converted or demolished, and pent up demand for some types of rental housing.

### **Housing Rehabilitation**

Housing rehabilitation is a very important issue for all of the Cities in the three counties. In all of the communities, the percentage of older housing units is above average.

Housing condition surveys have been conducted in Langdon, Devils Lake and Cando and in 10 small Cities located in the three counties. A significant number of single family homes were found to be in need of repair. The condition surveys were undertaken in the oldest neighborhoods in each of the large Cities. All of the homes in the small Cities were surveyed. We have also identified a number of multifamily rental projects that are more than 20 years old that may be in need of rehabilitation.

With the high cost of new construction, and the lack of new construction that is being undertaken in the Cities, it is imperative that the existing housing stock is maintained as it is the only home ownership alternative for low and moderate income households.

Also, one of the greatest assets for each City is its affordable housing stock. To continue to attract households to these Cities, the affordable existing housing stock must be preserved.

We have recommended the utilization of all the resources that are available for both owner occupied and rental housing rehabilitation. The North Dakota Housing Finance Agency, the Federal Home Loan Bank, Community Development Block Grant funds, Home Funds and Rural Development funds are the major sources of funding for housing rehabilitation. Several area housing agencies administer rehabilitation programs in the three counties.

The housing condition survey findings for the Cities of Langdon, Devils Lake and Cando are as follows:

| <b>Housing Condition Analysis Summary - 2011</b> |             |              |              |             |       |
|--|-------------|--------------|--------------|-------------|-------|
|  | Sound       | Minor Repair | Major Repair | Dilapidated | Total |
| Langdon<br>(2 neighborhoods)                     | 86 (28.9%)  | 121 (40.6%)  | 76 (25.5%)   | 15 (5%)     | 298   |
| Devils Lake<br>(5 neighborhoods)                 | 214 (27.9%) | 272 (35.5%)  | 226 (29.5%)  | 54 (7.1%)   | 766   |
| Cando<br>(4 neighborhoods)                       | 103 (31%)   | 105 (31.6%)  | 88 (26.5%)   | 36 (10.9%)  | 332   |
| Total  | 403 (28.9%) | 498 (35.7%)  | 390 (27.9%)  | 105 (7.5%)  | 1,396 |

\* See the specific City sections for detailed information

We also identified a significant number of homes in the 10 small Cities that are in need of rehabilitation or demolition.

### **Acquisition / Demolition**

Our housing condition survey in the three large Cities identified 105 dilapidated single family homes that are dilapidated and too deteriorated to rehabilitate. We also identified 390 single family homes that need major repairs. Some of these homes also are too dilapidated to rehabilitate. There are also dilapidated homes in other neighborhoods in the three Cities that were not surveyed. Also, we identified 99 dilapidated homes and 167 homes that need major repairs in the 10 small Cities.

We recommend an aggressive approach to demolishing dilapidated structures. The Cities are enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can be utilized for the construction of new affordable housing units.

### **Home Ownership**

We believe that increasing and promoting home ownership opportunities will be a critical issue for the three Counties in the next few years. We believe that there will be increasing pressure for home ownership over the next five years. This is due largely to the characteristics of the population. Most of the housing demand expected in the three counties will be among 25 to 34 year olds which are primarily first time home buyers and the 54 to 74 age ranges which represent move-up households and households seeking no maintenance housing options such as twinhomes, town homes and condos.

We also believe that the moderately priced homes in the Cities provide an excellent opportunity to promote home ownership as the majority of the homes are affordable for most households. The estimated median home values in the three large Cities, based on recent home sales and information from the three counties are as follows:

|             |          |
|-------------|----------|
| Langdon     | \$33,050 |
| Devils Lake | \$73,500 |
| Cando       | \$41,000 |

Additionally, the median sales prices in the 10 small Cities are very low, indicating a very affordable housing stock.

We have made the following Home Ownership recommendations as follows:

- ▶ **Improve the condition and quality of the existing single family housing stock** - The Cities in the three counties have a good supply of lower cost houses. These units will represent the bulk of the affordable options well into the future, however, many of these houses may be in poor condition, and will need to be rehabilitated to become an attractive ownership option.
- ▶ **Access available resources to promote home ownership** - While there will be an increasing number of households who wish to own their housing, many will have financial situations that limit their options. Household income levels in the Cities are low, restricting the buying power of households. In addition to generating affordable new units, it will be important to offer other home ownership enhancements, including purchase/rehabilitation programs, below-market mortgage rates, downpayment assistance, home ownership training and counseling, gap financing and other such assistance, to help marginal home buyers achieve their goal of ownership. Several area housing agencies have successfully accessed and implemented home ownership programs in the past.
- ▶ **Continue to generate or promote affordable new housing construction** - This may be accomplished in a number of ways, including creation of affordably priced residential lots, direct involvement in affordable new construction, and considering alternatives, such as modular homes or manufactured housing that create affordable options

### **Subdivision / Lot Development**

We recommend that Cities have at least a two and a half year supply of lots. We also recommend that the lot supply include a variety of prices, sizes and locations that will provide choices for buyers.

Langdon, Devils Lake and Cando currently have an adequate supply of buildable lots. However, the Cities should continue to monitor its supply of lots to assure an adequate supply of lots is available on an on-going basis. The Cities should also market, advertise and promote their available lots and the incentives that are available to purchase the lots and to build a home.

### **Renaissance Zone Program**

Langdon, Devils Lake and Cando all have Renaissance Zone Programs. These programs are very effective in promoting new home construction and housing rehabilitation. The Cities should continue and possible expand their Renaissance Zone Programs. The programs should also be marketed and advertised in the Region.

### **Develop a Plan**

The Cities and area housing agencies should coordinate their efforts and develop a plan to address the housing needs in the three counties.

We also recommend that the Devils Lake Regional Partnership consider hiring a housing coordinator to assist with developing and implementing housing projects and programs in the three counties.

## **Recommendations for the small Cities in the three counties**

The recommendations for the small Cities include:

- ▶ Market affordable homes
- ▶ Develop a plan for vacant homes
- ▶ Promote owner-occupied housing rehabilitation
- ▶ Acquire and demolish dilapidated structures
- ▶ Maintain the City's infrastructure
- ▶ Promote commercial development/rehabilitation
- ▶ Coordination with other Cities and area housing agencies

Readers are encouraged to consult the individual County sections for more detailed information on these recommendations.



# Introduction

## Overview

Local elected and public officials are often held responsible for conditions and circumstances over which they have limited control. This is particularly true of housing. Most of the housing units in Cavalier, Ramsey and Towner Counties are privately owned and were constructed with private funds. On an increasing scale, however, the public is demanding that public officials control what happens in this largely private housing market by eliminating blight, protecting individual investments, and generating new housing growth to meet economic development needs.

Community Partners Research, Inc., was hired by the Devil's Lake Region Partnership to conduct a study of the housing needs and conditions in Cavalier, Ramsey and Towner Counties.

## Goals

The multiple goals of the study include:

- ▶ Provide updated demographic data
- ▶ Provide an analysis of the current housing stock and inventory
- ▶ Determine gaps or unmet housing needs
- ▶ Examine future housing trends that the area can expect to address in the coming years
- ▶ Provide a market analysis for future housing development
- ▶ Provide housing recommendations and findings

## Methodology

A variety of resources were utilized to obtain information for the Housing Study. Community Partners Research, Inc., collected and analyzed data from February to June, 2011. Data sources included:

- ▶ U.S. Census Bureau
- ▶ American Community Survey
- ▶ Records and data maintained by Cities
- ▶ Records and data maintained by the counties
- ▶ Interviews with elected officials and County staffs
- ▶ Interviews with community leaders
- ▶ Interviews with people familiar with the area's housing conditions including realtors, property managers and developers
- ▶ Area housing agencies
- ▶ State housing agencies
- ▶ Rental property owner surveys
- ▶ Exterior housing condition analysis

## **Limitations**

This Housing Study represents an analysis performed with the data available at the time of the Study. The findings and recommendations are based upon current solutions and the best available information on future trends and projections. Significant changes in the area's economy, employment growth, Federal or State tax policy or other related factors could change the conclusions and recommendations contained in this Housing Study.

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## **Demographic Data Overview**

### **Sources of Data**

The following pages contain demographic data obtained from a variety of local, state and national sources. At the time that research was completed for this Study, the Census Bureau had released 2010 demographic profile information for jurisdictions in North Dakota. The demographic profile contains basic information from the 2010 U.S. Census, but does not contain more detailed tables, such as income information or household characteristics. However, detailed tables are available from the Census Bureau's 2009 American Community Survey. The following tables incorporate the 2010 Census data, when available, or the American Community Survey data. The American Community Survey estimates are derived from five-year sampling, obtained between 2005 and 2009.

The following pages contain population, household, income, home sales and housing condition data for the City of Langdon. There is also demographic data for Cavalier County and the small Cities in Cavalier County.

## Population Data and Trends

| <b>Table 1 Population Trends - 1990-2010</b> |                    |                    |                       |                    |                       |
|--|--------------------|--------------------|-----------------------|--------------------|-----------------------|
|  | 1990<br>Population | 2000<br>Population | % Change<br>1990-2000 | 2010<br>Population | % Change<br>2000-2010 |
| Langdon                                      | 2,241              | 2,101              | -6.2%                 | 1,878              | -10.6%                |
| Alsen  | 113                | 68                 | -39.8%                | 35                 | -48.5%                |
| Calio  | 43                 | 24                 | -44.2%                | 22                 | -8.3%                 |
| Calvin                                       | 27                 | 26                 | -3.7%                 | 20                 | -23.1%                |
| Hannah                                       | 49                 | 20                 | -59.2%                | 15                 | -25.0%                |
| Loma   | 27                 | 21                 | -22.2%                | 16                 | -23.8%                |
| Milton                                       | 133                | 85                 | -36.1%                | 58                 | -31.8%                |
| Munich                                       | 310                | 268                | -13.5%                | 210                | -21.6%                |
| Nekoma                                       | 63                 | 51                 | -19.0%                | 50                 | -2.0%                 |
| Osnabrock                                    | 214                | 174                | -18.7%                | 134                | -23.0%                |
| Sarles                                       | 83                 | 22                 | -73.5%                | 24                 | 9.1%                  |
| Wales  | 48                 | 30                 | -37.5%                | 31                 | 3.3%                  |
| Cavalier County                              | 6,064              | 4,831              | -20.3%                | 3,993              | -17.3%                |

Source: U.S. Census

- ▶ The 2010 U.S. Census Bureau population data was released in March, 2011. The 2010 Census reports that Langdon's population was 1,878 in 2010. This is a loss of 223 people since 2000, which is a 10.6% decrease.
- ▶ Langdon's population decreased by 6.2% from 1990 to 2000.
- ▶ The 2010 population for all of Cavalier County was 3,993. This is a loss of 838 people, which is a 17.3% decrease. The majority of the decrease was due to an out-migration of residents, with the remaining decrease due to deaths exceeding births.
- ▶ Most of the small Cities in Cavalier County experienced population losses of more than 20% from 2000 to 2010.
- ▶ Sarles and Wales were the only Cities that gained population from 2000 to 2010. Sarles gained two people and Wales added one person.

## Population by Age

The following table compares populations by age in 2000 and 2010, along with the percentage changes.

| <b>Table 2 Persons by Age - 2000 - 2010</b> |                        |       |          |                        |       |          |
|---|------------------------|-------|----------|------------------------|-------|----------|
| <b>Age</b>                                  | <b>City of Langdon</b> |       |          | <b>Cavalier County</b> |       |          |
|   | 2000                   | 2010  | % Change | 2000                   | 2010  | % Change |
| 0-19  | 530                    | 394   | -25.7%   | 1,265                  | 858   | -32.2%   |
| 20-24                                       | 45                     | 75    | 66.7%    | 103                    | 133   | 29.1%    |
| 25-34                                       | 145                    | 163   | 12.4%    | 337                    | 304   | -9.8%    |
| 35-44                                       | 295                    | 173   | -41.4%   | 691                    | 384   | -44.4%   |
| 45-54                                       | 277                    | 295   | 6.5%     | 743                    | 659   | -11.3%   |
| 55-64                                       | 212                    | 242   | 14.2%    | 585                    | 633   | 8.2%     |
| 65-74                                       | 265                    | 198   | -25.3%   | 544                    | 474   | -12.9%   |
| 75-84                                       | 214                    | 219   | 2.3%     | 382                    | 373   | -2.4%    |
| 85+   | 118                    | 119   | 0.8%     | 181                    | 175   | -3.3%    |
| Total                                       | 2,101                  | 1,878 | -10.6%   | 4,831                  | 3,993 | -17.3%   |

Source: U.S. Census

- ▶ From 2000 to 2010, there were some significant percentage changes in the age make-up of the population in the City of Langdon. The largest numeric gain occurred among people age 20 to 24 and 55 to 64 years old. Each of these age groups increased by 30 people. Increases also occurred in the in the 25 to 34, 45 to 54, 75 to 84 and 85 and older age ranges.
- ▶ The 0 to 19 age range experienced the loss of 136 people, a 25.7% decrease. Also, the 35 to 44 year old age group decreased by 122 people, or 41.1%, and the 65 to 74 age range decreased by 67 people, or 25.3%.
- ▶ The City's overall loss of senior citizens, age 65 and older, from 2000 to 2010, was 61 people.
- ▶ Cavalier County experienced losses in all age ranges except in the 20 to 24 and 55 to 64 age ranges.

## Population Projections

The following table presents population level projections using two different sources. The 20-year growth trend is based on the rate of change between 1990 and 2010, and projects this rate of growth forward between 2010 and 2015. The 10-year growth trend uses the same methodology, but calculates an annual growth rate from the 2000 and 2010 Census data.

| <b>Table 3 Population Projections Through 2015</b> |                 |                                       |                                       |
|--|-----------------|---------------------------------------|---------------------------------------|
|  | 2010 Population | 2015 Projection<br>from 10-year trend | 2015 Projection<br>from 20-year trend |
| Langdon  | 1,878           | 1,778                                 | 1,802                                 |
| Alsen  | 35              | 27                                    | 29                                    |
| Calio  | 22              | 21                                    | 19                                    |
| Calvin   | 20              | 18                                    | 19                                    |
| Hannah   | 15              | 13                                    | 12                                    |
| Loma   | 16              | 14                                    | 14                                    |
| Milton   | 58              | 49                                    | 50                                    |
| Munich   | 210             | 187                                   | 193                                   |
| Nekoma   | 50              | 50                                    | 47                                    |
| Osnabrock  | 134             | 119                                   | 121                                   |
| Sarles   | 24              | 25                                    | 20                                    |
| Wales  | 31              | 32                                    | 28                                    |
| Cavalier County                                    | 3,993           | 3,647                                 | 3,652                                 |

Source: Community Partners Research, Inc.; U.S. Census

- ▶ Our population projection calculated from the 10-year growth rate for Langdon, expects the City's population to decrease by 100 people, and the projection based on the 20-year growth rate expects a loss of 76 people from 2010 to 2015.
- ▶ The projections for Cavalier County also show population losses over the next five years. The 10 and 20-year growth projections expect the County population to lose between 341 and 346 people.
- ▶ Based on 10 and 20-year trends, all of the small Cities in Cavalier County are projected to lose population, with the exception of the 10-year trends for Sarles and Wales, which project a one-person gain for each City.

## Household Data and Trends

| <b>Table 4 Household Trends - 1990-2010</b> |                 |                 |                    |                 |                    |
|---|-----------------|-----------------|--------------------|-----------------|--------------------|
|   | 1990 Households | 2000 Households | % Change 1990-2000 | 2010 Households | % Change 2000-2010 |
| Langdon                                     | 960             | 917             | -4.5%              | 894             | -2.5%              |
| Alsen                                       | 50              | 25              | -50.0%             | 16              | -36.0%             |
| Calio                                       | 17              | 9               | -47.1%             | 9               | 0%                 |
| Calvin                                      | 13              | 11              | -15.4%             | 8               | -27.3%             |
| Hannah                                      | 22              | 13              | -40.9%             | 7               | -46.2%             |
| Loma  | 10              | 9               | -10.0%             | 7               | -22.2%             |
| Milton                                      | 59              | 40              | -32.2%             | 28              | -30.0%             |
| Munich                                      | 121             | 112             | -7.4%              | 100             | -10.7%             |
| Nekoma                                      | 30              | 21              | -30.0%             | 21              | 0%                 |
| Osnabrock                                   | 75              | 64              | -14.7%             | 51              | -20.3%             |
| Sarles                                      | 38              | 14              | -63.2%             | 12              | -14.3%             |
| Wales                                       | 25              | 18              | -28.0%             | 13              | -27.8%             |
| Cavalier County                             | 2,375           | 2,017           | -15.1%             | 1,818           | -9.9%              |

Source: U.S. Census

- ▶ The 2010 U.S. Census Bureau household data was released in March, 2011. The Census reports that Langdon had 894 households in 2010. This is a loss of 23 households since the 2000 Census, which is a 2.5% decrease.
- ▶ Cavalier County had 1,818 households in 2010, down 199 households from the year 2000, which is a 9.9% decrease.
- ▶ All of the small Cities in Cavalier County lost households with the exception of Calio. Calio's household count remained the same from 2000 to 2010.



## Average Household Size

The following table provides Census information on average household size.

| <b>Table 5 Average Number of Persons Per Household 1990-2010</b> |             |             |             |
|--|-------------|-------------|-------------|
|  | 1990 Census | 2000 Census | 2010 Census |
| Langdon  | 2.27        | 2.20        | 2.10        |
| Alsen  | 2.26        | 2.72        | 2.19        |
| Calio  | 2.53        | 2.67        | 2.44        |
| Calvin   | 2.08        | 2.36        | 2.50        |
| Hannah   | 2.23        | 1.54        | 2.14        |
| Loma   | 2.70        | 2.33        | 2.29        |
| Milton   | 2.25        | 2.13        | 2.07        |
| Munich   | 2.56        | 2.39        | 2.10        |
| Nekoma   | 2.10        | 2.43        | 2.38        |
| Osnabrock  | 2.32        | 2.23        | 1.18        |
| Sarles   | 2.18        | 1.57        | 2.00        |
| Wales  | 1.92        | 1.67        | 2.38        |
| Cavalier County  | 2.51        | 2.34        | 2.16        |

Source: U.S. Census

- ▶ Household formation has been occurring at a different rate than population change in recent decades due to a steady decrease in average household size. This has been due to household composition changes, such as more single parent families, more senior households due to longer life spans, etc.
- ▶ The average Langdon household size has decreased from 2.20 persons per household in 2000 to 2.10 persons per household in 2010. Langdon's average household size decreased from 2.27 in 1990 to 2.20 in 2000.
- ▶ The average household size for all of Cavalier County has decreased from 2.51 persons per household in 1990 to 2.16 persons in 2010.
- ▶ Most of the small Cities in Cavalier County experienced a decrease in household size from 2000 to 2010. However, Calvin, Hannah, Sarles and Wales all had an increase in average household size.

## Household Projections

The following table presents household projections using two different calculation methods. The 10-year growth trend is based on the rate of change between 2000 and 2010 using Census information, and projects this rate of growth forward between 2010 and 2015. The 20-year growth trend uses the same methodology, but calculates an annual growth rate from 1990 to 2010.

| <b>Table 6 Household Projections Through 2015</b> |                         |                                    |                                    |
|---|-------------------------|------------------------------------|------------------------------------|
|   | 2010 Household Estimate | 2015 Projection from 10-year trend | 2015 Projection from 20-year trend |
| Langdon   | 894                     | 883                                | 879                                |
| Alsen   | 16                      | 13                                 | 13                                 |
| Calio   | 9                       | 9                                  | 8                                  |
| Calvin  | 8                       | 7                                  | 7                                  |
| Hannah  | 7                       | 5                                  | 6                                  |
| Loma  | 7                       | 6                                  | 6                                  |
| Milton  | 28                      | 24                                 | 24                                 |
| Munich  | 100                     | 95                                 | 96                                 |
| Nekoma  | 21                      | 21                                 | 19                                 |
| Osnabrock   | 51                      | 46                                 | 47                                 |
| Sarles  | 12                      | 11                                 | 10                                 |
| Wales   | 13                      | 11                                 | 11                                 |
| Cavalier County                                   | 1,818                   | 1,728                              | 1,711                              |

Source: U.S. Census; Community Partners Research, Inc.

- ▶ Our calculations for the City of Langdon, based on past trends, indicate a loss of 11 to 15 households from 2010 to 2015.
- ▶ Our projections for all of Cavalier County show the potential loss of 90 to 107 households from 2010 to 2015.
- ▶ All of the small Cities in Cavalier County are projected to lose households over the next five years, with the exception of Calio that is projected to have no change in the number of households based on 10-year trends.

## 2009 Income Data

Household income represents all independent households, including people living alone and unrelated individuals in a housing unit. Families are two or more related individuals living in a household.

| <b>Table 7 Median Household Income - 2000 to 2009</b> |             |             |          |
|---|-------------|-------------|----------|
|   | 1999 Median | 2009 Median | % Change |
| Langdon   | \$28,839    | \$36,487    | 26.5%    |
| Cavalier County                                       | \$31,868    | \$47,143    | 47.9%    |
| North Dakota  | \$34,604    | \$47,827    | 38.2%    |

Source: U.S. Census; 2009 ACS

| <b>Table 8 Median Family Income - 2000 to 2009</b> |             |             |          |
|--|-------------|-------------|----------|
|  | 1999 Median | 2009 Median | % Change |
| Langdon  | \$37,121    | \$46,591    | 25.5%    |
| Cavalier County                                    | \$39,601    | \$57,962    | 46.4%    |
| North Dakota                                       | \$43,654    | \$63,507    | 45.5%    |

Source: U.S. Census; 2009 ACS

- ▶ Langdon's median household income in 2009 was \$36,487, which is an increase of 26.5% since 2000. Cavalier County's median household income was \$47,143, which is an increase of 47.9%
- ▶ Using the commonly accepted standard that 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Langdon could afford approximately \$912 per month for ownership or rental housing in 2009, and a median income family could afford \$1,179 per month in 2009.
- ▶ Using the "rule of thumb" standard that a household can afford to purchase a house that is approximately 2 ½ times annual income, a median income household in the City of Langdon could afford a home valued at approximately \$91,218, and a median income household in Cavalier County could afford approximately \$117,858.

## Estimated Household Income

| <b>Table 9 Langdon Estimated Household Distribution - 2000-2009</b> |                           |                              |                     |
|---|---------------------------|------------------------------|---------------------|
| Household Income  | Number of Households 2000 | Number of Households in 2009 | Change 2000 to 2009 |
| \$0 - \$14,999  | 232                       | 138                          | -94                 |
| \$15,000 - \$24,999   | 175                       | 117                          | -58                 |
| \$25,000 - \$34,999   | 143                       | 106                          | -37                 |
| \$35,000 - \$49,999   | 165                       | 156                          | -9                  |
| \$50,000 - \$74,999   | 157                       | 175                          | 18                  |
| \$75,000 - \$99,999   | 22                        | 29                           | 7                   |
| \$100,000+  | 29                        | 70                           | 41                  |
| Total   | 923                       | 791                          | -132                |

Source: 2009 ACS; U.S. Census ( NOTE: 2000 data for this table were taken from STF-3 which provides sample data and may not match 100% reporting from STF-1)

- ▶ According to income estimates for 2009, household incomes have improved in Langdon. The American Community Survey reports that the number of households with annual incomes of less than \$50,000 has decreased over the past 10 years, while the number of households with incomes more than \$50,000 has increased.
- ▶ According to the American Community Survey, the median household income in 2009 was \$36,487, compared to \$28,839 in 2000, an increase of 26.5%.
- ▶ Although the number of lower income households has been declining, there were still 138 households in 2009 with an annual income below \$15,000. These households can only afford \$375 per month or less for housing costs, without experiencing a cost burden.

## Households by Age and Household Income - Cavalier County

The American Community Survey provides household income estimates for the year 2009. The information is provided in four age ranges.

| <b>Table 10 Households by Age of Householder - 2009</b> |                    |              |              |                  |              |
|---|--------------------|--------------|--------------|------------------|--------------|
| Household Income  | Age 24 and younger | Age 25 to 44 | Age 45 to 64 | Age 65 and older | Total        |
| Less than \$10,000                                      | 8                  | 16           | 26           | 68               | 118          |
| \$10,000 - \$19,999                                     | 7                  | 30           | 64           | 154              | 255          |
| \$20,000 - \$29,999                                     | 0                  | 19           | 46           | 76               | 141          |
| \$30,000 - \$39,999                                     | 0                  | 56           | 105          | 82               | 243          |
| \$40,000 - \$49,999                                     | 2                  | 32           | 85           | 42               | 161          |
| \$50,000 - \$59,999                                     | 7                  | 69           | 93           | 34               | 203          |
| \$60,000-\$74,999                                       | 0                  | 57           | 122          | 58               | 178          |
| \$75,000 - \$99,999                                     | 0                  | 73           | 76           | 29               | 178          |
| \$100,000+  | 10                 | 42           | 153          | 19               | 224          |
| <b>Total</b>  | <b>34</b>          | <b>394</b>   | <b>770</b>   | <b>562</b>       | <b>1,760</b> |

Source: 2009 ACS

- ▶ Cavalier County household incomes are distributed somewhat evenly throughout the income ranges. Approximately 52% of Cavalier County households have annual incomes under \$50,000 and 48% have annual incomes over \$50,000.
- ▶ Approximately 39% of the households in the 25 to 44 age range have annual incomes under \$50,000.
- ▶ Approximately 58% of the households in the 45 to 64 age range have annual incomes over \$50,000.
- ▶ Approximately 40% of the households in the 65 and older age range have annual incomes under \$20,000.

## 2009 Estimated Income and Housing Costs - Renters

In addition to collecting income data, the American Community Survey also collected information on housing costs. The following table provides data on the number of renter households that are paying different percentages of their gross household income for housing costs in the City of Langdon.

| <b>Table 11 Gross Rent as a Percentage of Household Income - Langdon</b> |                                  |                                       |
|--|----------------------------------|---------------------------------------|
| Percentage of Household Income for Housing Costs                         | Number of Renter Households 2009 | Percent of All Renter Households 2009 |
| 0% to 19.9%  | 80                               | 42.6%                                 |
| 20% to 29.9%   | 37                               | 19.7%                                 |
| 30% to 34.9%   | 19                               | 10.1%                                 |
| 35% or more  | 32                               | 17.0%                                 |
| Not Computed   | 20                               | 10.6%                                 |
| Total  | 188                              | 100%                                  |

Source: 2009 ACS

- ▶ The American Community Survey reported that 27.1% of renter households in the City of Langdon were paying more than 30% of their income for rent, including 17% of all renter households that were paying more than 35% of income for housing.

## 2009 Estimated Income and Housing Costs - Owners

The American Community Survey also provided housing cost estimates for owner-occupants. The following table provides estimates of the number of households in the City of Langdon that are paying different percentages of their gross household income for housing costs.

| <b>Table 12 Home Ownership Costs as a Percentage of Household Income - Langdon</b> |                                 |                                      |
|--|---------------------------------|--------------------------------------|
| Percentage of Household Income for Housing Costs                                   | Number of Owner Households 2009 | Percent of All Owner Households 2009 |
| 0% to 19.9%  | 393                             | 65.2%                                |
| 20% to 29.9%   | 106                             | 17.6%                                |
| 30% to 34.9%   | 30                              | 5.0%                                 |
| 35% or more  | 69                              | 11.4%                                |
| Not Computed   | 5                               | 0.8%                                 |
| Total  | 603                             | 100%                                 |

Source: 2009 ACS

- ▶ Most owner-occupants, which include households with and without a mortgage, reported paying less than 30% of their income for housing. However, 11.4% of all home owners reported that they paid more than 35% of their income for housing.

## Racial and Ethnic Minority Population Data - Cavalier County

The following tables compare racial and ethnic populations in Cavalier County from 2000 to 2010. The data was obtained from the U.S. Census Bureau.

| <b>Table 13 Population by Race and Ethnicity<br/>Cavalier County - 2000 to 2010</b> |                 |                 |                |
|---|-----------------|-----------------|----------------|
| Race  | 2000 Population | 2010 Population | Numeric Change |
| White   | 4,739           | 3,902           | -837           |
| Black/African American  | 7               | 4               | -3             |
| American Indian/Alaskan   | 25              | 37              | 12             |
| Asian   | 5               | 9               | 4              |
| Hawaiian/Pacific Islander   | 0               | 1               | 1              |
| Other race Alone  | 5               | 9               | 4              |
| Two or more races   | 50              | 31              | -19            |
| Total   | 4,831           | 3,993           | -838           |

Source: 2010 U.S. Census

- ▶ Approximately 98% of the Cavalier County's population is white and 1% is American Indian/Alaskan.

| <b>Table 14 Cavalier County Hispanic/Latino Population - 2000 to 2010</b> |                 |                 |                |
|---|-----------------|-----------------|----------------|
| Race  | 2000 Population | 2010 Population | Numeric Change |
| Hispanic/Latino   | 31              | 24              | -7             |
| Not Hispanic/Latino   | 4,800           | 3,969           | -831           |
| Total   | 4,831           | 3,993           | -838           |

Source: 2010 U.S. Census

- ▶ Less than 1% of the Cavalier County's population is Hispanic/Latino.



## Housing Construction Activity

The following table examines housing construction activity using annual building permit summary reports from the City of Langdon.

| <b>Table 15 Housing Construction/Demolition Activity - 2000 to 2010</b> |      |      |      |      |      |      |      |      |      |      |      |       |
|---|------|------|------|------|------|------|------|------|------|------|------|-------|
| Housing Type  | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Total |
| Single Family   | 0    | 2    | 2    | 0    | 0    | 0    | 0    | 5    | 1    | 1    | 1    | 12    |
| Two Family  | 0    | 2    | 0    | 2    | 0    | 2    | 2    | 0    | 0    | 0    | 0    | 8     |
| Multifamily   | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 3    | 3     |
| Total   | 0    | 4    | 2    | 2    | 0    | 2    | 2    | 5    | 1    | 1    | 4    | 23    |

Source: City Building Permits; Census Bureau; Community Partners Research, Inc.

Langdon has had a limited amount of new housing construction over the 11 years from 2000 to 2010. The City has added 23 housing units in single family or multi family structures. Over the eleven-year period, this was an annual average of approximately two units in a typical year.

From 2000 to 2011, 12 single family homes, four duplexes and a three-unit townhouse project were constructed. No multi-family rental projects have been constructed over the past 11 years.

## Langdon Existing Home Sales

This section examines houses that have been sold in Langdon over the past two years, 2009 and 2010. It is important to note that in smaller communities, the number of houses that have sold is limited, and may not be an accurate indicator of overall home values. However, this sample does provide some insight into those units that are turning-over in each jurisdiction.

**Table 16 Median and Average Value of Recent Residential Sales - 2009-2010**

| Calendar Year | Number of Good Sales | Median Sale Price | Average Sale Price |
|---------------|----------------------|-------------------|--------------------|
| 2010          | 24                   | \$33,050          | \$42,775           |
| 2009          | 20                   | \$49,700          | \$46,950           |

Source: Cavalier County; Community Partners, Research, Inc.

- ▶ The residential sales information is for sales that are considered to be "arms length" transactions according to the County Tax Equalization Staff. Sales that are not "arms length" include, but are not limited to, sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. Only the "arms length" transactions have been reviewed for this study.
- ▶ There were 20 sales in 2009. The median sales price was \$49,700 and the average sales price was \$46,950. The highest valued sale was for \$86,800 and the lowest valued sale was for \$10,900.
- ▶ There were 24 sales in 2010. The median sales price was \$33,050 and the average sales price was \$42,775. The highest valued sale was for \$94,300 and the lowest valued sale was for \$8,200.

## Langdon Home Sales by Price Range

To examine sales by price range, the 2009 and 2010 sales have been assembled for analysis.

| <b>Table 17 Home Sales by Price Range - Jan. 2009 to Dec. 2010</b> |                 |                  |
|--|-----------------|------------------|
| Sale Price   | Number of Sales | Percent of Sales |
| Less than \$20,000   | 10              | 22.8%            |
| \$20,000-\$29,999  | 8               | 18.2%            |
| \$30,000 - \$49,999  | 6               | 13.6%            |
| \$50,000 - \$64,999  | 7               | 15.9%            |
| \$65,000 - \$79,999  | 7               | 15.9%            |
| \$80,000 - \$99,999  | 6               | 13.6%            |
| \$100,000 +  | 0               | 0%               |
| <b>Total</b>   | <b>44</b>       | <b>100%</b>      |

Source: Cavalier County; Community Partners Research, Inc.

- ▶ All of the recent residential sales were priced less than \$100,000.
- ▶ Eighteen of the 44 homes sales, 41%, were priced at less than \$30,000.
- ▶ Fourteen homes, which are 31.8% of the total home sales, were in the price ranges between \$50,000 and \$79,999.

## Munich Existing Home Sales

This section examines houses that have been sold in Munich over the past two years, 2009 and 2010. It is important to note that in smaller communities, the number of houses that have sold is limited, and may not be an accurate indicator of overall home values. However, this sample does provide some insight into those units that are turning-over in each jurisdiction.

**Table 18 Median and Average Value of Recent Residential Sales - 2009-2010**

| Calendar Year | Number of Good Sales | Median Sale Price | Average Sale Price |
|---------------|----------------------|-------------------|--------------------|
| 2010          | 4                    | \$39,230          | \$37,517           |
| 2009          | 4                    | \$50,390          | \$44,135           |

Source: Cavalier County; Community Partners, Research, Inc.

- ▶ The residential sales information is for sales that are considered to be "arms length" transactions according to the County Tax Equalization Staff. Sales that are not "arms length" include, but are not limited to, sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. Only the "arms length" transactions have been reviewed for this study.
- ▶ There were four sales in 2009. The median sales price was \$50,390 and the average sales price was \$44,135. The highest valued sale was for \$53,320 and the lowest valued sale was for \$22,440.
- ▶ There were four sales in 2010. The median sales price was \$39,230 and the average sales price was \$37,517. The highest valued sale was for \$60,840 and the lowest valued sale was for \$10,768.

## Osnabrock Existing Home Sales

This section examines houses that have been sold in Osnabrock over the past two years, 2009 and 2010. It is important to note that in smaller communities, the number of houses that have sold is limited, and may not be an accurate indicator of overall home values. However, this sample does provide some insight into those units that are turning-over in each jurisdiction.

**Table 19 Median and Average Value of Recent Residential Sales - 2009-2010**

| Calendar Year | Number of Good Sales | Median Sale Price | Average Sale Price |
|---------------|----------------------|-------------------|--------------------|
| 2010          | 3                    | \$30,620          | \$29,733           |
| 2009          | 2                    | \$45,840          | \$45,840           |

Source: Cavalier County; Community Partners, Research, Inc.

- ▶ The residential sales information is for sales that are considered to be "arms length" transactions according to the County Tax Equalization Staff. Sales that are not "arms length" include, but are not limited to, sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. Only the "arms length" transactions have been reviewed for this study.
- ▶ There were two sales in 2009. The median sales price was \$45,840 and the average sales price was \$45,840. The highest valued sale was for \$61,060 and the lowest valued sale was for \$30,620.
- ▶ There were three sales in 2010. The median sales price was \$30,620 and the average sales price was \$29,733. The highest valued sale was for \$31,780 and the lowest valued sale was for \$26,800.

## Nekoma Existing Home Sales

This section examines houses that have been sold in Nekoma over the past two years, 2009 and 2010. It is important to note that in smaller communities, the number of houses that have sold is limited, and may not be an accurate indicator of overall home values. However, this sample does provide some insight into those units that are turning-over in each jurisdiction.

**Table 20 Median and Average Value of Recent Residential Sales - 2009-2010**

| Calendar Year | Number of Good Sales | Median Sale Price | Average Sale price |
|---------------|----------------------|-------------------|--------------------|
| 2010          | 2                    | \$20,978          | \$20,978           |
| 2009          | N/A                  | N/A               | N/A                |

Source: Cavalier County; Community Partners, Research, Inc.

- ▶ The residential sales information is for sales that are considered to be "arms length" transactions according to the County Tax Equalization Staff. Sales that are not "arms length" include, but are not limited to, sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. Only the "arms length" transactions have been reviewed for this study.
- ▶ There were no sales in 2009.
- ▶ There were two sales in 2010. The median sales price was \$20,978 and the average sales price was \$20,978. The highest valued sale was for \$23,150 and the lowest valued sale was for \$18,806.

## Milton Existing Home Sales

This section examines houses that have been sold in Milton over the past two years, 2009 and 2010. It is important to note that in smaller communities, the number of houses that have sold is limited, and may not be an accurate indicator of overall home values. However, this sample does provide some insight into those units that are turning-over in each jurisdiction.

**Table 21 Median and Average Value of Recent Residential Sales - 2009-2010**

| Calendar Year | Number of Good Sales | Median Sale Price | Average Sale price |
|---------------|----------------------|-------------------|--------------------|
| 2010          | 1                    | \$64,320          | \$64,320           |
| 2009          | 1                    | \$37,100          | \$37,100           |

Source: Cavalier County; Community Partners, Research, Inc.

- ▶ The residential sales information is for sales that are considered to be "arms length" transactions according to the County Tax Equalization Staff. Sales that are not "arms length" include, but are not limited to, sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. Only the "arms length" transactions have been reviewed for this study.
- ▶ There was one sale in Milton in 2009 for \$37,100.
- ▶ There was one sale in Milton in 2010 for \$64,320.

## Langdon Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 298 single family/duplex houses in two of Langdon's oldest neighborhoods. Houses that appeared to contain three or more units were excluded from the survey. The boundaries of the two neighborhoods are as follows:

**Neighborhood No. 1** - 12<sup>th</sup> Ave. - North, Railroad Tracks - South, 7<sup>th</sup> St. - West, 1<sup>st</sup> St. - East

**Neighborhood No. 2** - Railroad Tracks - North, City limits - South, Hwy 1 - East, Mobile home park - West

Houses were rated in one of four levels of physical condition, as defined below. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition is assumed to be a reasonable indicator of the structure's interior quality. Dilapidated houses are generally considered beyond repair. Major Repair houses need multiple major improvements such as roof, windows, sidings, structural/foundation, etc. Houses in this condition category may or may not be economically feasible to rehabilitate. Minor Repair houses are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses in this condition category will generally be good candidates for rehabilitation programs because they are in an affordable price range and are economically feasible to repair. Sound houses are judged to be in good, 'move-in' condition. Sound houses may contain minor code violations and still be considered Sound.

| <b>Table 22 Langdon Windshield Survey Condition Estimate - 2011</b> |            |              |              |             |       |
|---|------------|--------------|--------------|-------------|-------|
| Neighborhood  | Sound      | Minor Repair | Major Repair | Dilapidated | Total |
| No. 1   | 79 (30%)   | 109 (41.5%)  | 61 (23.2%)   | 14 (5.3%)   | 263   |
| No. 2   | 7 (20%)    | 12 (34.3%)   | 15 (42.9%)   | 1 (2.8%)    | 35    |
| Total   | 86 (28.9%) | 121 (40.6%)  | 76 (25.5%)   | 15 (5%)     | 298   |

Source: Community Partners Research, Inc.

The existing housing stock in the two neighborhoods is in fair condition. Approximately 29% of the houses were rated as Sound, while approximately 41% of the houses were judged to be in need of Minor Repair and 26% need Major Repair.

Fifteen homes in the two neighborhoods were rated as Dilapidated and possibly beyond repair. These houses may be suitable for demolition and clearance.



## Munich Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 103 single family/duplex houses in the City of Munich. Houses that appeared to contain three or more units were excluded from the survey.

Houses were rated in one of four levels of physical condition, as defined below. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition is assumed to be a reasonable indicator of the structure's interior quality. Dilapidated houses are generally considered beyond repair. Major Repair houses need multiple major improvements such as roof, windows, sidings, structural/foundation, etc. Houses in this condition category may or may not be economically feasible to rehabilitate. Minor Repair houses are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses in this condition category will generally be good candidates for rehabilitation programs because they are in an affordable price range and are economically feasible to repair. Sound houses are judged to be in good, 'move-in' condition. Sound houses may contain minor code violations and still be considered Sound.

**Table 23 Munich Windshield Survey Condition Estimate - 2011**

|                | Sound      | Minor Repair | Major Repair | Dilapidated | Total |
|----------------|------------|--------------|--------------|-------------|-------|
| City of Munich | 56 (54.4%) | 32 (31%)     | 11 (10.7%)   | 4 (3.9%)    | 103   |

Source: Community Partners Research, Inc.

The existing housing stock in the City of Munich is in good condition. Approximately 54% of the houses were rated as Sound, while 31% of the houses were judged to be in need of Minor Repair and 11% need Major Repair.

Four homes in the City of Munich were rated as Dilapidated and possibly beyond repair. These houses may be suitable for demolition and clearance.

## Osnabrock Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 50 single family/duplex houses in the City of Osnabrock. Houses that appeared to contain three or more units were excluded from the survey.

Houses were rated in one of four levels of physical condition, as defined below. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition is assumed to be a reasonable indicator of the structure's interior quality. Dilapidated houses are generally considered beyond repair. Major Repair houses need multiple major improvements such as roof, windows, sidings, structural/foundation, etc. Houses in this condition category may or may not be economically feasible to rehabilitate. Minor Repair houses are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses in this condition category will generally be good candidates for rehabilitation programs because they are in an affordable price range and are economically feasible to repair. Sound houses are judged to be in good, 'move-in' condition. Sound houses may contain minor code violations and still be considered Sound.

**Table 24 Osnabrock Windshield Survey Condition Estimate - 2011**

|                   | Sound    | Minor Repair | Major Repair | Dilapidated | Total |
|-------------------|----------|--------------|--------------|-------------|-------|
| City of Osnabrock | 17 (34%) | 11 (22%)     | 12 (22%)     | 10 (20%)    | 50    |

Source: Community Partners Research, Inc.

The existing housing stock is in fair condition. Approximately 34% of the houses were rated as Sound, while approximately 22% of the houses were judged to be in need of Minor Repair and 24% need Major Repair.

Ten homes were rated as Dilapidated and possibly beyond repair. These houses may be suitable for demolition and clearance.

## Nekoma Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 26 single family/duplex houses in the City of Nekoma. Houses that appeared to contain three or more units were excluded from the survey.

Houses were rated in one of four levels of physical condition, as defined below. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition is assumed to be a reasonable indicator of the structure's interior quality. Dilapidated houses are generally considered beyond repair. Major Repair houses need multiple major improvements such as roof, windows, sidings, structural/foundation, etc. Houses in this condition category may or may not be economically feasible to rehabilitate. Minor Repair houses are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses in this condition category will generally be good candidates for rehabilitation programs because they are in an affordable price range and are economically feasible to repair. Sound houses are judged to be in good, 'move-in' condition. Sound houses may contain minor code violations and still be considered Sound.

**Table 25 Nekoma Windshield Survey Condition Estimate - 2011**

|                | Sound     | Minor Repair | Major Repair | Dilapidated | Total |
|----------------|-----------|--------------|--------------|-------------|-------|
| City of Nekoma | 5 (19.2%) | 6 (23.1%)    | 7 (26.9%)    | 8 (30.8%)   | 26    |

Source: Community Partners Research, Inc.

The existing housing stock is in fair to poor condition. Approximately 19% of the houses were rated as Sound, while approximately 23% of the houses were judged to be in need of Minor Repair and 27% need Major Repair.

Eight homes were rated as Dilapidated and possibly beyond repair. These houses may be suitable for demolition and clearance.

## Milton Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 43 single family/duplex houses in the City of Milton. Houses that appeared to contain three or more units were excluded from the survey.

Houses were rated in one of four levels of physical condition, as defined below. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition is assumed to be a reasonable indicator of the structure's interior quality. Dilapidated houses are generally considered beyond repair. Major Repair houses need multiple major improvements such as roof, windows, sidings, structural/foundation, etc. Houses in this condition category may or may not be economically feasible to rehabilitate. Minor Repair houses are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses in this condition category will generally be good candidates for rehabilitation programs because they are in an affordable price range and are economically feasible to repair. Sound houses are judged to be in good, 'move-in' condition. Sound houses may contain minor code violations and still be considered Sound.

**Table 26 Milton Windshield Survey Condition Estimate - 2011**

|                | Sound       | Minor Repair | Major Repair | Dilapidated | Total |
|----------------|-------------|--------------|--------------|-------------|-------|
| City of Milton | 10 (23.25%) | 12 (27.9%)   | 11 (25.6%)   | 10 (23.25%) | 43    |

Source: Community Partners Research, Inc.

The existing housing stock is in fair condition. Approximately 23% of the houses were rated as Sound, while approximately 28% of the houses were judged to be in need of Minor Repair and 26% need Major Repair.

Ten homes were rated as Dilapidated and possibly beyond repair. These houses may be suitable for demolition and clearance.

## Langdon Mobile Home Condition

In April, 2011, Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the mobile homes in Langdon. The mobile homes are in the mobile home park and on lots in other areas of the City. Only 12 mobile homes were identified in the City.

Mobile homes were rated in one of four levels of physical condition. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition is assumed to be a reasonable indicator of the structure's interior quality. Dilapidated units are generally considered beyond repair. Major Repair units need multiple major improvements such as roof, windows, siding, etc. Units in this condition category may or may not be economically feasible to rehabilitate. Minor Repair units are judged to be generally in good condition and require less extensive repair, such as one major improvement. Units in this condition category will generally be good candidates for rehabilitation programs because they are economically feasible to repair. Sound units are judged to be in good, 'move-in' condition. Sound units may contain minor code violations and still be considered Sound.

**Table 27 Langdon Mobile Home Condition Estimate - 2011**

|              | Sound   | Minor Repair | Major Repair | Dilapidated | Total |
|--------------|---------|--------------|--------------|-------------|-------|
| Mobile Homes | 3 (25%) | 2 (16.7%)    | 4 (33.3%)    | 3 (25%)     | 12    |

Source: Community Partners Research, Inc.

Of the 12 mobile homes in Langdon, 25% were rated as being in sound condition, and approximately 17% require minor repair. Approximately 33% of the mobile homes need major repairs and three mobile homes are dilapidated and beyond repair.

## **Rental Housing Inventory**

### **Total Unit Inventory**

Based on the 2010 U.S. Census, the City of Langdon had a total of 220 rental units in 2010. In 2000, the City of Langdon had 215 rental units. No rental units were constructed in the City in the past decade, thus, it is assumed that the additional rental units from 2000 to 2010 were the conversion of owner-occupied homes to rental homes.

### **Pending Projects**

Our research did not identify any pending rental development projects.

### **Rental Housing Survey**

As part of this housing study, a survey was conducted of multifamily buildings in the City. The survey included information on 156 units in 17 rental projects that have three or more units. Information was also obtained on 12 units that are in single family homes and duplexes. We also surveyed apartment buildings in Munich and Osnabrock.

A total of 168 of the estimated 220 rental units in Langdon, or approximately 76% of all units, were surveyed. The survey represents a significant portion of all rental property in the City, and includes all of the larger rental properties. For purposes of new unit construction, it is assumed that most future development would be oriented toward buildings and developments with four or more units, thus, these properties offer the best comparison.

The survey was conducted by Community Partners Research, Inc., from March to June, 2011.

The breakdown of the Langdon units surveyed is as follows:

- ▶ 112 general occupancy market rate units
- ▶ 32 subsidized units
- ▶ 24 senior units

## **Market Rate Rental Summary**

Fifteen market rate rental projects with three or more units were contacted with a total of 100 rental units. An additional 12 market rate rental units in single family homes and duplexes were also contacted.

### **Occupancy/Vacancy**

Overall, we found two vacant market rate units in the 112 units we surveyed for a vacancy rate of 1.8% in the market rate segment. There were several vacancies reported due to ongoing renovations, thus, they were not counted as vacant. Many managers and owners reported higher occupancy rates over the past year.

### **Unit Mix**

The following information is the bedroom mix for the 112 market rate rental units surveyed:

- ▶ 55 (49.1%) one-bedroom
- ▶ 46 (41.1%) two-bedroom
- ▶ 10 (8.9%) three-bedroom
- ▶ 1 (0.9%) five-bedroom

### **Rental Rates**

The units in the survey include large rental buildings, small apartment buildings, duplexes and single family homes. Based on the units contacted, the rent ranges are as follows:

|           |             |
|-----------|-------------|
| 1 Bedroom | \$215-\$425 |
| 2 Bedroom | \$290-\$500 |
| 3 Bedroom | \$300-\$500 |

The payment of utilities varies greatly from the tenant paying all utilities to the landlord paying all utilities.

## **Tax Credit Summary**

There are no tax credit-assisted rental projects in the City of Langdon.

## **Subsidized Summary**

Langdon has one subsidized rental project, Park Village, which is a general occupancy Rural Development project. Park Village has 32 two-bedroom units.

North Star Apartments was constructed as a subsidized project for seniors and the disabled, but converted to a general occupancy market rate project many years ago.

### **Occupancy/Vacancy**

Park Village is currently fully occupied and there has been a high occupancy rate for several years.

### **Rental Rates**

Twenty-five tenant households in Park Village receive rent assistance that allows for rent based on 30% of tenant household income. The project, however, has a maximum rent and the tenant does not pay more than the maximum rent. Also, there are seven units in Park Village that do not receive subsidies, thus, these units are market rate and the tenants pay the maximum rent.

## **Senior Housing**

There is one senior rental project in Langdon, Wheatland Estates. Wheatland Estates is considered an Independent/Congregate project. A continental breakfast and a noon meal are provided.

Wheatland Estates has 24 units, 15 one-bedroom and nine two-bedroom units. Twelve units were constructed in 1994 and 12 units were constructed in 1995.

### **Occupancy/Vacancy**

Wheatland Estates is fully occupied and has a waiting list. The project has experienced very high occupancy rates for many years.



## **Rental Rates**

The rental rates for Wheatland Estates are:

- ▶ 1 bedroom
  - ▶ \$1,000 for one person
  - ▶ \$1,200 for two people
  
- ▶ 2 bedroom
  - ▶ \$1,150 for one person
  - ▶ \$1,350 for two people

The rent includes all utilities and the daily continental breakfast and noon meal.

**Table 28 Langdon Multifamily Rental Housing Inventory**

| Name                       | Number of Units / Bedroom Mix  | Rent                 | Vacancy/ Wait List                | Tenant Mix                 | Comments   |
|----------------------------|--|----------------------|-----------------------------------|----------------------------|--|
| <b>Market Rate</b>         |  |                      |                                   |                            |  |
| Fair Estates Apts.         | 1 -1 bedroom<br><u>17 - 2 bedroom</u><br>18 Total Units                  | \$290<br>\$335-\$355 | 2 vacancies due to needed repairs | Mix of tenants             | Apartment building constructed in 1971. Rent includes all utilities except electricity. Currently two vacancies, however, they currently are not on the market as they needed renovation.  |
| 1023 15 <sup>th</sup> Ave. | 1 -1 bedroom<br><u>3 - 2 bedroom</u><br>4 Total Units                    | \$300-\$350          | 1 -1 bedroom vacancy              | Primarily singles          | Four-plex constructed in the 1960s. Currently, one vacant two-bedroom unit. Owner reports good occupancy rates. One household is currently renting two units. Rent includes water, sewer and electric. Rent varies based on number of people in household. |
| 1724 8 <sup>th</sup> St.   | 2 -2 bedroom<br>1 - 2 bdrm+ den<br><u>2 - 3 bedroom</u><br>5 Total Units | \$300-\$425          | No vacancies                      | Mix of tenants             | One story five-unit building. Owner reports no vacancies. Tenants pay utilities.   |
| 3 <sup>rd</sup> St. Apts.  | <u>4 - 2 bedroom</u><br>4 Total Units                                    | \$360                | No vacancies                      | Mix of tenants             | Four-plex constructed in 1975. Rent includes water and sewer. Owner reports no vacancies.  |
| Shefter Apts.              | <u>4 - 2 bedroom</u><br>4 Total Units                                    | \$300                | No vacancies                      | Mix of tenants             | Four-plex fully occupied. Tenant pays electricity, other utilities included in rent.   |
| 1218 3 <sup>rd</sup> St.   | <u>2 - 2 bedroom</u><br>2 Total Units                                    | \$350                | No vacancies                      | Mix of tenants             | Utilities fully occupied. Tenants pay heat and electricity.  |
| 1310 5 <sup>th</sup> St.   | <u>4 - 2 bedroom</u><br>4 Total Units                                    | \$359-\$450          | No vacancies                      | Mix of tenants             | Four-plex fully occupied. Owner reports that same tenants have occupied the units for over 10 years. Tenants pay own utilities. Three units have rents of \$359 and one large unit rents for \$450.  |
| Evergreen Apts.            | <u>4 - 1 bedroom</u><br>4 Total Units                                    | \$215-\$250          | 1 vacancy due to rehab            | Mostly singles and couples | New owners who are currently renovating one of the units. Rents range from \$215-\$250, but new owners plan to eventually raise the rent to \$300. Tenants pay electricity.  |

**Table 28 Langdon Multifamily Rental Housing Inventory**

| <b>Name</b>                                    | <b>Number of Units /Bedroom Mix</b>                                     | <b>Rent</b>                   | <b>Vacancy/ Wait List</b>        | <b>Tenant Mix</b>                    | <b>Comments</b>   |
|--|---|-------------------------------|----------------------------------|--------------------------------------|---|
| <b>Market Rate</b>                             |   |                               |                                  |                                      |   |
| Elwood Apts.                                   | <u>4 - 2 bedroom</u><br>4 Total Units                                   | \$375                         | No vacancies                     | Mostly seniors                       | Four-plex fully occupied. Owner reports that the units have been fully occupied for years.  |
| 115 8 <sup>th</sup> Ave.                       | <u>2 - 2 bedroom</u><br>2 Total Units                                   | \$400                         | No vacancies                     | Mix of tenants                       | Duplex fully occupied. Tenants pay all utilities.   |
| Eight single family homes                      | 1 - 2 bedroom<br>6 - 3 bedroom<br><u>1 - 5 bedroom</u><br>8 Total Units | \$575<br>\$325-\$500<br>\$400 | No vacancies                     | Mix of tenants                       | Eight single family homes managed by Vernetta Christianson. All homes are fully occupied. Rents range from \$325 to \$575. Tenants pay all utilities in all of the homes except the two-bedroom home where the rent includes all utilities. |
| Boesi Apts.                                    | <u>4 - 2 bedroom</u><br>4 Total Units                                   | \$400                         | No vacancies, waiting list       | Mostly seniors                       | Four-plex constructed in the 1970s. Rent includes utilities. Owner reports that the units are usually fully occupied and they have a waiting list. Tenants are seniors and empty nesters.   |
| Boyd Block Apts.                               | 4 - 1 bedroom<br><u>1 - 2 bedroom</u><br>5 Total Units                  | \$400<br>\$500                | 1 - 1 bedroom vacancy            | Mostly singles, construction workers | Mixed use building on Main St. Usually fully occupied, but currently one vacancy. Rent includes all utilities.  |
| Christianson Apts.<br>1310 3 <sup>rd</sup> St. | 1 - 2 bedroom<br><u>2 - 3 bedroom</u><br>3 Total Units                  | \$400                         | No vacancies                     | Mix of tenants                       | Units currently fully occupied and owner reports excellent ongoing occupancy rates. Tenant pays electricity, other utilities included in rent.  |
| Christianson Apts.<br>410 14 <sup>th</sup> Ave | <u>8 - 2 bedroom</u><br>8 Total Units                                   | \$350-\$410                   | No vacancies                     | Mix of tenants                       | Eight-plex totally occupied. Tenants pay heat and electricity.  |
| Phillips Apts.                                 | 1 - 1 bedroom<br><u>5 - 2 bedroom</u><br>6 Total Units                  | \$375<br>\$400                | No vacancies                     | Mostly younger tenants               | Six-plex constructed in the 1950s. Owner reported that there are no vacancies, but only recently became fully occupied. Tenants pay electricity.  |
| Country Inn Apts.                              | <u>3 - 1 bedroom</u><br>3 Total Units                                   | \$150                         | 2 vacant because they need rehab | Singles/ couples                     | Owner reported that only one unit is being rented because two units need renovations.   |

| <b>Table 28 Langdon Multifamily Rental Housing Inventory</b> |   |  |                                  |   |   |
|--|---|--|----------------------------------|---|---|
| <b>Name</b>  | <b>Number of Units /Bedroom Mix</b>               | <b>Rent</b>  | <b>Vacancy/ Wait List</b>        | <b>Tenant Mix</b>                         | <b>Comments</b>   |
| <b>Market Rate</b>   |   |  |                                  |   |   |
| North Star Apts.   | 20 - 1 bedroom<br>4 - 2 bedroom<br>24 Total Units | \$385-\$425<br>\$450   | No vacancies                     | Mix of tenants, many construction workers | Currently no vacancies. Have been some vacancies in the past. Manager reports that construction workers are renting many of the units. Ten one-bedroom units are furnished and rent for \$425. Project was constructed in 1972 for handicapped/disabled, and in 1985 guidelines changed so any low income household could rent units then eventually the project was converted to market rate so anyone could move into a unit. Currently, six households have a housing voucher. |
| <b>Senior Housing</b>  |   |  |                                  |   |   |
| Wheatland Estates  | 15 - 1 bedroom<br>9 - 2 bedroom<br>24 Total Units | 1 bed - \$1,000/1 person<br>\$1,200/2 people<br>2 bed - \$1,150/1 person<br>\$1,350/2 people | No vacancies with a waiting list | Seniors                                   | Congregate Senior Project - 12 units constructed in 1994 and 12 units constructed in 1995. Rent includes utilities, continental breakfast and a noon meal. Facility includes two community rooms and two laundry rooms. Manager reports that the facility is totally occupied and there is a waiting list.  |
| <b>Subsidized</b>  |   |  |                                  |   |   |
| Park Village   | 32 - 2 bedroom<br>32 Total Units                  | 30% of income  | No vacancies                     | General occupancy                         |   |

Source: Community Partners Research, Inc.

| <b>Table 29 Osnabrock Multifamily Rental Housing Inventory</b> |                                       |               |                           |                   |  |
|--|---------------------------------------|---------------|---------------------------|-------------------|--|
| <b>Name</b>  | <b>Number of Units /Bedroom Mix</b>   | <b>Rent</b>   | <b>Vacancy/ Wait List</b> | <b>Tenant Mix</b> | <b>Comments</b>  |
| <b>Market Rate</b>   |                                       |               |                           |                   |  |
| Marshall Apts.   | <u>1 - 1 bedroom</u><br>8 Total Units | \$400         | 1 vacancy                 | Mostly singles    | Eight-plex constructed in 1981. Owners are occupying three units, thus, only five are being rented. There is currently one vacancy and the owner reports that he usually has vacancies. The rent includes utilities. |
| <b>Senior with Services</b>                                    |                                       |               |                           |                   |  |
| Osnabrock Good Samaritan Center                                | 6 - basic care beds                   | \$100 per day | 1 vacancy                 | Seniors           | Osnabrock Good Samaritan Center has six basic care beds. Director reports there is usually one or two vacancies. There is also a nursing home with 24 beds that currently has seven vacancies.                       |

Source: Community Partners Research, Inc.

| <b>Table 30 Munich Multifamily Rental Housing Inventory</b> |  |               |                           |                   |   |
|---|--|---------------|---------------------------|-------------------|---|
| <b>Name</b>   | <b>Number of Units /Bedroom Mix</b>                          | <b>Rent</b>   | <b>Vacancy/ Wait List</b> | <b>Tenant Mix</b> | <b>Comments</b>   |
| <b>Market Rate</b>  |  |               |                           |                   |   |
| Westview Apts.  | <u>2 -2 bedroom</u><br><u>2 - 3 bedroom</u><br>4 Total Units | 30% of Income | No vacancies              | Mix of tenants    | Subsidized four-plex project owned by Munich Housing. Project was a one-bedroom 8-plex, but has recently been converted to a 4-plex with two two-bedroom units and two three-bedroom units. |

Source: Community Partners Research, Inc.

## **Employment and Local Economic Trends Analysis**

While many factors influence the need for housing, employment opportunities represent a predominant demand generator. Without jobs and corresponding wages, the means to afford housing is severely limited.

Employment opportunities may be provided by a broad range of private and public business sectors. Jobs may be available in manufacturing, commercial services, agriculture, public administration, and other industries. The type of employment, wage level, and working conditions will each influence the kind of housing that is needed and at what level of affordability.

The largest employers in Cavalier County include:

### **Company**

- ▶ Cavalier County Memorial Hospital
- ▶ Langdon Area School District
- ▶ Maple Manor Care Center
- ▶ United Telephone Communications
- ▶ Cavalier Rural Electric Co-op
- ▶ Cenex Harvest States - Milton
- ▶ Choice Financial
- ▶ Farmers & Merchants State Bank
- ▶ First State Bank Munich
- ▶ City of Langdon
- ▶ Langdon Wind, LLC
- ▶ Dahl Trucking
- ▶ Bud's Service Products
- ▶ Langdon Implement
- ▶ D&B Motors

Source: Cavalier County Job Development Authority

## Work Force and Unemployment Rates

Employment information is available at the County level. Data in the table that follows is for all of Cavalier County and was obtained from the North Dakota Labor Market Information Center.

| <b>Table 31 Cavalier County Average Annual Labor Force 2000 -2010</b> |             |          |            |                            |                        |                        |
|---|-------------|----------|------------|----------------------------|------------------------|------------------------|
| Year  | Labor Force | Employed | Unemployed | Unemployment Rate - County | Unemployment Rate - ND | Unemployment Rate - US |
| 2000  | 2,380       | 2,301    | 79         | 3.3%                       | 2.9%                   | 4.0%                   |
| 2001  | 2,320       | 2,250    | 70         | 3.0%                       | 2.8%                   | 4.7%                   |
| 2002  | 2,273       | 2,189    | 84         | 3.7%                       | 3.5%                   | 5.8%                   |
| 2003  | 2,266       | 2,184    | 82         | 3.6%                       | 3.6%                   | 6.0%                   |
| 2004  | 2,193       | 2,112    | 81         | 3.7%                       | 3.5%                   | 5.6%                   |
| 2005  | 2,147       | 2,067    | 80         | 3.7%                       | 3.4%                   | 5.1%                   |
| 2006  | 2,137       | 2,066    | 71         | 3.3%                       | 3.2%                   | 4.6%                   |
| 2007  | 2,078       | 2,015    | 63         | 3.0%                       | 3.1%                   | 4.6%                   |
| 2008  | 2,016       | 1,954    | 62         | 3.1%                       | 3.2%                   | 5.8%                   |
| 2009  | 1,979       | 1,909    | 70         | 3.5%                       | 4.3%                   | 9.3%                   |
| 2010  | 1,976       | 1,912    | 66         | 3.3%                       | 3.9%                   | 9.6%                   |

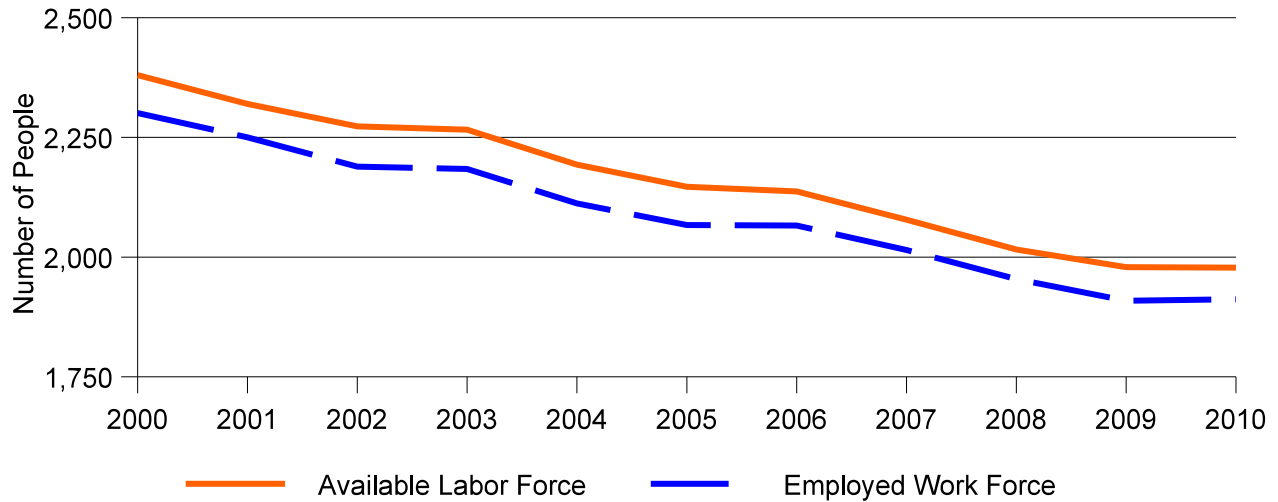
Source: Job service North Dakota, Labor Market Information Center, LAUS Unit

Note: Not Seasonally Adjusted

Cavalier County has experienced a gradual decline in the size of the available civilian labor force over the past decade. Between 2000 and 2010 (the last full year of data), the labor force decreased by 402 people, or 16.9%. Through the first four months of 2011, the size of the labor force has declined even further, by 80 people when compared to 2010, but this may reflect a seasonal variation during the winter months.

The employed work force has also decreased gradually since 2000. Between 2000 and 2010, the number of employed workers in Cavalier County decreased by 389 people, or 16.9%. Once again, information for the first four months of 2011 shows a further decline, down 90 employed people from the 2010 annual average.

## Labor Force and Work Force Trends - Cavalier County



The percentage reduction in the civilian labor force and the employed work force has been relatively consistent since 2000, resulting in limited movement in the County’s unemployment rate. Over the past 11 years, the lowest unemployment rate was achieved in 2001 and 2007, at 3.0%. The highest rate of unemployment was 3.7%, last reached in 2005. Through the first four months of 2011, Cavalier County’s unemployment rate has been higher, at 3.9%, but this is likely to drop as more months are recorded. The County’s unemployment rate has tended to be slightly above the Statewide rate, but over the past few years, has been at or below the North Dakota average. It has remained consistently well below the national average.



## Employment and Wages by Industry

The following table shows the average annual wages by major employment sector in 2010, the last full year of data. It is important to note that the major employment sectors listed do not represent all employment in the County.

| <b>Table 32 Cavalier County Average Annual Wages by Industry Detail</b> |                 |                   |
|---|-----------------|-------------------|
| Industry  | 2010 Employment | 2010 Average Wage |
| Total All Industry  | 1,457           | \$33,852          |
| Agriculture, Forestry, Fishing, Hunting                                 | 12              | \$27,456          |
| Utilities   | 29              | \$57,772          |
| Construction  | 119             | \$47,788          |
| Manufacturing   | 16              | \$16,276          |
| Wholesale Trade   | 147             | \$59,956          |
| Retail Trade  | 175             | \$22,048          |
| Transportation and Warehousing  | 92              | \$24,596          |
| Information   | 87              | \$44,928          |
| Finance and Insurance   | 109             | \$48,048          |
| Professional and Technical Services                                     | 18              | \$44,096          |
| Health Care and Social Assistance                                       | 258             | \$26,156          |
| Arts, Entertainment and Recreation                                      | 19              | \$6,396           |
| Accommodation and Food Services   | 76              | \$8,112           |
| Other Services  | 53              | \$24,024          |
| Public Administration   | 126             | \$32,084          |

Source: Job Service North Dakota, QCEW Unit

The average annual wage for all industry sectors in Cavalier County for 2010 was \$33,852. The highest paying wage sectors were Wholesale Trade and Utilities, at \$59,956 and \$57,772, respectively. There were two wage sectors, Arts, Entertainment and Recreation, and Accommodation and Food Services, that had an annual average wage of less than \$8,200.

## **Employment Projections by Industry for North Dakota**

The North Dakota Labor Market Information Center has generated employment projections for the State of North Dakota. The following table compares estimated employment in the general industry classifications in 2008, the projected level of employment by 2018, and the percentage change.

| <b>Table 33 North Dakota Projected Employment by Industry - 2018</b> |                 |                           |                          |
|--|-----------------|---------------------------|--------------------------|
| Industry   | 2008 Employment | 2018 Projected Employment | Percent Change 2008-2018 |
| Total All Industry   | 420,109         | 458,634                   | 9.2%                     |
| Natural Resources and Mining   | 39,814          | 41,670                    | 4.7%                     |
| Construction   | 20,827          | 24,048                    | 15.5%                    |
| Manufacturing  | 26,375          | 27,037                    | 2.5%                     |
| Trade, Transportation, Utilities                                     | 80,129          | 86,102                    | 7.5%                     |
| Information  | 7,439           | 7,730                     | 3.9%                     |
| Financial Activities   | 16,361          | 19,405                    | 18.6%                    |
| Professional and Business Services                                   | 12,962          | 15,324                    | 18.2%                    |
| Education and Health Services  | 85,641          | 96,041                    | 12.1%                    |
| Leisure and Hospitality  | 33,578          | 37,925                    | 12.9%                    |
| Other Services   | 15,923          | 16,534                    | 3.8%                     |

Source: North Dakota Labor Market Information Center

All sectors are expected to gain jobs between 2008 and 2018. The Financial Activities sector is expected to have the greatest percentage growth among industries in the State of North Dakota. This sector is projected to add 3,044 jobs, for a percentage growth of 18.6%. In numeric growth, the largest employment increase in North Dakota is expected in the Education and Health Services sector, which is projected to add 10,400 new jobs.

## **Findings on Growth Trends**

According to the 2010 U.S. Census, Langdon's population decreased by 223 people and 23 households from 2000 to 2010 and Cavalier County's population decreased by 838 people and 199 households from 2000 to 2010. However, there is evidence that the City's population and number of households have stabilized since the 2010 Census was taken. Our rental survey found only two vacancies and many rental property owners and managers report a high demand for rental units. Also, city officials have reported that there are very few vacant single family homes in the City.

Based on the 2010 Census and past trends, the City of Langdon's population and number of households is projected to continue to decrease from 2010 to 2015. The City does have, however, a unique opportunity to increase its population. The Cavalier County Job Development Authority is working on a comprehensive project to identify and develop alternative uses for the Stanley R. Mickelsen Safeguard Complex. If successful, many new jobs will be created. With no large regional center in the area, the majority of new employees will live in Langdon.

## **Cavalier County Growth Projections by Age Group**

In addition to forecasts on overall household growth, there is projection information available on the changes expected by age of households. As part of the research for this Study, we have examined information on age patterns and population data from the 2010 U.S. Census. With this data, Community Partners Research, Inc. has calculated age-based projections from 2010 to 2015.

The following projections are for all of Cavalier County:

| <u>Age Range</u> | <u>Projected Change in Households<br/>2010 to 2015</u> |
|------------------|--|
| 15 to 24         | - 5 to -6  |
| 25 to 34         | 5 to 7   |
| 35 to 44         | -2 to -5   |
| 45 to 54         | -69 to -77   |
| 55 to 64         | -7 to -12  |
| 65 to 74         | 21 to 26   |
| 75 to 84         | -7 to -11  |
| 85 and Older     | -3 to -5   |

## **Housing Demand**

There are three main factors that drive demand for new housing. The first demand generator is caused by overall household growth. Our projection for Langdon does not anticipate household growth over the next five years. As a result, there will be no housing demand due to growth.

The second demand generator is pent-up demand, or demand created by existing households. We do see demand generated from this factor in Langdon. There has not been a market rate general occupancy rental project constructed in Langdon for 25 years. Additionally, Wheatland Estates, the 24-unit senior project, is fully occupied and has a waiting list. The pent-up demand for high quality market rate general occupancy and senior units, indicates that there is a need for the new construction of rental units.

The third demand generator is the replacement of existing units. There have been some unit losses over the years, such as homes that were removed due to their dilapidated condition. Some of our recommendations that follow assume that replacement of units will be required in the future.

These housing demands will be incorporated into the recommendations that follow.

Based on the research that was conducted for this study and the analysis of available information, we have identified the following strengths that will help the City as it addresses its housing needs and barriers that will limit or hinder certain housing activities. Following this discussion, specific strategies and recommendations for action are provided.

## **Strengths for Housing Development**

The following City of Langdon strengths were identified through statistical data, local interviews, research and on-site review of the local housing stock.

- ▶ **Langdon is the regional center for the area** - Langdon is the regional center for the surrounding area. The City provides employment opportunities, retail/service options, government services, health and professional services, and cultural amenities for the surrounding trade area.
- ▶ **Affordably priced housing stock** - The City has a large stock of affordable, existing houses. Our analysis shows that the City's median home value based on recent sales is \$33,050. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **School system** - The City has an excellent public K-12 school system and parochial K-8 school.
- ▶ **Infrastructure** - Langdon's water and sewer infrastructure is in good condition and can accommodate future expansion.
- ▶ **Commercial development** - Langdon's commercial district is adequate to meet daily needs and new commercial development is on going.
- ▶ **Housing Agencies** - Several housing agencies have the capacity to provide financing and administrative services for housing projects and programs in the City of Langdon.
- ▶ **Cavalier County Job Development Authority** - The Cavalier County Job Development Authority has been very active in assisting with industrial and commercial development and job creation.
- ▶ **Health Facility** - Cavalier County Memorial Hospital and Clinics is an excellent health facility.
- ▶ **Adequate land for development** - The City has adequate land for both residential and commercial/industrial development.
- ▶ **Housing Incentives** - Langdon has a Housing Incentive Plan for households that build or buy a home in the City.

- ▶ **Available lots** - Due to the closing of the military base, many lots are available in the City of Langdon for new residential construction.
- ▶ **Proximity to the Stanley R. Mickelsen Safeguard Complex (SRMSC) site** - The City of Langdon is located in close proximity to the SRMSC site which has great potential for future job creation which will result in new housing construction.
- ▶ **Distance from a large regional center** - Langdon is located 71 miles from Devils Lake and 112 miles from Grand Forks. With a long distance to large regional centers, Langdon is the primary housing option for new employees.

## **Barriers or Limitations to Housing Activities**

Our research also identified the following barriers or limitations that hinder or prevent certain housing activities in the City of Langdon.

- ▶ **Age of the housing stock** - While the existing stock is very affordable, some housing is old and may need substantial improvement to meet the expectations of potential renters and owners.
- ▶ **Housing Agencies** - Although the City has access to several housing agencies, the agencies' housing activity in the City of Langdon has been limited.
- ▶ **Low Rent structure** - The City's rent structure is low, which makes it difficult to construct new rental housing.
- ▶ **Population and household losses** - According to the 2010 Census, Langdon's population and number of households have decreased.
- ▶ **Housing costs** - A significant gap exists between the median sales price of existing homes in the City of Langdon and the cost of constructing a new home.
- ▶ **Staff capacity limitations** - The City of Langdon operates with limited personnel. It is very difficult for existing staff with many responsibilities to develop new housing initiatives.
- ▶ **Limited employment opportunities** - Langdon does not have a large number of major employers, which limits the number of job opportunities.
- ▶ **Distance from a large regional center** - Langdon is located 112 miles from Grand Forks and 71 miles from Devils Lake, which are the closest large regional centers. Some households will not live this far from a large regional center.



## **Recommendations, Strategies and Housing Market Opportunities**

Based on the research contained in this Study and the housing strengths and barriers identified above, we believe that the following recommendations are realistic options for the City of Langdon. They are based on the following strategies:

- ▶ **Focus heavily on the preservation, maintenance and improvement of the housing stock that already exists** - While some housing construction will occur in coming years, most of the housing opportunities will continue to be provided by the housing stock that is already on the ground. This is especially important for affordable housing opportunities, as it will almost always be less expensive to offer an affordable unit through rehabilitation versus new construction. Units that are lost due to deterioration and obsolescence cannot be replaced for a similar price. Evidence suggests that the majority of the existing stock is generally being well maintained, however, a significant percentage of housing needs repair. Emphasis on continued improvement will be important to meet future housing needs.
- ▶ **Develop life cycle housing** - It is vital for a community that serves as a regional center to provide housing opportunities for all ages and household types. These housing opportunities enable a community to thrive, promote economic development and allow households to live in the community throughout their lives.
- ▶ **Promote new construction** - New construction provides housing opportunities, stimulates the economy and upgrades the community's housing stock. Both new owner-occupied single family homes and rental units are needed to provide households in Langdon with housing options and to assure a healthy housing stock.
- ▶ **Promote home ownership** - Home ownership is the preferred option for most households. Home ownership assists in creating community stability and commitment to the community. There are many younger families that are renting their housing. These households may be interested in home ownership, if an affordable opportunity is available.
- ▶ **The market for new housing development will generally not occur without proactive community involvement** - Much of the housing development that has occurred in the past has involved some form of public involvement or subsidy. Future public involvement will continue to be required for certain types of housing.

- ▶ **Prioritize community housing goals** - Many of the recommendations in the Study will require staff-intensive efforts. The City should prioritize its housing goals and work with area housing agencies to establish a plan to achieve its goals.

It is very difficult to meet all of the objectives as the balance of the objectives are very sensitive. An overly aggressive or overly passive approach to any of the objectives can cause problems in achieving the other objectives. For example, overbuilding new rental housing units could lead to vacancy problems in older, less marketable units in the community, causing these units to deteriorate in quality. The recommendations of this section attempt to provide a balanced approach to addressing the housing needs of Langdon.

## **Summary of Findings/Recommendations**

The findings/recommendations for the City of Langdon have been formulated through the analysis of the information provided in the previous sections and include 17 recommendations. The findings/recommendations have been divided into the following five categories:

- ▶ **Rental Housing Development**
- ▶ **Home Ownership**
- ▶ **Single Family New Construction**
- ▶ **Housing Rehabilitation**
- ▶ **Other Housing Initiatives**

The findings/recommendations for each category are as follows:

### **Rental Housing Development**

1. Develop 14 to 16 general occupancy market rate rental units
2. Monitor the need for additional subsidized / tax credit rental housing units
3. Develop 12 to 14 senior assisted living rental units
4. Utilize Housing Choice Voucher / Section 8 Existing Program allocations from HUD

### **Home Ownership**

5. Utilize and promote all programs that assist with home ownership
6. Develop a Purchase/Rehabilitation Program

### **New Construction**

7. Lot Availability and Development
8. Promote a townhouse, twin home development
9. Utilize in fill lots for housing development
10. Develop home ownership marketing programs

**Housing Rehabilitation**

11. Promote rental housing rehabilitation programs
12. Promote owner-occupied housing rehabilitation programs

**Other Housing Initiatives**

13. Continue to acquire and demolish dilapidated structures
14. Create a plan and continue coordination among housing agencies
15. Continue the City's Renaissance Zone Program
16. Continue the New Construction/Home Purchase Incentive Program
17. Monitor future housing needs due to the SRMSC Redevelopment Project

## **Rental Housing Development**

**Findings:** It is difficult to produce new affordable rental units. A number of factors including Federal tax policy, State property tax rates, high construction costs and low rental rates have all contributed to making rental housing production difficult to achieve, especially in small Cities.

In the past 30 years, only one rental project has been constructed in Langdon. In 1994 and 1995, the 24-unit senior congregate project, Wheatland Estates, was constructed.

As part of this study a rental survey was conducted. A total of 156 rental units in 17 multifamily buildings and 12 units in single family homes and duplexes were contacted. The survey showed that two of the market rate, subsidized and senior units surveyed were vacant, which is a 1.2% vacancy rate. This is below the range of 3% to 5% which is considered a healthy market to allow for unit choice and availability and to also assure the viability and profitability of the rental project. The two vacancies were in market rate units. The subsidized and senior projects were totally occupied. Therefore, there is a pent-up demand for certain types of rental housing.

The City of Langdon is projected to lose between 11 and 15 households and all of Cavalier County is projected to lose between 90 and 107 households through 2015. With the projected losses in Langdon and Cavalier County, we are recommending several strategies to continue a healthy rental market in the City of Langdon. These strategies include:

- ▶ **Increase the City's Population** - The City and all stakeholders should continue to implement all strategies possible to increase the City's population including job creation, marketing the community, assuring a healthy housing stock, etc. These efforts will continue to make the City of Langdon an attractive and viable City.
- ▶ **Rehabilitate rental housing** - Most of Langdon's rental housing stock was constructed in the 1950s, 1960s, 1970s and 1980s. Some of this rental housing stock needs rehabilitation. Rental rehabilitation programs should be created to rehabilitate the rental projects, when it is economically feasible.
- ▶ **Demolish dilapidated rental housing** - Rental housing that is substandard and no longer feasible for renovation, should be demolished and eliminated from the rental housing stock.

- ▶ **Develop new rental housing** - New rental housing can achieve several goals which include:
  - ▶ Addressing pent-up demand for certain housing types
  - ▶ Upgrading the overall quality of the rental stock
  - ▶ Increasing the City's rent structure
  - ▶ Addressing gaps in the City's rental stock
  - ▶ Attracting new households to the City

Based on the strategies stated above, we recommend the development of the following new rental units over the next five years from 2011 to 2016:

|                                 |                    |
|---------------------------------|--------------------|
| ▶ General Occupancy Market Rate | 16-20 units        |
| ▶ Subsidized/Tax Credit         | 0 units            |
| ▶ Senior Designated Market Rate | 0 units            |
| ▶ Senior with Services          | <u>12-14 units</u> |
| Total                           | 28-34 units        |

### **1. Develop 16 to 20 general occupancy market rate rental units**

**Findings:** Langdon has a market rate rental housing vacancy rate of 1.8%, which is lower than the healthy market range of 3% to 5%. We found two vacancies in the 112 market rate units that we surveyed.

No market rate general occupancy rate units have been constructed since the 1980s. Therefore, there is also a shortage of high quality three-bedroom units in the City as we were only able to identify four three-bedroom units in market rate multi-family buildings.

The first option to developing market rate rental housing would be to encourage a private developer to undertake the project. If a private developer does not come forward, an area housing agency could construct the market rate units. The developer of the project should seek financial assistance to keep rents affordable including land donations, city incentives and assistance from private employers.

**Recommendation:** We recommend the development of 16 to 20 market rate rental housing units. A twinhome or townhome style unit would be the preferred style, to cater to active renter households. However, another option is to construct a high quality apartment project that includes state of the art amenities.

We are making this recommendation based on pent-up demand for high quality market rate units, the low vacancy rates in existing market rate rental units and the jobs that are being created in the area.

The unit mix and rents should be as follows:

**Recommended unit mix, sizes and rents for the Langdon Market Rate Rental Units:**

| <u>Unit Type</u> | <u>No. of Units</u> | <u>Size/Sq. Ft.</u> | <u>Rent</u> |
|------------------|---------------------|---------------------|-------------|
| Two Bedroom      | 12-14               | 1,000-1,100         | \$600-\$650 |
| Three Bedroom    | 4-6                 | 1,250-1,350         | \$675-\$725 |
| Total            | 16-20               |                     |             |

Note: The recommended rents are quoted in 2011 dollars and do not include utilities.

**2. Monitor the need for additional subsidized/tax credit rental housing units**

**Findings:** The City of Langdon has one subsidized project, Park Village.

Park Village has 32 units, all of which are general occupancy units. The manager reported no vacancies. However, there have been vacancies over the past several years.

North Star Apartments was constructed as a subsidized project, but was converted to market rate housing many years ago because of a lack of demand for subsidized housing.

Currently, the rent structure is very low in the City of Langdon and affordable for most households. Also, low income Cavalier County households have access to the Housing Voucher Program, which pays a portion of their rent.

**Recommendation:** We recommend that the City of Langdon and area housing agencies continue to monitor the need for additional subsidized/tax credit projects.

There may be a need for a Tax Credit Housing Project when the SRMSC Redevelopment Project proceeds and a significant number of jobs are created.

### **3. Consider the development of 12 to 14 assisted living/congregate units**

**Findings:** The City of Langdon has no assisted living or basic care units, however, there are six basic care units in the Osnabrock Good Samaritan Center.

There is a 24-unit independent senior project, Wheatland Estates, that is connected to the nursing home in the City of Langdon. This project has been very successful and is fully occupied. The units were constructed in 1994 and 1995.

According to the 2010 U.S. Census, there are 548 senior citizens, age 75 and older, in Cavalier County. It is projected that the number of seniors, age 75 and older will decrease by 14 to 19 people from 2010 to 2015.

**Recommendation:** We recommend the development of 12 to 14 assisted living/congregate units in Langdon. It is our opinion that the need exists for assisted living/congregate units. In most Market Areas, a 5% to 6% penetration rate for assisted living projects is feasible.

The 12 to 14 units we have proposed, would require a market penetration rate among seniors age 75 and older of between 2.2% and 2.5% in Cavalier County to achieve full occupancy. This is well below the penetration rate we see with most assisted living projects. The success of Wheatland Estates indicates to us that senior designated housing is popular in the Langdon area, and assisted living/congregate units are feasible based on market acceptance. It is also possible that seniors from outside the County will be attracted to Langdon because of the desirability of the units.

We would advise a cautious approach to the construction of new assisted living/congregate units. A small project, as we have recommended, is most practical if attached to the existing Wheatland Estates facility.

The new units could provide a range of senior options that would allow seniors that need only limited services as well as seniors that need a wide array of services to move into the facility. This will increase the market for the units. The rent and service fees should also be structured to allow seniors to pay for only the services they need.

Senior assisted living/congregate facilities have been developed in several small Cities. These facilities are an attractive option for seniors and allows them to age in place. This type of facility currently does not exist in Langdon or Cavalier County.



#### **4. Apply for Housing Choice Vouchers/Section 8 Existing Program allocations from HUD**

**Findings:** The Housing Choice Voucher Program provides portable, tenant-based rent assistance to lower income renter households. The program requires participating households to contribute from 30% to 40% of their adjusted income for rent, with the rent subsidy payment making up the difference. Tenants may lease any suitable rental unit in the community, provided that it passes a Housing Quality Standards inspection, and has a reasonable gross rent when compared to prevailing rents in the community. Although the federal government provides almost no funding for subsidized housing construction, it has provided new Housing Choice Voucher allocations over the last two decades.

The Housing Choice Voucher Program is a popular form of subsidized housing. Because of the flexibility offered through the program, eligible households often prefer the portable rent assistance to other forms of subsidized housing that are project-based, and can only be accessed by living in a specific rental development.

The Housing Choice Voucher Program in Cavalier County is administered by the Ramsey County Housing Authority. Currently, the Ramsey County Housing Authority has funding for 45 vouchers in Cavalier County and is currently administering approximately 24 vouchers in Cavalier County, thus, the Housing Authority has the capacity to issue additional vouchers. Most of the 24 vouchers in Cavalier County are being utilized by Langdon households.

**Recommendation:** From a practical standpoint, the Housing Choice Voucher Program is the single best way that Langdon can provide affordable housing. HUD does not make new incremental assistance available every year, but when new allocations are authorized, we would encourage the City to work with the Ramsey County Housing Authority to apply for additional vouchers if it is determined there is a need. With the number of Cavalier County renter households paying more than 30% of their income for housing, there is a demand for vouchers.

Also, the Ramsey County Housing Authority should continue to publicize the Housing Choice Voucher Program in Langdon and Cavalier County to assure that Langdon and Cavalier County households have access to the Program and that the Housing Vouchers available to Cavalier County households are utilized.

## **Home Ownership Recommendations**

**Findings:** Expanding home ownership opportunities is one of the primary goals for most Cities. High rates of home ownership promote stable communities and strengthen the local tax base.

The median owner-occupied home value in Langdon is estimated to be \$33,050. With approximately 50% of the homes in Langdon valued less than \$33,050, Langdon has a good market for first time home buyers and households seeking moderately priced homes. The affordable price of Langdon homes, is very attractive when compared to prices in some of the larger Cities within commuting distance of Langdon.

Our analysis of Langdon demographic trends shows a stable population in the traditionally strong home ownership age range of 55 to 64 and an increase in the 65 to 74 age range. While most households in these age ranges already own their housing, this group represents a strong potential market for 'trade-up' housing. Increasingly, the older age ranges within this group look for lower maintenance housing options, such as twin homes or town house developments. Some older households may eventually move out of Langdon to move into other housing options in larger communities, if these options don't exist in Langdon.

Also, the number of households in the 25 to 34 age range is expected to increase slightly in Langdon and Cavalier County. Households in these age ranges are typically first-time home buyers. While some of these households already own their housing, those households that have not been able to achieve the goal of home ownership, may need the assistance of special programs to help them purchase their first home and will be seeking affordable homes such as the homes in Langdon.

To assist in promoting the goal of home ownership, the following activities are recommended.

## **5. Utilize and promote all programs that assist with home ownership**

**Findings:** Home ownership is generally the preferred housing option for most households and most communities. As discussed previously, the demographic make-up of Langdon is conducive to the promotion of home ownership opportunities. There are a number of strategies and programs that can be used to promote home ownership in Langdon. The area's housing agencies and financial institutions can assist with this effort.

First time home buyer assistance, down payment assistance, low interest loans, gap financing and home ownership training programs help to address affordable housing issues. With the City's median home value at \$33,050, most of the homes in the existing housing stock in Langdon are valued under purchase price limits for first-time home buyer assistance programs. Also, there are several single family homes in the Langdon rental market. Many of these homes could be converted to owner-occupied homes. Conversely, home ownership programs may prevent owner-occupied homes from being converted to rentals.

Home ownership counseling and training programs can also play a significant role in helping marginal buyers achieve home ownership. To become homeowners and/or to remain homeowners, many households need financial counseling to improve their credit score, to save for a down payment and to properly budget household income.

While these individual home ownership assistance programs may not generate a large volume of new ownership activity, the combination of below market mortgage money, home ownership training, credit counseling, and down payment assistance may be the mix of incentives that moves a potential home buyer into home ownership.

**Recommendation:** Langdon and area housing agencies such as the Dakota Prairie Community Action Agency should utilize all available home ownership assistance programs to promote home ownership. The City, in coordination with other Cavalier County Cities, should also explore the possibility of obtaining specific program set-asides for home ownership programs from the North Dakota Housing Finance Agency. Specific set-asides will offer multiple advantages, including a dedicated pool of funds, the opportunity for higher participation limits for income and purchase price, and the flexibility for more local design and control. Mortgage programs should also be developed that include all households and not just first time home buyers to encourage trade-up housing activity.

The City could work with the area's housing agencies to develop programs that provide financial assistance for households to purchase a home and to assure the City of Langdon is receiving its share of resources that are available in the Region. The local financial institutions should also continue to have a significant role in assisting households with purchasing a home. Rural Development works with local financial institutions to provide first time home buyer assistance.

Funding sources for home ownership programs include Rural Development, the North Dakota Housing Finance Agency, Fannie Mae and the Federal Home Loan Bank.

## **6. Develop a Purchase/ Rehabilitation Program**

**Findings:** Langdon has a stock of older, lower valued homes, some of which need repairs. The City also has a limited number of vacant homes. The median estimated market value for homes in Langdon is \$33,050. As some of the homes below the median price come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

The Home ownership and Rehabilitation Program (HARP) has been developed by the North Dakota Finance Agency. Under the program, the North Dakota Housing Finance Agency purchases an existing home that needs rehabilitation, rehabilitates the home, sells the home to a low income family and provides a mortgage and a monthly payment that are affordable for the family. The HARP Program accomplishes many community goals, including the promotion of home ownership for lower income people, and the repair of substandard housing units.

In many cases, the cost of acquisition and rehab will exceed the house's after-rehab value. Although a public subsidy may be involved, the cost to rehab and sell an existing housing unit is generally lower than the subsidy required to provide an equally affordable unit through new construction.

A Program could also be developed to provide mortgage funds directly to households for the purchase and rehabilitation of substandard existing homes.

**Recommendation:** We recommend that the City of Langdon consider the creation of a rehab/purchase program for existing houses. Area housing agencies and financial institutions could assist by offering some rehabilitation assistance in conjunction with first-time buyer programs to make the City's

older housing a more attractive option for potential home buyers. Also, Rural Development provides mortgage funds to purchase a home and to make repairs to the home. Additionally, the City's Renaissance Zone Program provides incentives for housing rehabilitation/renovation.

Attitudinal surveys that we have conducted in other Cities have found that purchase/rehabilitation programs are appealing to people who are currently renting their housing. In some similar sized communities, more than 80% of survey respondents who were renters indicated an interest in buying a home in need of repair if rehabilitation assistance was also available.

A purchase/rehabilitation program will achieve several goals. The program will encourage home ownership, prevent substandard homes from becoming rental properties and rehabilitate homes that are currently substandard.

## **New Housing Construction**

**Findings:** Langdon has experienced limited single family housing construction in recent years. Over the past 11 years, from 2000 to 2010, 23 single family structures have been constructed in Langdon, which is an average of approximately two housing units per year. The peak year for new construction was 2007 when five homes were constructed. In 2000, 2007 and 2008, two homes were constructed each year. In 2001 and 2010, four owner-occupied single family units were constructed. In 2000 and 2004, no owner occupied units were constructed.

The attractiveness of the community, the City's status as a regional center, the availability of lots, the City's amenities and the City's incentives, should result in the continued construction of new homes annually.

Overall household projections for Langdon and Cavalier County indicate limited demand for owner-occupied housing construction. However, growth is anticipated through 2015 among households in the 65 to 74 age range and the number of households in the 55 to 64 age range will remain relatively stable. Households in these age ranges tend to be predominantly home owners, and form a market for higher priced, trade-up housing and low maintenance housing such as town homes and twin homes. The number of households in the 25 to 34 year old range is also expected to grow through 2015. Many of the households in these age ranges are first time home buyers.

It is our opinion that if the City, local housing agencies and developers are proactive, two to three homes can be constructed annually in Langdon over the next five years. This projection is based on the availability of attractive residential lots for new construction. Our projection for single family housing starts includes homes built in new subdivisions and on infill lots, and includes single family attached housing units, such as twin homes and town houses.

The breakdown of our projection of 10 to 15 new owner-occupied housing units over the next five years is as follows:

|                               |                  |
|-------------------------------|------------------|
| ▶ Higher & median price homes | 2-3 homes        |
| ▶ Affordable homes            | 3-4 homes        |
| ▶ Homes on In-Fill lots       | 1-2 homes        |
| ▶ Twin homes/Town homes       | <u>4-6 units</u> |
| ▶ Total                       | 10-15 units      |

## **7. Lot Availability and Development**

**Findings:** As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in the City of Langdon. Currently, Cavalier County owns approximately 40 buildable lots in the City of Langdon. There are lots that were previously used for military personal housing.

There are also several miscellaneous infill lots scattered around the City that we did not attempt to count. Also, we do not know the availability of some of these infill lots.

**Recommendation:** We use a standard that a 2 ½ year supply of lots should be available in the marketplace, based on annual lot usage. Using our projections that two to three new houses will be constructed per year, the City should have approximately five to eight residential lots available to meet the expected demand. Part of this demand would be for attached unit construction. The available inventory could include lots that are currently buildable, as well as lots in the advanced planning stages that could be available for the next construction season.

Using this standard, the City of Langdon, with 40 available lots, plus in fill lots, currently has an adequate number of available lots. These lots are a great asset for the City and the opportunity they provide should be maximized. There is not a need to develop additional lots in Langdon over the next five years. The City of Langdon should work with Cavalier County to market these lots. Signage, brochures, displays at building shows, etc. all could be marketing strategies to sell the lots. Also, it may be advantageous to establish guidelines to require lot buyers to build a home on a lot within a certain time period. To successfully sell the lots, the following should be considered:

- ▶ The lots must be as aesthetically appealing as possible.
- ▶ The lots should allow for a variety of home designs.
- ▶ Incentive and financing programs should be available for the home buying and home building households.
- ▶ The Community should continue to offer incentives that include low cost items from retailers and vendors as well as high cost items such as tax abatements.
- ▶ To be successful, the homes must be available to as wide an income range as possible.

- ▶ The lots should have covenants that assure that quality homes are constructed and a quality subdivision is developed. However, the covenants should not be so restricted that the target market is limited or eliminated.
- ▶ A Lot Plan should include future twin home/townhome development.
- ▶ The lots should be adequately publicized and advertised in the Region.
- ▶ The City and builders must be user friendly. The building process should be as streamlined as possible for buyers.
- ▶ Buyers must be offered a high amenity lot at a lower price than the competition is offering in the marketplace.
- ▶ Successful lot development will need the cooperation of local housing agencies, funding agencies, employers, builders, financial institutions, realtors, etc.

## **8. Promote townhouse and twin home development**

**Findings:** Langdon has experienced some owner occupied attached housing development in the past. From 2000 to the present, 11 attached owner occupied housing units have been constructed in the City of Langdon. These units include four twin homes and one three-unit townhouse development. Many communities have seen attached housing take an increasingly large share of new construction. Twin home/townhome development in Langdon accounted for 48% of the new home construction over the past 11 years.

Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making homes available for families. It is estimated that the number of households in the 55 to 64 age range will remain relatively stable and the 65 to 74 age range will add households in Langdon and Cavalier County from 2010 to 2015. It is important for the City to offer a range of life-cycle housing options as many of these households will be seeking to downsize into low maintenance housing options.

**Recommendation:** It is our projection that approximately 40% of the City of Langdon's new single family construction will be twin home/town home construction over the next five years, which is approximately four to six units during the five-year period.



We recommend a twin home/townhome development and for the development to be successful, the following should be considered:

- ▶ Senior friendly home designs
- ▶ Maintenance, lawn care, snow removal, etc. all covered by an Association
- ▶ Cluster development of a significant number of homes which provides security
- ▶ Homes are at a price that is acceptable to the market

The public sector's role in any owner-occupancy attached housing development may be limited, as the private sector can often meet this housing need if a demand exists. The City should assure that adequate land is available for development and that zoning allows for attached housing development.

In some Cities, such as Arlington, MN, a group of contractors and investors have developed a corporation and have constructed twin homes.

## **9. Utilize infill lots for housing development**

**Findings:** There are several vacant infill lots in the City that already have access to municipal services. These lots represent an affordable option for new home construction.

Also, our housing condition analysis of the single family homes in Langdon identified 15 homes that were dilapidated and beyond repair. Additionally, 76 homes need major rehabilitation and some of these homes also may be beyond repair. In a separate recommendation, we have promoted the acquisition and clearance of substandard houses. Once demolished, some of the cleared lots could be suitable for reuse.

**Recommendation:** We recommend that the City coordinate with area housing agencies to construct affordable homes on infill lots. The Dakota Prairie Community Action Agency and the North Central Planning Council have constructed affordable homes in several Cities. The City and area housing agencies may be able to access funds from several sources to assist with affordable housing development. Also, a nonprofit organization and private developers may also have an interest in developing housing on infill lots. The City of Langdon can contribute to infill development through land negotiations, land donations, grant writing, project coordination, TIF funding, tax abatement, etc.

A goal of constructing one to two new moderately priced homes over the next five years on an infill lot appears to be realistic. To be successful, the housing units should not exceed approximately \$120,000 to construct and programs should be available to further reduce the purchase price for the buyer. Also, the most appealing infill lots should be identified and utilized. As housing units are constructed and sold, a revolving fund could be developed and an infill housing program could be self sustaining.

### **10. Develop home ownership marketing programs**

**Findings:** Opportunities for new housing construction are sometimes limited because of the lack of information and awareness of financing programs, lots on the market, local builders, etc. This is especially evident for new households moving into the area. The home buying/home building process can be very intimidating for first-time home buyers and builders.

**Recommendation:** We recommend the creation of additional marketing materials that describe the lots, builders and financing programs that are available in Langdon. Langdon has a great asset with its inventory of affordable lots. Buying a lot, selecting a builder, obtaining financing and constructing or purchasing a home can be an intimidating process. Often households have not been through this process and do not know where to begin or how to proceed. A "How-To" brochure with pertinent and up-to-date information will encourage and assist households with constructing a home or finding a suitable move-up home.

Another possibility for promoting ownership options is to organize a Housing Fair that educates and informs the public on lots, builders, finance programs, etc. The Housing Fair should include developers, builders, lenders, realtors, public agencies, etc. Local employers should be contacted to assess their interest and possible participation in the event.

These marketing programs do not have to be "City" projects but could possibly be developed by a local civic organization or the private sector.

## **Housing Rehabilitation**

**Findings:** Langdon has an asset in its existing housing stock. Existing units, both now and into the future, will represent the large majority of the affordable housing opportunities. Existing units generally sell at a discount to their replacement value. Units that are not maintained and improved may slip into disrepair and be lost from the housing stock. Efforts and investment in housing rehabilitation activities will be critical to offering affordable housing opportunities.

Housing options for households will largely be met by the existing, more affordable housing stock. As this existing stock ages, more maintenance and repair are required. Without rehabilitation assistance, the affordable stock will shrink, creating an even more difficult affordability situation.

The following specific recommendations are made to address the housing rehabilitation needs.

### **11. Promote rental housing rehabilitation programs**

**Findings:** Based on City of Langdon data, the City currently has 220 rental units. These rental units are in multi-family projects, small rental buildings, mixed use buildings, duplexes, single family homes and mobile homes. Many of these rental structures could benefit from rehabilitation as a majority of the rental structures are more than 30 years old and some rental units are in poor condition.

The rehabilitation of older rental units can be one of the most effective ways to produce decent, safe and sanitary affordable housing. However, it is often difficult for rental property owners to rehabilitate and maintain their rental properties while keeping the rents affordable for the tenants.

**Recommendation:** The City of Langdon and area housing agencies should seek funds to rehabilitate rental units. The funds should allow for program design flexibility, which will make rental rehabilitation workable.

Potential funding sources include Community Development Block Grant funds, the Federal Home Loan Bank, the North Dakota Housing Finance Agency, Rural Development and local funds.

The Dakota Community Action Agency and the North Central Planning Council have successfully assisted rental property owners in several Cities with rehabilitating their rental properties.

## **12. Promote owner-occupied housing rehabilitation programs**

**Findings:** The affordability of the existing housing stock in Langdon will continue to be the major attraction for families that are seeking housing in the area. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities.

Our 2011 housing condition survey rated the 298 single family homes and duplexes in two Langdon neighborhoods. Our survey found that 121 homes need minor repairs and 76 homes need major repairs. Without rehabilitation assistance, there is the potential that the affordable housing stock will shrink in the City of Langdon.

In the past, the Dakota Prairie Community Action Agency and the North Central Planning Council have administered housing rehabilitation programs. The Dakota Prairie Community Action Agency is currently administering the weatherization program in Cavalier County.

**Recommendation:** We recommend that the City of Langdon and area housing agencies identify and apply for funds to develop an ongoing housing rehabilitation program. Rural Development, the North Dakota Housing Finance Agency, the Federal Home Loan Bank, the Community Development Block Grant Program and HOME funds are all potential funding sources.

Also, homeowners who rehabilitate their homes in the City's Renaissance Zone are eligible for tax incentives. Many homeowners have utilized this incentive to rehabilitate/renovate their homes.

## **Other Recommendations**

### **13. Acquire and demolish dilapidated structures**

**Findings:** Our housing condition survey identified 15 homes in Langdon that are dilapidated and too deteriorated to rehabilitate. We also identified 76 homes as needing major repair and several of these homes may be too dilapidated to rehabilitate. There may also be dilapidated homes in areas of the City that we did not survey.

Dilapidated structures have been demolished in Langdon over the past several years.

**Recommendation:** We recommend that the City of Langdon continue to demolish severely dilapidated structures. The City and neighborhoods are enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can possibly be utilized for the construction of new affordable housing units. The City could also develop partnerships with housing agencies and private developers to construct new housing on cleared parcels. Additionally, the demolition of dilapidated rental structures will upgrade the City's rental housing stock.

### **14. Create a plan and continue coordination among housing agencies**

**Findings:** The City of Langdon needs staff resources in addition to existing City staff to plan and implement many of the housing recommendations advanced in this Study. The City has access to the Dakota Prairie Community Action Agency, the North Central Planning Council and the Eastern Dakota Housing Alliance. The City also has access to the North Dakota Housing Finance Agency and the USDA Rural Development Office. These agencies all have experience with housing and community development programs.

**Recommendation:** The City of Langdon is fortunate to have access to several agencies that can address housing needs. It is our recommendation that the City work with the housing agencies to prioritize the recommendations of this Study and to develop a plan to address the City's housing needs. The Plan should include strategies, time lines and the responsibilities of each agency. While there has traditionally been a degree of staff interaction between these agencies, it will be important that a coordinated approach be used to prioritize and assign responsibility for housing programs.

It will also be important for the City to look for opportunities to work cooperatively with other Cavalier County Cities to address housing issues. With the number of small Cities in the County, and limited staff capacity at both the City and County level, cooperative efforts may be the only way to accomplish certain projects. Cooperative efforts will not only make housing projects more practical, but they will often be more cost-effective and competitive.

We also recommend that the three counties that make up the Devils Lake Region Partnership consider hiring a housing coordinator to assist with developing and implementing housing projects and programs in the three counties.

## **15. Continue the City of Langdon's Housing Incentive Programs**

**Findings:** The City of Langdon has Incentive Programs for:

- ▶ Purchasing an existing home
- ▶ Remodeling an existing home
- ▶ Construction of a new home

The incentives include:

- ▶ Purchasing a new home
  - ▶ Six months free water, sewer, garbage
  - ▶ One-year rebate on real estate taxes
  - ▶ Permit fee waived
- ▶ Remodeling an existing home
  - ▶ Up to \$500 to purchase remodeling materials from local Langdon businesses
- ▶ Construction of a new home
  - ▶ Six months free water, sewer, garbage
  - ▶ Abatement for two years on real estate taxes
  - ▶ Building permit fee waived
  - ▶ Family pool pass
  - ▶ Free water and sewer hook-up
  - ▶ Family one-year Activity Center pass
  - ▶ Free berm trees
  - ▶ One-year golf membership
  - ▶ Two 1-year School Activity passes

**Recommendation:** We recommend that the City of Langdon continue and possibly expand the Housing Incentive Programs. Potentially, the purchase of a building lot could be incorporated into the New Construction incentives.

Also, we recommend that the City of Langdon aggressively market and advertise its Housing Incentive Programs.

## **16. Monitor future housing needs due to the SRMSC Redevelopment Project**

**Findings:** The Cavalier County Job Development Authority has developed a Strategic Plan to redevelop the Stanley R. Mickelsen Safeguard Complex (SRMSC).

The Strategic Plan emphasizes three missions:

- ▶ Technology - To provide a research and development center and test bed for Unmanned Aerial Systems (UAS) and other non-UAS technologies, bringing high skill, high wage jobs into the local area
- ▶ Education - To providing learning opportunities for North Dakota students of all ages
- ▶ Historic preservation - To maintain structures and to interpret SRMSC's role in the Cold War for public benefit

The Strategic Plan implementation includes planning, redevelopment and operational activities over the next 10 years.

The SRMCS Redevelopment Project will create a significant number of jobs. Some of these jobs will be filled by local people who live in the area. However, a significant number of people will move to the area for employment created by the Redevelopment Project.

**Recommendation:** The housing recommendations that we have made for the City of Langdon and Cavalier County will assist with creating and preserving an adequate housing stock to accommodate new households moving into the area. The recommendations are not based on the creation of new jobs associated with the SRMCS Redevelopment Project, however, we are aware of the Project's potential to create a housing demand.

The recommendations are for a five-year period and we anticipate that the SRMCS Redevelopment Project will be in the planning and redevelopment phases during most of the five-year period.

However, the progress of the Redevelopment Project should be monitored on an ongoing basis to assure that housing is available for new employees moving into the area.



## **Findings and Recommendations for the Small Cities in Cavalier County**

In addition to the Findings and Recommendations for the City of Langdon, we have provided Findings and Recommendations for several small Cities in Cavalier County including Osnabrock, Munich, Milton and Nekoma.

All four Cities have lost population and households over the past decade and are projected to continue to lose households from 2010 to 2015.

To minimize population and household losses or possibly stabilize the population in small Cities, it will be necessary for the Cities to be proactive in addressing the following recommendations.

### **1. Market Affordable Homes**

**Findings:** The single family homes in the small Cities are very affordable. Based on sales over the past two years, the 2009 /2010 median sales price for each small city is:

- ▶ Osnabrock - \$30,620
- ▶ Munich - \$44,760
- ▶ Milton - \$50,710
- ▶ Nekoma - \$25,983

Please note that these median sales prices are based on a very small number of sale samples.

**Recommendation:** We recommend that Cavalier County, the Cities and the Cavalier County Job Development Authority continue to market the affordability of the homes in these small Cities.

With the potential creation of new jobs in Cavalier County, purchasing an affordable home in a small city is an option.

### **2. Develop a plan for vacant homes**

**Findings:** There are a significant number of vacant homes in Cavalier County. Following, based on the 2010 census, is the vacant housing unit count for each city. The first number is the total number of housing units that are vacant. The second number is the number of the vacant units that are listed as seasonal, recreational.

- ▶ Osnabrock - 22, 2
- ▶ Munich - 16, 1
- ▶ Milton - 12, 3
- ▶ Nekoma - 15, 0

The small Cities in Cavalier County have a substantial number of vacant homes. These homes range from homes that are in “move-in” condition to dilapidated homes.

**Recommendation:** We recommend that each city inventory the vacant homes to determine:

- ▶ Ownership status
- ▶ Condition of the structure
- ▶ The owner’s future plans for the structure

With this information, the City can develop a plan for each vacant home. The plan for vacant homes can include:

- ▶ Demolition of dilapidated homes
- ▶ Rehabilitation of substandard homes
- ▶ Purchase/Rehab Program for home ownership
- ▶ Conversion to single family home rentals

### **3. Promote owner-occupied housing rehabilitation**

**Findings:** The affordability of the existing housing stock in the small Cities will be an attraction for some families that are seeking housing in the area. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities.

Our 2011 housing condition survey rated the single family homes in the small Cities. Our survey found the number of homes that need minor or major repairs in each city is as follows:

- ▶ Osnabrock 11-minor repair, 12-major repair
- ▶ Munich 32-minor repair, 11 major repair
- ▶ Milton 12-minor repair, 11 major repair
- ▶ Nekoma 6-minor repair, 7-major repair

**Recommendation:** We recommend that the Cities work with area housing agencies to apply for funds to rehabilitate homes. Rural Development, the North Dakota Housing Finance Agency, the Federal Home Loan Bank, the Community Development Block Grant Program and Home funds are all potential funding sources.

With limited funds, it will be necessary to only rehabilitate homes that aren't functionally obsolete or too dilapidated to rehabilitate.

#### **4. Acquire and demolish dilapidated structures**

**Findings:** Our housing condition survey identified the following number of dilapidated homes in each city:

- ▶ Osnabrock - 10 homes
- ▶ Munich - 4 homes
- ▶ Milton - 10 homes
- ▶ Nekoma - 8 homes

Dilapidated structures have been demolished in the small Cities over the past several years.

**Recommendation:** We recommend that the Cities continue to demolish severely dilapidated structures. Cities are enhanced when blighted and dilapidated structures are removed.

#### **5. Continue to maintain the City's infrastructure**

**Findings:** To maintain a healthy Community and a healthy housing stock, it is necessary to maintain the city's infrastructure including water, sewer, streets, parks, etc.

**Recommendation:** We recommend that the small Cities continue to maintain, update and improve their infrastructure to assure that households have access to services.

To be competitive with other Cities, to retain its population and to attract new households, a good infrastructure and public utilities are vital.

## **6. Promote Commercial Development / Rehabilitation**

**Findings:** When our households are selecting a city to purchase a home in, they often determine if the city's commercial sector is sufficient to serve their daily needs.

**Recommendation:** We recommend that the Cities coordinate with the Cavalier County Job Authority to work with commercial property and business owners to rehabilitate their buildings. New businesses should also be encouraged to work in the small Cities.

## **7. Create a plan and continue coordination among housing agencies**

**Findings:** The small Cities need staff resources to plan and implement the housing recommendations advanced in this Study. The City has access to the Dakota Prairie Community Action Agency, the North Central Planning Council and the Eastern Dakota Housing Alliance. The Cities also have access to the North Dakota Housing Finance Agency and the USDA Rural Development Office.

**Recommendation:** It is our recommendation that the Cities work with the housing agencies to address their housing needs. It will also be important for the Cities to look for opportunities to work cooperatively with other Cavalier County Cities to address housing issues.

## **8. Other Recommendations:**

The City of Osnabrock has a four-unit rental complex and a nursing home that includes six basic care units. Munich has a four-unit rental complex. These projects should be maintained and marketed as they are assets to their communities.

The City of Munich has a K-12 public school. It is crucial for the community to keep this school open and operational.

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# Demographic Data Overview

## Sources of Data

The following pages contain demographic data obtained from a variety of local, state and national sources. At the time that research was completed for this Study, the Census Bureau had released 2010 demographic profile information for jurisdictions in North Dakota. The demographic profile contains basic information from the 2010 U.S. Census, but does not contain more detailed tables, such as income information or household characteristics. However, detailed tables are available from the Census Bureau's 2009 American Community Survey. The following tables incorporate the 2010 Census data, when available, or the American Community Survey data. The American Community Survey estimates are derived from five-year sampling, obtained between 2005 and 2009.

## Market Area Overview

In addition to City of Devils Lake demographics, this Study also examines demographic information for a primary market area that immediately surrounds the City. This demographic information will assist in identifying the regional market potential for housing. This market area includes all of Ramsey County; the City of Lakota and the townships of Lakota, Clara, Dodds and Illinois in Nelson County; and the Cities of Warwick, Oberon, Minnewaukan, Brinsmade and the townships of Minco, Warwick, Lohnes, Mission, Wood Lake, Fort Totten, Twin Tree, Rock, Lallie, Lallie North, Oberon, West Bay, Riggin, Normania and Irvine in Benson County.

Also, for some demographic data, we have included information for all of Ramsey County and the small Cities.

## Population Data and Trends

| <b>Table 1 Population Trends - 1990-2010</b> |                    |                    |                       |                    |                       |
|--|--------------------|--------------------|-----------------------|--------------------|-----------------------|
|  | 1990<br>Population | 2000<br>Population | % Change<br>1990-2000 | 2010<br>Population | % Change<br>2000-2010 |
| Devils Lake                                  | 7,782              | 7,222              | -7.2%                 | 7,141              | -1.1%                 |
| Brocket                                      | 81                 | 65                 | -19.8%                | 57                 | -12.3%                |
| Churchs Ferry                                | 118                | 77                 | -34.7%                | 12                 | -84.4%                |
| Crary  | 145                | 149                | 2.8%                  | 142                | -4.7%                 |
| Edmore                                       | 329                | 256                | -22.2%                | 182                | -28.9%                |
| Hampden                                      | 89                 | 60                 | -32.6%                | 48                 | -17.6%                |
| Starkweather                                 | 197                | 157                | -20.3%                | 117                | -25.5%                |
| Ramsey County                                | 12,681             | 12,066             | -4.8%                 | 11,451             | -5.1%                 |
| Devils Lake<br>Market Area                   | 18,089             | 17,537             | -3.1%                 | 16,999             | -3.1%                 |

Source: U.S. Census

- ▶ The 2010 U.S. Census Bureau population data was released in March, 2011. The 2010 Census reports that Devils Lake's population was 7,141 in 2010. This is an 81-person decrease since 2000, which is a 1.1% decline.
- ▶ For the Market Area, the 2010 population was 16,999. This is a loss of 538 people and a 3.1% decline since 2000.
- ▶ The 2010 population for all of Ramsey County was 11,451. This is a 5.1% decrease since 2000. The decrease was due to deaths exceeding births and the out-migration of residents.
- ▶ Based on the U.S. Census, the City of Devils Lake also lost population from 1990 to 2000. Between 1990 and 2000, the City's population decreased by 7.2%.
- ▶ All of the small Cities in Ramsey County lost population from 2000 to 2010.

## Population by Age

The following table compares populations by age in 2000 and 2010, along with the percentage changes.

| <b>Table 2 Persons by Age - 2000 - 2010</b> |                            |              |              |                      |               |              |
|---|----------------------------|--------------|--------------|----------------------|---------------|--------------|
| <b>Age</b>                                  | <b>City of Devils Lake</b> |              |              | <b>Ramsey County</b> |               |              |
|   | 2000                       | 2010         | % Change     | 2000                 | 2010          | % Change     |
| 0-19  | 2,011                      | 1,777        | -11.6%       | 3,419                | 2,867         | -16.1%       |
| 20-24                                       | 444                        | 535          | 20.5%        | 569                  | 668           | 17.4%        |
| 25-34                                       | 812                        | 871          | 7.3%         | 1,234                | 1,269         | 2.8%         |
| 35-44                                       | 1,039                      | 723          | -30.4%       | 1,889                | 1,191         | -37.0%       |
| 45-54                                       | 834                        | 1,029        | 23.4%        | 1,590                | 1,847         | 16.2%        |
| 55-64                                       | 560                        | 833          | 48.8%        | 1,099                | 1,537         | 40.0%        |
| 65-74                                       | 599                        | 552          | -7.8%        | 1,016                | 967           | -4.8%        |
| 75-84                                       | 578                        | 497          | -14.0%       | 826                  | 716           | -13.3%       |
| 85+   | 345                        | 324          | -6.1%        | 424                  | 389           | -8.3%        |
| <b>Total</b>                                | <b>7,222</b>               | <b>7,141</b> | <b>-1.1%</b> | <b>12,066</b>        | <b>11,451</b> | <b>-5.1%</b> |

Source: U.S. Census; Community Partners Research, Inc.

- ▶ From 2000 to 2010, there were some significant percentage changes in the age make-up of the population in the City of Devils Lake. The largest numeric gain occurred among people age 55 to 64 years old. This age group increased by 273 people, or 48.8%. Significant percentage increases also occurred in the in the 45 to 54 year old range, which added 195 people, or 23.4%. There were also significant gains in the 20 to 24 and 25 to 34 age ranges.
- ▶ All of the other age ranges experienced a loss of population. The 35 to 44 age range experienced the loss of 316 people, a 30.4% decrease. Also, the 0 to 19 year old age group decreased by 216 people, or 11.6%. The 65 and older age ranges also experienced losses.
- ▶ The City's overall loss of senior citizens, age 65 and older, from 2000 to 2010, was 149 people.
- ▶ Patterns for Ramsey County were similar, with growth occurring in the 20 to 24, 25 to 34, 45 to 54 and 55 to 64 year old age ranges and population losses in the remaining age ranges.



## Population Projections

The following table presents population level projections using two different sources. The 20-year growth trend is based on the rate of change between 1990 and 2010, using the 1990 and 2010 Census, and projects this rate of growth forward between 2010 and 2015. The 10-year growth trend uses the same methodology, but calculates an annual growth rate from 2000 to 2010.

| <b>Table 3 Population Projections Through 2015</b> |                 |                                       |                                       |
|--|-----------------|---------------------------------------|---------------------------------------|
|  | 2010 Population | 2015 Projection from<br>10-year trend | 2015 Projection from<br>20-year trend |
| Devils Lake  | 7,141           | 7,101                                 | 6,994                                 |
| Brocket  | 57              | 53                                    | 53                                    |
| Churchs Ferry                                      | 12              | 7                                     | 9                                     |
| Crary  | 142             | 139                                   | 141                                   |
| Edmore   | 182             | 156                                   | 162                                   |
| Hampden  | 48              | 43                                    | 42                                    |
| Starkweather                                       | 117             | 102                                   | 105                                   |
| Ramsey County                                      | 11,451          | 11,159                                | 11,173                                |
| Devils Lake<br>Market Area                         | 16,999          | 16,738                                | 16,743                                |

Source: Community Partners Research, Inc.; U.S. Census

- ▶ Our population projections, calculated from past growth rates for Devils Lake, expect that the City's population will decrease by 40 people, based on 10-year trends, while the projection based on the 20-year growth rate expects a loss of 147 people from 2010 to 2015.
- ▶ Both projection methods show population losses for the Market Area. The 10 and 20-year projections expect the Market Area to lose between 278 and 292 people in the five-year projection period.
- ▶ The projections for Ramsey County also show population losses over the next five years. The 10 and 20-year growth projections expect the County population to lose between 256 to 292 people.
- ▶ All of the small Cities in Ramsey County are projected to lose population over the next five years.

## Household Data and Trends

| <b>Table 4 Household Trends - 1990-2010</b> |                 |                 |                    |                 |                    |
|---|-----------------|-----------------|--------------------|-----------------|--------------------|
|   | 1990 Households | 2000 Households | % Change 1990-2000 | 2010 Households | % Change 2000-2010 |
| Devils Lake                                 | 3,162           | 3,127           | -1.1%              | 3,229           | 3.3%               |
| Brocket                                     | 35              | 26              | -25.7%             | 25              | -3.8%              |
| Churchs Ferry                               | 45              | 33              | -26.7%             | 5               | -84.8%             |
| Crary                                       | 45              | 47              | 4.4%               | 45              | -4.3%              |
| Edmore                                      | 137             | 112             | -18.2%             | 93              | -17.0%             |
| Hampden                                     | 49              | 34              | -30.6%             | 26              | -23.5%             |
| Starkweather                                | 71              | 60              | -15.5%             | 49              | -18.3%             |
| Ramsey County                               | 4,977           | 4,957           | -0.4%              | 4,955           | -0.04%             |
| Devils Lake Market Area                     | 6,677           | 6,661           | -0.2%              | 6,686           | 0.4%               |

Source: U.S. Census

- ▶ The 2010 U.S. Census Bureau household data was released in March, 2011. The Census reports that Devils Lake had 3,229 households in 2010. The City gained 102 households since the 2000 Census, which is a 3.3% increase.
- ▶ The Market Area had 6,686 households in 2010, an increase of 25 households since the 2000 Census, which is a 0.4% increase.
- ▶ Ramsey County had 4,955 households in 2010, down two households from the year 2000, which is a 0.04% decrease.
- ▶ All of the Ramsey County small Cities lost households from 2000 to 2010.

## Average Household Size

The following table provides 2010 U.S. Census information on average household size.

| <b>Table 5 Average Number of Persons Per Household 1990-2010</b> |             |             |             |
|--|-------------|-------------|-------------|
|  | 1990 Census | 2000 Census | 2010 Census |
| Devils Lake  | 2.31        | 2.18        | 2.07        |
| Brocket  | 2.31        | 2.50        | 2.28        |
| Churchs Ferry  | 2.62        | 2.33        | 2.40        |
| Crary  | 3.22        | 3.17        | 3.16        |
| Edmore   | 2.14        | 1.94        | 1.82        |
| Hampden  | 1.82        | 1.76        | 1.85        |
| Starkweather   | 2.77        | 2.62        | 2.39        |
| Ramsey County  | 2.44        | 2.34        | 2.21        |
| Devils Lake Market Area  | 2.62        | 2.56        | 2.46        |

Source: U.S. Census

- ▶ Household formation has been occurring at a different rate than population change in recent decades due to a steady decrease in average household size. This has been due to household composition changes, such as more single parent families, more senior households due to longer life spans, etc.
- ▶ The average Devils Lake household size has decreased from 2.31 persons per household in 1990 to 2.07 persons per household in 2010.
- ▶ The Market Area's average household size has decreased from 2.62 in 1990 to 2.46 in 2010.
- ▶ The average household size for all of Ramsey County has decreased from 2.62 persons per household in 1990 to 2.46 persons in 2010.
- ▶ All of the small Cities in Ramsey County experienced a decrease in average household size from 2000 to 2010.

## Household Projections

The following table presents household projections using two different calculation methods. The 10-year growth trend is based on the rate of change between 2000 and 2010 using the U.S. Census population, and projects this rate of growth forward between 2010 and 2015. The 20-year growth trend uses the same methodology, but calculates an annual growth rate from 1990 to 2010.

| <b>Table 6 Household Projections Through 2015</b> |                         |                                    |                                    |
|---|-------------------------|------------------------------------|------------------------------------|
|   | 2010 Household Estimate | 2015 Projection from 10-year trend | 2015 Projection from 20-year trend |
| Devils Lake                                       | 3,229                   | 3,282                              | 3,246                              |
| Brocket   | 25                      | 25                                 | 23                                 |
| Churchs Ferry                                     | 5                       | 3                                  | 4                                  |
| Crary   | 45                      | 44                                 | 45                                 |
| Edmore  | 93                      | 85                                 | 86                                 |
| Hampden   | 26                      | 23                                 | 23                                 |
| Starkweather                                      | 49                      | 45                                 | 45                                 |
| Ramsey County                                     | 4,955                   | 4,954                              | 4,950                              |
| Devils Lake Market Area                           | 6,686                   | 6,699                              | 6,688                              |

Source: U.S. Census; Community Partners Research, Inc.

- ▶ Our calculations, based on past trends, expect an increase in households for the City of Devils Lake over the next five years, with a projected gain of 17 to 53 households from 2010 to 2015.
- ▶ For the entire Market Area, our trend-based calculation would expect the gain of two to 13 households between 2010 and 2015.
- ▶ Our projections for all of Ramsey County show the potential loss of one to four households from 2010 to 2015.
- ▶ The small Cities in Ramsey County are projected to lose households over the next five years with the exception of the 10-year trend projection for Brocket, which expects the City to have no change in households.

## 2009 Income Data

Household income represents all independent households, including people living alone and unrelated individuals in a housing unit. Families are two or more related individuals living in a household. No median income information was available for the aggregated jurisdictions that form the Market Area.

| <b>Table 7 Median Household Income - 2000 to 2009</b> |             |             |          |
|---|-------------|-------------|----------|
|   | 1999 Median | 2009 Median | % Change |
| Devils Lake   | \$31,250    | \$36,295    | 16.1%    |
| Ramsey County   | \$35,600    | \$43,009    | 20.8%    |
| North Dakota  | \$34,604    | \$47,827    | 38.2%    |

Source: U.S. Census; 2009 ACS

| <b>Table 8 Median Family Income - 2000 to 2009</b> |             |             |          |
|--|-------------|-------------|----------|
|  | 1999 Median | 2009 Median | % Change |
| Devils Lake  | \$39,541    | \$50,909    | 28.7%    |
| Ramsey County                                      | \$42,439    | \$54,810    | 29.2%    |
| North Dakota                                       | \$43,654    | \$63,507    | 45.5%    |

Source: U.S. Census; 2009 ACS

- ▶ Devils Lake's median household income in 2009 was \$36,295, which is an increase of 16.1% since 2000. Ramsey County's median household income was \$43,009, which is an increase of 20.8%
- ▶ Using the commonly accepted standard that 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Devils Lake could afford approximately \$907 per month for ownership or rental housing in 2009, and a median income family could afford \$1,273 per month in 2009.
- ▶ Using the "rule of thumb" standard that a household can afford to purchase a house that is approximately 2 ½ times annual income, a median income household in the City of Devils Lake could afford a home valued at approximately \$90,738, and a median income household in Ramsey County could afford approximately \$127,273.

## Estimated Household Income

| Household Income    | Number of Households 2000 | Number of Households in 2009 | Change 2000 to 2009 |
|---------------------|---------------------------|------------------------------|---------------------|
| \$0 - \$14,999      | 749                       | 657                          | -92                 |
| \$15,000 - \$24,999 | 549                       | 380                          | -169                |
| \$25,000 - \$34,999 | 392                       | 439                          | 47                  |
| \$35,000 - \$49,999 | 714                       | 414                          | -300                |
| \$50,000 - \$74,999 | 458                       | 595                          | 137                 |
| \$75,000 - \$99,999 | 113                       | 290                          | 177                 |
| \$100,000+          | 148                       | 235                          | 87                  |
| Total               | 3,123                     | 3,010                        | -113                |

Source: 2009 ACS; U.S. Census ( NOTE: 2000 data for this table were taken from STF-3 which provides sample data and may not match 100% reporting from STF-1)

- ▶ According to income estimates for 2009, household incomes have improved in Devils Lake. The American Community Survey reports that the number of households with annual incomes of less than \$30,000 has decreased over the past 10 years, while the number of households with incomes more than \$50,000 has increased.
- ▶ According to the American Community Survey, the median household income in 2009 was \$36,295, compared to \$31,250 in 2000, an increase of 16.1%.
- ▶ Although the number of lower income households has been declining, there were still 657 households in 2009 with an annual income below \$15,000. These households can only afford \$375 per month or less for housing costs, without experiencing a cost burden.

## Households by Age and Household Income - Ramsey County

The American Community Survey provides income household estimates for the year 2009. The information is provided in four age ranges.

| <b>Table 10 Households by Age of Householder - 2009</b> |                    |              |              |                  |       |
|---|--------------------|--------------|--------------|------------------|-------|
| Household Income  | Age 24 and younger | Age 25 to 44 | Age 45 to 64 | Age 65 and older | Total |
| Less than \$10,000                                      | 115                | 137          | 23           | 130              | 405   |
| \$10,000 - \$19,999                                     | 71                 | 118          | 72           | 320              | 581   |
| \$20,000 - \$29,999                                     | 53                 | 237          | 159          | 228              | 677   |
| \$30,000 - \$39,999                                     | 62                 | 155          | 192          | 184              | 593   |
| \$40,000 - \$49,999                                     | 0                  | 129          | 167          | 174              | 470   |
| \$50,000 - \$59,999                                     | 2                  | 146          | 248          | 159              | 555   |
| \$60,000-\$74,999                                       | 0                  | 161          | 236          | 42               | 439   |
| \$75,000 - \$99,999                                     | 0                  | 203          | 286          | 27               | 516   |
| \$100,000+  | 0                  | 199          | 417          | 48               | 664   |
| Total   | 303                | 1,485        | 1,800        | 1,312            | 4,900 |

Source: 2009 ACS

- ▶ Ramsey County household incomes are distributed somewhat evenly throughout the income ranges. Approximately 56% of Ramsey County households have annual incomes under \$50,000 and 44% have annual incomes over \$50,000.
- ▶ The 24 and younger age range has very modest incomes. Approximately 99% of the households have incomes under \$50,000.
- ▶ Approximately 52% of the households in the 25 to 44 age range have annual incomes under \$50,000.
- ▶ Approximately 66% of the households in the 45 to 64 age range have annual incomes over \$50,000.
- ▶ Approximately 79% of the households in the 65 and older age range have annual incomes under \$50,000.

## 2009 Estimated Income and Housing Costs - Renters

In addition to collecting income data, the American Community Survey also collected information on housing costs. The following table provides data on the number of renter households that are paying different percentages of their gross household income for housing costs in the City of Devils Lake.

| <b>Table 11 Gross Rent as a Percentage of Household Income - Devils Lake</b> |                                  |                                       |
|--|----------------------------------|---------------------------------------|
| Percentage of Household Income for Housing Costs                             | Number of Renter Households 2009 | Percent of All Renter Households 2009 |
| 0% to 19.9%  | 568                              | 37.4%                                 |
| 20% to 29.9%   | 408                              | 26.9%                                 |
| 30% to 34.9%   | 92                               | 6.1%                                  |
| 35% or more  | 394                              | 25.9%                                 |
| Not Computed   | 57                               | 3.7%                                  |
| Total  | 1,519                            | 100%                                  |

Source: 2009 ACS

- ▶ The American Community Survey reported that 32% of renter households in the City of Devils Lake were paying more than 30% of their income for rent, including 25.9% of all renter households that were paying more than 35% of income for housing.



## 2009 Estimated Income and Housing Costs - Owners

The American Community Survey also provided housing cost estimates for owner-occupants. The following table provides estimates of the number of households in the City of Devils Lake that are paying different percentages of their gross household income for housing costs.

| <b>Table 12 Home Ownership Costs as a Percentage of Household Income - Devils Lake</b> |                                 |                                      |
|--|---------------------------------|--------------------------------------|
| Percentage of Household Income for Housing Costs                                       | Number of Owner Households 2009 | Percent of All Owner Households 2009 |
| 0% to 19.9%  | 907                             | 60.8%                                |
| 20% to 29.9%   | 397                             | 26.6%                                |
| 30% to 34.9%   | 57                              | 3.8%                                 |
| 35% or more  | 110                             | 7.4%                                 |
| Not Computed   | 20                              | 1.4%                                 |
| Total  | 1,491                           | 100%                                 |

Source: 2009 ACS

- ▶ Most owner-occupants, which include households with and without a mortgage, reported paying less than 30% of their income for housing. However, 7.4% of all home owners reported that they paid more than 35% of their income for housing.

## Racial and Ethnic Minority Population Data - Ramsey County

The following tables compare racial and ethnic populations in Ramsey County from 2000 to 2010. The data was obtained from the U.S. Census Bureau.

| <b>Table 13 Population by Race and Ethnicity<br/>Ramsey County - 2000 to 2010</b> |                 |                 |                |
|---|-----------------|-----------------|----------------|
| Race  | 2000 Population | 2010 Population | Numeric Change |
| White   | 11,138          | 10,044          | -1,094         |
| Black/African American  | 25              | 41              | 16             |
| American Indian/Alaskan   | 651             | 994             | 343            |
| Asian   | 31              | 45              | 14             |
| Hawaiian/Pacific Islander   | 3               | 5               | 2              |
| Other race Alone  | 20              | 28              | 8              |
| Two or more races   | 198             | 294             | 96             |
| Total   | 12,066          | 11,451          | -615           |

Source: 2010 U.S. Census

- ▶ Approximately 88% of Ramsey County's population is white and 9% is American Indian/Alaskan.
- ▶ The American Indian/Alaskan population increased by 343 people from 2000 to 2010.

| <b>Table 14 Ramsey County Hispanic/Latino Population - 2000 to 2010</b> |                 |                 |                |
|---|-----------------|-----------------|----------------|
| Race  | 2000 Population | 2010 Population | Numeric Change |
| Hispanic/Latino   | 63              | 137             | 74             |
| Not Hispanic/Latino   | 12,003          | 11,314          | -689           |
| Total   | 12,066          | 11,451          | -615           |

Source: 2010 U.S. Census

- ▶ The Hispanic/Latino population in Ramsey County increased by 74 people from 2000 to 2010 and is 1.2% of the total population.

## Housing Construction Activity

The following table examines housing construction activity from 2000 to 2010 using annual building permit summary reports for the City of Devils Lake and the two-mile extraterritorial area around the City of Devils Lake.

| <b>Table 15 Housing Construction Activity - 2000 to 2010</b> |           |           |           |           |           |           |           |          |           |           |           |            |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|-----------|-----------|-----------|------------|
| Housing Type   | 2000      | 2001      | 2002      | 2003      | 2004      | 2005      | 2006      | 2007     | 2008      | 2009      | 2010      | Total      |
| Single Family  | 10        | 6         | 9         | 12        | 9         | 5         | 11        | 5        | 18        | 6         | 10        | 101        |
| Two Family   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 2        | 0         | 0         | 0         | 2          |
| Move -in Homes   | 4         | 6         | 3         | 3         | 1         | 1         | 2         | 2        | 2         | 4         | 11        | 39         |
| Multifamily  | 0         | 6         | 0         | 0         | 8         | 11        | 0         | 0        | 0         | 0         | 4         | 29         |
| <b>Total</b>   | <b>14</b> | <b>18</b> | <b>12</b> | <b>15</b> | <b>18</b> | <b>17</b> | <b>13</b> | <b>9</b> | <b>20</b> | <b>10</b> | <b>25</b> | <b>171</b> |

Source: City Building Permits; Census Bureau; Community Partners Research, Inc.

Devils Lake and the two-mile Extraterritorial Area have had a substantial amount of new housing construction over the 11 years from 2000 to 2010. The City and Extraterritorial Area have added 171 housing units in single family or multi family structures. Over the eleven-year period, this was an annual average of approximately 16 units in a typical year.

The new housing construction activity includes existing houses that were moved into the area.

## Devils Lake Existing Home Sales

This section examines houses that have been sold in Devils Lake over the past five years, 2006, 2007, 2008, 2009 and 2010. It is important to note that the number of houses that have sold is only a percentage of the total homes in Devils Lake. However, this sample does provide some insight into those units that are turning-over in each jurisdiction.

| Calendar Year | Number of Good Sales | Median Sale Price | Average Sale price |
|---------------|----------------------|-------------------|--------------------|
| 2010          | 99                   | \$73,500          | \$78,166           |
| 2009          | 110                  | \$70,343          | \$83,700           |
| 2008          | 72                   | \$63,250          | \$64,549           |
| 2007          | 83                   | \$57,500          | \$64,725           |
| 2006          | 116                  | \$69,500          | \$71,939           |

Source: Ramsey County; Community Partners, Research, Inc.

- ▶ The residential sales information is for sales that are considered to be "arms length" transactions according to the County Tax Equalization Staff. Sales that are not "arms length" include, but are not limited to, sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. Only the "arms length" transactions have been reviewed for this study.
- ▶ There were 99 sales in 2010. The median sales price was \$73,500 and the average sales price was \$78,166. The highest valued sale was for \$280,000 and the lowest valued sale was for \$4,500.
- ▶ There were 110 sales in 2009. The median sales price was \$70,343 and the average sales price was \$83,700. The highest valued sale was for \$260,000 and the lowest valued sale was for \$5,000.
- ▶ There were 72 sales in 2008. The median sales price was \$63,250 and the average sales price was \$64,549. The highest valued sale was for \$187,000 and the lowest valued sale was for \$5,430.
- ▶ There were 83 sales in 2007. The median sales price was \$57,500 and the average sales price was \$64,725. The highest valued sale was for \$225,000 and the lowest valued sale was for \$5,200.
- ▶ There were 116 sales in 2006. The median sales price was \$69,500 and the average sales price was \$71,939. The highest valued sale was for \$240,000 and the lowest valued sale was for \$3,975.

## Devils Lake Home Sales

To examine sales by price range, the 2009 and 2010 sales have been assembled for analysis.

| <b>Table 17 Home Sales by Price Range - Jan. 2010 to Dec. 2010</b> |                 |                  |
|--|-----------------|------------------|
| Sale Price   | Number of Sales | Percent of Sales |
| Less than \$30,000   | 18              | 18.2%            |
| \$30,000 - \$49,999  | 18              | 18.2%            |
| \$50,000 - \$74,999  | 13              | 13.1%            |
| \$75,000 - \$99,999  | 14              | 14.1%            |
| \$100,000 - \$124,999  | 19              | 19.2%            |
| \$125,000 - \$149,999  | 9               | 9.1%             |
| \$150,000 +  | 8               | 8.1%             |
| <b>Total</b>   | <b>99</b>       | <b>100%</b>      |

Source: Ramsey County; Community Partners Research, Inc.

- ▶ A majority of recent residential sales were priced less than \$100,000. In the one-year sales period from January through December, 63 homes were sold for less than \$100,000, which are 63.6% of all sales.
- ▶ Thirty-six of the 99 home sales, 36.4%, were sold for less than \$50,000.
- ▶ Seventeen homes, which are 17.2% of all sales, were sold for more than \$100,000.

## Starkweather Existing Home Sales

This section examines houses that have been sold in Starkweather over the past five years, 2006, 2007, 2008, 2009 and 2010. It is important to note that the number of houses that have sold is only a percentage of the total homes in Starkweather. However, this sample does provide some insight into those units that are turning-over in the jurisdiction.

| Calendar Year | Number of Good Sales | Median Sale Price | Average Sale Price |
|---------------|----------------------|-------------------|--------------------|
| 2010          | 5                    | \$15,000          | \$14,470           |
| 2009          | 6                    | \$2,650           | \$4,050            |
| 2008          | 7                    | \$5,000           | \$6,678            |
| 2007          | 4                    | \$22,000          | \$13,563           |
| 2006          | 8                    | \$6,750           | \$10,907           |

Source: Ramsey County; Community Partners, Research, Inc.

- ▶ The residential sales information is for sales that are considered to be "arms length" transactions according to the County Tax Equalization Staff. Sales that are not "arms length" include, but are not limited to, sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. Only the "arms length" transactions have been reviewed for this study.
- ▶ There were five sales in 2010. The median sales price was \$15,000 and the average sales price was \$14,470. The highest valued sale was for \$27,000 and the lowest valued sale was for \$1,000.
- ▶ There were six sales in 2009. The median sales price was \$2,650 and the average sales price was \$4,050. The highest valued sale was for \$9,700 and the lowest valued sale was for \$1,200.
- ▶ There were seven sales in 2008. The median sales price was \$5,000 and the average sales price was \$6,678. The highest valued sale was for \$22,000 and the lowest valued sale was for \$1,500.
- ▶ There were four sales in 2007. The median sales price was \$22,000 and the average sales price was \$13,563. The highest valued sale was for \$33,000 and the lowest valued sale was for \$4,250.
- ▶ There were eight sales in 2006. The median sales price was \$6,750 and the average sales price was \$10,907. The highest valued sale was for \$47,380 and the lowest valued sale was for \$1,125.

## Edmore Existing Home Sales

This section examines houses that have been sold in Edmore over the past five years, 2006, 2007, 2008, 2009 and 2010. It is important to note that the number of houses that have sold is only a percentage of the total homes in Edmore. However, this sample does provide some insight into those units that are turning-over in the jurisdiction.

| Calendar Year | Number of Good Sales | Median Sale Price | Average Sale Price |
|---------------|----------------------|-------------------|--------------------|
| 2010          | 3                    | \$1,200           | \$2,525            |
| 2009          | 3                    | \$7,500           | \$15,000           |
| 2008          | 3                    | \$27,000          | \$26,307           |
| 2007          | 2                    | \$8,750           | \$8,750            |
| 2006          | 5                    | \$23,000          | \$27,865           |

Source: Ramsey County; Community Partners, Research, Inc.

- ▶ The residential sales information is for sales that are considered to be “arms length” transactions according to the County Tax Equalization Staff. Sales that are not “arms length” include, but are not limited to, sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. Only the “arms length” transactions have been reviewed for this study.
- ▶ There were three sales in 2010. The median sales price was \$1,200 and the average sales price was \$2,525. The highest valued sale was for \$5,300 and the lowest valued sale was for \$1,075.
- ▶ There were three sales in 2009. The median sales price was \$7,500 and the average sales price was \$15,000. The highest valued sale was for \$34,000 and the lowest valued sale was for \$3,500.
- ▶ There were three sales in 2008. The median sales price was \$27,000 and the average sales price was \$26,307. The highest valued sale was for \$50,000 and the lowest valued sale was for \$1,920.
- ▶ There were two sales in 2007. The median sales price was \$8,750 and the average sales price was \$8,750. The highest valued sale was for \$13,500 and the lowest valued sale was for \$4,000.
- ▶ There were five sales in 2006. The median sales price was \$23,000 and the average sales price was \$27,865. The highest valued sale was for \$65,000 and the lowest valued sale was for \$10,000.

## Crary Existing Home Sales

This section examines houses that have been sold in Devils Lake over the past five years, 2006, 2007, 2008, 2009 and 2010. It is important to note that the number of houses that have sold is only a percentage of the total homes in Crary. However, this sample does provide some insight into those units that are turning-over in the jurisdiction.

| Calendar Year | Number of Good Sales | Median Sale Price | Average Sale Price |
|---------------|----------------------|-------------------|--------------------|
| 2010          | 3                    | \$70,000          | \$64,967           |
| 2009          | 3                    | \$18,000          | \$16,833           |
| 2008          | 8                    | \$13,500          | \$25,238           |
| 2007          | 5                    | \$12,500          | \$30,750           |
| 2006          | 4                    | \$40,500          | \$36,375           |

Source: Ramsey County; Community Partners, Research, Inc.

- ▶ The residential sales information is for sales that are considered to be “arms length” transactions according to the County Tax Equalization Staff. Sales that are not “arms length” include, but are not limited to, sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. Only the “arms length” transactions have been reviewed for this study.
- ▶ There were three sales in 2010. The median sales price was \$70,000 and the average sales price was \$64,967. The highest valued sale was for \$114,900 and the lowest valued sale was for \$10,000.
- ▶ There were three sales in 2009. The median sales price was \$18,000 and the average sales price was \$16,833. The highest valued sale was for \$25,000 and the lowest valued sale was for \$7,500.
- ▶ There were eight sales in 2008. The median sales price was \$13,500 and the average sales price was \$25,238. The highest valued sale was for \$77,000 and the lowest valued sale was for \$2,000.
- ▶ There were five sales in 2007. The median sales price was \$12,500 and the average sales price was \$30,750. The highest valued sale was for \$105,000 and the lowest valued sale was for \$1,000.
- ▶ There were four sales in 2006. The median sales price was \$40,500 and the average sales price was \$36,375. The highest valued sale was for \$59,500 and the lowest valued sale was for \$24,000.



## **Devils Lake Housing Condition**

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 766 single family/duplex houses in five of the City of Devils Lake's oldest neighborhoods. Houses that appeared to contain three or more units were excluded from the survey. The boundaries of the five neighborhoods are as follows:

**Neighborhood No. 1** - North - 10<sup>th</sup> St. NE, South - 6<sup>th</sup> St. NE, East - 10<sup>th</sup> Ave. NE, West - College Ave.

**Neighborhood No. 2** - North - 6<sup>th</sup> St. NE, South - 1<sup>st</sup> St. NE, East - 10<sup>th</sup> Ave. NE, West - 6<sup>th</sup> Ave. NE

**Neighborhood No. 3** - North - 14<sup>th</sup> St. NW, South - 8<sup>th</sup> St. NW, East - College Drive N, West - 3<sup>rd</sup> and 4<sup>th</sup> Ave. NW

**Neighborhood No. 4** - North - 3<sup>rd</sup> St. SE, South - 6<sup>th</sup> and 8<sup>th</sup> St. SE, East - 7<sup>th</sup> and 8<sup>th</sup> Ave. SE, West - College Drive

**Neighborhood No. 5** - North - 4<sup>th</sup> St. NW, South - 2<sup>nd</sup> St. NW, East - College Drive N., West - 3<sup>rd</sup> Ave. NW

Houses were rated in one of four levels of physical condition, as defined below. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition is assumed to be a reasonable indicator of the structure's interior quality. Dilapidated houses are generally considered beyond repair. Major Repair houses need multiple major improvements such as roof, windows, sidings, structural/foundation, etc. Houses in this condition category may or may not be economically feasible to rehabilitate. Minor Repair houses are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses in this condition category will generally be good candidates for rehabilitation programs because they are in an affordable price range and are economically feasible to repair. Sound houses are judged to be in good, 'move-in' condition. Sound houses may contain minor code violations and still be considered Sound.

**Table 21 Devils Lake Windshield Survey Condition Estimate - 2011**

| Neighborhood | Sound       | Minor Repair | Major Repair | Dilapidated | Total |
|--------------|-------------|--------------|--------------|-------------|-------|
| No. 1        | 118 (34.2%) | 130 (37.7%)  | 88 (25.5%)   | 9 (2.6%)    | 345   |
| No. 2        | 50 (28.4%)  | 76 (43.2%)   | 42 (23.9%)   | 8 (4.5%)    | 176   |
| No. 3        | 30 (20.4%)  | 40 (27.2%)   | 57 (38.8%)   | 20 (13.6%)  | 147   |
| No. 4        | 15 (18.7%)  | 24 (30.0%)   | 30 (37.5%)   | 11 (13.8%)  | 80    |
| No. 5        | 1 (5.6%)    | 2 (11.1%)    | 9 (50.0%)    | 6 (33.3%)   | 18    |
| Total        | 214 (27.9%) | 272 (35.5%)  | 226 (29.5%)  | 54 (7.1%)   | 766   |

Source: Community Partners Research, Inc.

The existing housing stock in the five neighborhoods is in fair condition. Approximately 28% of the houses were rated as Sound, while approximately 36% of the houses were judged to be in need of Minor Repair and 30% need Major Repair.

Fifty-four homes in the five neighborhoods were rated as Dilapidated and possibly beyond repair. These houses may be suitable for demolition and clearance.

## Starkweather Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 64 single family/duplex houses in the City of Starkweather. Houses that appeared to contain three or more units were excluded from the survey.

Houses were rated in one of four levels of physical condition, as defined below. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition is assumed to be a reasonable indicator of the structure's interior quality. Dilapidated houses are generally considered beyond repair. Major Repair houses need multiple major improvements such as roof, windows, sidings, structural/foundation, etc. Houses in this condition category may or may not be economically feasible to rehabilitate. Minor Repair houses are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses in this condition category will generally be good candidates for rehabilitation programs because they are in an affordable price range and are economically feasible to repair. Sound houses are judged to be in good, 'move-in' condition. Sound houses may contain minor code violations and still be considered Sound.

**Table 22 Starkweather Windshield Survey Condition Estimate - 2011**

|              | Sound      | Minor Repair | Major Repair | Dilapidated | Total |
|--------------|------------|--------------|--------------|-------------|-------|
| Starkweather | 12 (18.7%) | 20 (31.3%)   | 22 (34.4%)   | 10 (15.6%)  | 64    |

Source: Community Partners Research, Inc.

The existing housing stock in Starkweather is in fair condition. Approximately 19% of the houses were rated as Sound, while approximately 31% of the houses were judged to be in need of Minor Repair and 34% need Major Repair.

Ten homes in Starkweather were rated as Dilapidated and possibly beyond repair. These houses may be suitable for demolition and clearance.

## Edmore Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 111 single family/duplex houses in the City of Edmore. Houses that appeared to contain three or more units were excluded from the survey.

Houses were rated in one of four levels of physical condition, as defined below. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition is assumed to be a reasonable indicator of the structure's interior quality. Dilapidated houses are generally considered beyond repair. Major Repair houses need multiple major improvements such as roof, windows, sidings, structural/foundation, etc. Houses in this condition category may or may not be economically feasible to rehabilitate. Minor Repair houses are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses in this condition category will generally be good candidates for rehabilitation programs because they are in an affordable price range and are economically feasible to repair. Sound houses are judged to be in good, 'move-in' condition. Sound houses may contain minor code violations and still be considered Sound.

| <b>Table 23 Edmore Windshield Survey Condition Estimate - 2011</b> |            |              |              |             |       |
|--|------------|--------------|--------------|-------------|-------|
|  | Sound      | Minor Repair | Major Repair | Dilapidated | Total |
| Edmore   | 31 (27.9%) | 34 (30.7%)   | 29 (26.1%)   | 17 (15.3%)  | 111   |

Source: Community Partners Research, Inc.

The existing housing stock in Edmore is in fair condition. Approximately 28% of the houses were rated as Sound, while approximately 31% of the houses were judged to be in need of Minor Repair and 26% need Major Repair.

Seventeen homes in Edmore were rated as Dilapidated and possibly beyond repair. These houses may be suitable for demolition and clearance.

## Crary Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 45 single family/duplex houses in the City of Crary. Houses that appeared to contain three or more units were excluded from the survey.

Houses were rated in one of four levels of physical condition, as defined below. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition is assumed to be a reasonable indicator of the structure's interior quality. Dilapidated houses are generally considered beyond repair. Major Repair houses need multiple major improvements such as roof, windows, sidings, structural/foundation, etc. Houses in this condition category may or may not be economically feasible to rehabilitate. Minor Repair houses are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses in this condition category will generally be good candidates for rehabilitation programs because they are in an affordable price range and are economically feasible to repair. Sound houses are judged to be in good, 'move-in' condition. Sound houses may contain minor code violations and still be considered Sound.

| <b>Table 24 Crary Windshield Survey Condition Estimate - 2011</b> |            |              |              |             |       |
|---|------------|--------------|--------------|-------------|-------|
|   | Sound      | Minor Repair | Major Repair | Dilapidated | Total |
| Crary   | 16 (35.6%) | 15 (33.3%)   | 10 (22.2%)   | 4 (8.9%)    | 45    |

Source: Community Partners Research, Inc.

The existing housing stock in Crary is in good condition. Approximately 36% of the houses were rated as Sound, while approximately 33% of the houses were judged to be in need of Minor Repair and 22% need Major Repair.

Four homes in Crary were rated as Dilapidated and possibly beyond repair. These houses may be suitable for demolition and clearance.

## Devils Lake Mobile Home Condition

In June, 2011, Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 282 mobile homes in Devils Lake. The majority of the mobile homes are in mobile home parks, although, several mobile homes are located on lots in other areas of the City.

Mobile homes were rated in one of four levels of physical condition. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition is assumed to be a reasonable indicator of the structure's interior quality. Dilapidated units are generally considered beyond repair. Major Repair units need multiple major improvements such as roof, windows, siding, etc. Units in this condition category may or may not be economically feasible to rehabilitate. Minor Repair units are judged to be generally in good condition and require less extensive repair, such as one major improvement. Units in this condition category will generally be good candidates for rehabilitation programs because they are economically feasible to repair. Sound units are judged to be in good, 'move-in' condition. Sound units may contain minor code violations and still be considered Sound.

| <b>Table 25 Devils Lake Mobile Home Condition Estimate - 2011</b> |                   |                   |                   |                   |            |
|---|-------------------|-------------------|-------------------|-------------------|------------|
| Mobile Home Park/Location   | Sound             | Minor Repair      | Major Repair      | Dilapidated       | Total      |
| Southview Estates   | 25 (44.7%)        | 18 (32.1%)        | 12 (21.4%)        | 1 (1.8%)          | 56         |
| Lafluer Park  | 3 (15.0%)         | 8 (40.0%)         | 5 (25.0%)         | 4 (20.0%)         | 20         |
| Sunset Park   | 25 (41.0%)        | 13 (21.3%)        | 19 (31.1%)        | 4 (6.6%)          | 61         |
| Park Village  | 6 (7.1%)          | 25 (29.8%)        | 34 (40.5%)        | 19 (22.6%)        | 84         |
| 11 <sup>th</sup> St. SE & 10 <sup>th</sup> Ave. SE Area           | 23 (42.6%)        | 23 (42.6%)        | 8 (14.8%)         | 0 (0%)            | 54         |
| 4 <sup>th</sup> St. & 5 <sup>th</sup> St. SE Area                 | 0 (0%)            | 0 (0%)            | 4 (57.1%)         | 3 (42.9%)         | 7          |
| <b>Total</b>  | <b>82 (29.1%)</b> | <b>87 (30.9%)</b> | <b>82 (29.1%)</b> | <b>31 (10.9%)</b> | <b>282</b> |

Source: Community Partners Research, Inc.

Of the 282 mobile homes in Devils Lake, approximately 29% were rated as being in sound condition, and 31% require minor repair. Approximately 29% of the mobile homes need major repairs and 31 mobile homes are dilapidated and beyond repair.

## **Rental Housing Inventory**

### **Total Unit Inventory**

According to the 2010 Census, the City of Devils Lake had a total of 1,736 rental units in 2010. This represents 49.6% of the total housing stock. From 2000 to 2011, a total of 29 rental units were constructed in the City of Devils Lake.

### **Pending Projects**

Our research identified 20 rental units that are currently in the construction phase. The 20 units include a four-plex and a 16-unit project. There is also a 12-unit project that is in the planning phase.

### **Rental Housing Survey**

As part of this housing study, a survey was conducted of multifamily buildings in the City. The survey included information on 1,051 units in 49 rental projects that have four or more units. Information was also obtained on 138 units that are in single family homes, duplexes, tri-plexes and mobile homes.

We also surveyed a senior with services project in Edmore.

A total of 1,189 of the estimated 1,736 rental units in Devils Lake, or 68.5% of all units, were surveyed. The survey represents a significant portion of all rental property in the City, and includes a large majority of the larger rental properties. For purposes of new unit construction, it is assumed that most future development would be oriented toward buildings and developments with four or more units, thus, these properties offer the best comparison.

The survey was conducted by Community Partners Research, Inc., from March to June, 2011.

The breakdown of the units surveyed is as follows:

- ▶ 522 general occupancy market rate units
- ▶ 521 subsidized/tax credit units
- ▶ 146 senior with services units

## **Market Rate Rental Summary**

Twenty-three market rate rental projects with four or more units were contacted with a total of 384 rental units. An additional 138 market rate rental units in single family homes, duplexes, tri-plexes and mobile homes were also contacted.

### **Occupancy/Vacancy**

Overall, we found one vacant market rate unit in the 522 units we surveyed for a vacancy rate of 0.02% in the market rate segment. The manager with the one vacancy reported that the unit will be occupied soon. All managers and owners reported very high occupancy rates and many projects have waiting lists.

### **Unit Mix**

The following information is the bedroom mix for the 522 market rate rental units surveyed:

- ▶ 5 (1%) efficiency
- ▶ 88 (16.9%) one-bedroom
- ▶ 303 (58%) two-bedroom
- ▶ 109 (20.8%) three-bedroom
- ▶ 14 (2.7%) four-bedroom
- ▶ 3 (0.6%) five-bedroom

### **Rental Rates**

The units in the survey included the City's newest buildings as well as buildings that are 60 or more years old, resulting in a wide variation in the type and price of market rate units. Based on the units contacted, the median rent ranges are as follows:

|            |             |
|------------|-------------|
| Efficiency | \$235-\$300 |
| 1 Bedroom  | \$350-\$450 |
| 2 Bedroom  | \$500-\$600 |
| 3 Bedroom  | \$600-\$700 |
| 4 Bedroom  | \$700-\$800 |
| 5 Bedroom  | \$800-\$900 |

\* Please note that these are median rent ranges. There are units being rented for more and less than the median ranges.



The payment of utilities varies greatly from the tenant paying all utilities to the landlord paying all utilities.

## **Subsidized Summary**

Devils Lake has 21 subsidized rental projects with a total of 521 units. The projects include four Public Housing, nine Rural Development, seven Section 8 and one HUD 221d3 project. Nine of the subsidized projects also received tax credit assistance.

Nine subsidized projects are general occupancy with 307 units, six subsidized projects are senior/disabled with 193 units and one subsidized project with 21 units provides housing for the homeless/mentally ill.

## **Occupancy/Vacancy**

Overall, we found seven vacancies in the 521 units, which is a 1.3% vacancy rate. All seven vacancies are in the Public Housing Projects.

## **Unit Mix**

The unit mix of the 21 projects with 521 units is as follows:

- ▶ 19 (3.6%) efficiency
- ▶ 376 (72.2%) one-bedroom
- ▶ 97 (18.6%) two-bedroom
- ▶ 27 (5.2%) three-bedroom
- ▶ 2 (0.4%) four-bedroom

## **Rental Rates**

Tenants in the subsidized rental units receive rent assistance that allows for rent based on 30% of tenant household income. However, some of the projects have maximum rent levels. The tenant does not pay more than the maximum rent.

## **Senior Housing with Services Summary**

Devils Lake has four senior with services projects and a fifth project is currently in the construction phase.

Two projects, Heartland Court and Lake Country Manor, are assisted living projects. There is a total of 73 units in the two projects. Two projects, the Odd Fellows Home and Good Samaritan, are Basic Care projects. These two projects have 55 beds. Also, the Heartland Care Center is currently constructing 18 Alzheimer units. We also surveyed the Edmore Memorial Nursing Home in Edmore, which is a 20-bed Basic Care facility.

### **Occupancy/Vacancy**

The Odd Fellows Home has no vacancies and the administrator reports a 99% occupancy rate. The other Basic Care facility, Good Samaritan, also has no vacancies.

Lake Country Manor has eight vacancies. The manager reports that there have been vacancies since they transitioned from an assisted living/basic care facility to all assisted living units. Heartland Court, the other assisted living facility, has no vacancies.

The vacancy rate for all of the senior with services units/beds in Devils Lake is 6.3%. All of the eight vacancies are in one facility, Lake Country Manor.

We also surveyed the 20-bed basic care facility in Edmore, the Edmore Memorial Nursing Home. This facility has eight vacancies.

## **Housing Choice Voucher Program**

In addition to subsidized rental properties with project-based rent assistance, Devils Lake renters have access to tenant-based rent assistance through the Housing Choice Voucher Program. Voucher assistance is available through the Ramsey County Housing Authority and can be used in any suitable private market rental unit in the County. With a Voucher, the household pays approximately 30% of income toward rent, with the Voucher paying the difference.

In April, 2011, there were approximately 162 Vouchers available for Ramsey County households.

| <b>Table 26 Devils Lake Multifamily Rental Housing Inventory</b> |   |                                      |                           |                   |  |
|--|---|--------------------------------------|---------------------------|-------------------|--|
| <b>Name</b>  | <b>Number of Units /Bedroom Mix</b>                             | <b>Rent</b>                          | <b>Vacancy/ Wait List</b> | <b>Tenant Mix</b> | <b>Comments</b>  |
| <b>Market Rate</b>   |   |                                      |                           |                   |  |
| Park Village I   | 6 - 1 bedroom<br><u>10 - 2 bedroom</u><br>16 Total              | \$440<br>\$520                       | No vacancies              | General Occupancy | Sixteen unit market rate building<br>Manager reports no vacancies<br>Rent includes water, sewer, and garbage   |
| Park Village 2   | 6 - 1 bedroom<br><u>10 - 2 bedroom</u><br>16 Total              | \$440<br>\$520                       | No Vacancies              | General Occupancy | Sixteen unit market rate building<br>Manager reports no vacancies<br>Rent includes water, sewer, and garbage.  |
| Prairie Manor  | 6 - 2 bedroom<br><u>2 - 2 bdrm+den</u><br>8 Total               | \$750<br>\$920                       | No Vacancies              | 55 and over       | Eight - plex developed in 2007. Large units that include washers and dryers, two baths and a garage.<br>Manager reports no vacancies. Tenants pay their own utilities. |
| Northern Lights  | 6 - 1 bedroom<br><u>12 - 2 bedroom</u><br>18 Total              | \$440<br>\$520                       | No Vacancies              | General Occupancy | Eighteen unit building. Tenants pay electricity. Manager reports no vacancies.   |
| 5th Ave. Apts.   | 12 - 1 bedroom<br><u>24 - 2 bedroom</u><br>36 Total             | \$460-\$475<br>\$525                 | No Vacancies              | General Occupancy | Thirty six unit in two buildings constructed in 1972. Tenants pay electricity. Manager reports no vacancies and a waiting list.  |
| Bangs Block  | 5 - bedroom<br>2 - 2 bedroom<br><u>1 - 3 bedroom</u><br>8 Total | \$215-\$300<br>\$ 365-\$370<br>\$550 | No Vacancies              | General Occupancy | Utilities included in rent. One bedroom unit rent is \$210, and four 1 bedroom units have rent of \$#00. Manager reports no vacancies.                                 |
| 301 8 <sup>th</sup> St. Apts.                                    | 3 - 1 bedroom<br><u>1 - 2 bedroom</u><br>4 Total                | \$265-\$350                          | No Vacancies              | General Occupancy | Tenants pay electricity. Manager reports no vacancies.   |

**Multifamily Rental Housing Tables ■**

| Name                         | Number of Units /Bedroom Mix  | Rent                                | Vacancy / Wait List | Tenant Mix                         | Comments   |
|------------------------------|---|-------------------------------------|---------------------|------------------------------------|--|
| <b>Market Rate</b>           |   |                                     |                     |                                    |  |
| LaMotte duplexes & triplexes | 5 - 1 bedroom<br>5 - 2 bedroom<br><u>7 - 3 bedroom</u><br>17 units in 8 bldgs | \$400<br>\$475-\$575<br>\$600-\$675 | No Vacancies        | General Occupancy                  | 17 units in 8 buildings - Manager reports no vacancies. Tenants pay electricity  |
| LaMotte single family homes  | 33 single family homes with varying bedrooms                                  | Rents range from \$375-\$975        | No Vacancies        | General Occupancy                  | 33 single family homes with varying number of bedrooms. Rents range from \$375-\$975. Tenants pay all utilities.   |
| Park Manor                   | <u>25 - 2 bedroom</u><br>25 Total   | \$865-\$1070                        | No Vacancies        | General Occupancy - Mostly seniors | Large units with high end amenities. Project developed in 1993. Water, sewer, and garbage included in rent. Project includes a guest room, community room and beauty / barber station. Manager reports no vacancies. |
| Shamrock Lane Apts.          | 8 - 1 bedroom<br>4 - 3 bedroom<br><u>2 - 4 bedroom</u><br>14 Total            | Range of \$400-\$800                | No Vacancies        | General Occupancy                  | Four bedroom units include utilities. Owner reports no vacancies.  |
| Sweetwater Apts. East & West | 14 - 1 bedroom<br><u>10 - 2 bedroom</u><br>24 Total                           | \$350<br>\$375                      | No Vacancies        | General Occupancy                  | Owner reports no vacancies.  |
| Northland Properties         | <u>2&amp;3 bedroom</u><br>13 Total  | \$350-\$500                         | No Vacancies        | General Occupancy                  | Units in 4 plex & 9 single family homes. Owner reports no vacancies. Rent includes water, sewer, and garbage.  |
| Agassiz Drive                | <u>16 - 2 bedroom</u><br>16 Total   | \$900                               | No Vacancies        | General Occupancy                  | Rent includes utilities. Manager reports full occupancy.   |
| Agassiz Court                | <u>48 - 2 bedroom</u><br>48 Total   | \$500                               | No Vacancies        | General Occupancy                  | Rent includes utilities. Manager reports full occupancy.   |

**Multifamily Rental Housing Tables ■**

| Name                             | Number of Units /Bedroom Mix                                       | Rent                    | Vacancy/ Wait List  | Tenant Mix                      | Comments   |
|----------------------------------|--|-------------------------|---------------------|---------------------------------|--|
| <b>Market Rate</b>               |  |                         |                     |                                 |  |
| Goose Rentals                    | 15 - 2 bedroom<br><u>2 - 3 bedroom</u><br>17 Total                 | \$375-\$600             | No Vacancies        | General Occupancy               | Units are in 2 duplexes, 1 triplex, 10 single family homes. Owner reports no vacancies. Utilities included in rent. Several units are rented by construction workers. Owner also rents out 3 RV's to construction workers. |
| Multi-Service Building Apts.     | 3 - Efficiency<br>2 - 1 bedroom<br><u>2 - 2 bedroom</u><br>7 Total | \$275<br>\$350<br>\$400 | 1 vacant efficiency | General Occupancy               | Seven units in a mixed use Downtown Building. Rent includes all utilities except electricity. Currently one vacancy but typically fully occupied.  |
| Schoell Properties               | 3 houses &<br><u>4 plex</u><br>7 Total                             | Varies                  | No Vacancies        | Construction Workers            | Three houses and a four - plex all fully occupied by construction workers.   |
| 207 10 <sup>th</sup> Ave. SE     | <u>3 - 2 bedroom</u><br>3 Total                                    | \$475                   | No Vacancies        | General Occupancy               | Tenants pay utilities. Owner reports that she has had the same tenants for many years.   |
| 701 - 705 3 <sup>rd</sup> Ave NE | <u>3 - 2 bedroom</u><br>3 Total                                    | \$460                   | No Vacancies        | General Occupancy               | Tenants pay own utilities. Owner reports she has had the same tenants for many years.  |
| J & K Rentals                    | 2 - Efficiency<br><u>5 - 1 bedroom</u><br>7 Total                  | \$235<br>\$300          | No Vacancies        | General Occupancy               | Building constructed in the 1930's. Tenants pay electricity. Owner reports no vacancies.   |
| Klemetsruds six - plex           | 4 - 2 bedroom<br><u>2 - 3 bedroom</u><br>6 Total                   | \$1,000<br>\$1,100      | No Vacancies        | General Occupancy               | Six unit townhouse project constructed in 2001. Owner reports full occupancy since opening.  |
| Kaeding Apts.                    | 6 - 2 bedroom<br><u>32 - 3 bedroom</u><br>38 Total                 | \$495<br>\$630          | No Vacancies        | General Occupancy, Many seniors | Five buildings with 38 units. Manager reports full occupancy. Rents include all utilities except electricity.  |

**Multifamily Rental Housing Tables** ■

| Name  | Number of Units /Bedroom Mix                              | Rent           | Vacancy/ Wait List | Tenant Mix        | Comments  |
|---|---|----------------|--------------------|-------------------|---|
| <b>Market Rate</b>  |   |                |                    |                   |   |
| Dickinson Manor   | <u>1 - 2 bedroom</u><br><u>11 - 3 bedroom</u><br>12 Total | \$650<br>\$700 | No Vacancies       | General Occupancy | 12 plex constructed in 1987. Manager reports no vacancies and a waiting list. Tenants pay electricity.  |
| Nelson Rental   | <u>1 to 5 bedroom</u><br>50 Total                         | \$350-\$2500   | No Vacancies       | General Occupancy | Forty properties with approximately 50 units. Rents range from \$350 to a five bedroom house that rents for \$2,500. Owner reports no vacancies.                            |
| 2714 Janet Ave. NE  | <u>4 - 2 bedroom</u><br>4 Total                           | Varies         | No Vacancies       | General Occupancy | Four unit building. No vacancies. Rents vary based on size of unit and if a garage is included.   |
| Jeffery St. NE  | <u>2 - 1 bedroom</u><br>2 Total                           | Varies         | No Vacancies       | General Occupancy | Duplex - Manager reports no vacancies   |
| 1405 - 1423 Lincoln Ave. NE                               | 16 - one and two bedroom units<br>16 Total                | \$300-\$500    | No Vacancies       | General Occupancy | Four - 4 plex buildings. Owner reports no vacancies.  |
| 610 7 <sup>th</sup> Ave. NE & 702 2 <sup>nd</sup> Ave. NE | 6 one and two bedroom<br>6 Total                          | \$300-\$500    | No Vacancies       | General Occupancy | 4 - plex and a duplex - Owner reports no vacancies.   |
| Towns Edge Apts.  | <u>50 - 2 bedroom</u><br>50 Total                         | Did not answer | No Vacancies       | 90% Seniors       | Three apartment buildings with 42 units and one 8 unit townhouse project, constructed from 1968 to 1974. Owner reports no vacancies. Tenants are approximately 90% seniors. |
| Village Green Apartments                                  | <u>8 - 2 bedroom</u><br>8 Total                           | \$900          | No Vacancies       | General Occupancy | Owner reports no vacancies. Tenants pay all utilities except water.   |

**Multifamily Rental Housing Tables** ■

| Name              | Number of Units /Bedroom Mix                       | Rent  | Vacancy/ Wait List | Tenant Mix        | Comments  |
|-------------------|--|---|--------------------|-------------------|---|
| <b>Subsidized</b> |  |   |                    |                   |   |
| Park Village #3   | 10 - 1 bedroom<br><u>6 - 2 bedroom</u><br>16 Total | 30% of Income                               | No Vacancies       | General Occupancy | Rural Development 16 unit Project. Manager reports no vacancies.  |
| Park Village #4   | 10 - 1 bedroom<br><u>6 - 2 bedroom</u><br>16 Total | 30% of Income                               | No Vacancies       | General Occupancy | Rural Development 16 unit Project. Manager reports no vacancies.  |
| The Freemont      | 32 - 1 bedroom<br><u>8 - 2 bedroom</u><br>40 Total | 30% of Income                               | No Vacancies       | General Occupancy | Rural Development/Tax Credit Project. Downtown building converted into rental units in 1990. Project includes exercise room, washer & dryer in each unit, community room. Manager reports no vacancies. |
| Mann Apts.        | 17 - 1 bedroom<br><u>8 - 2 bedroom</u><br>25 Total | 30% of Income-<br>\$397-\$464<br>max. rents | No Vacancies       | General Occupancy | Section 8 Project. Tenants pay electricity. Manager reports no vacancies.   |
| Lock Block        | 12 - 1 bedroom<br><u>6 - 2 bedroom</u><br>18 Total | 30% of income,<br>\$400-\$466<br>max. rents | No Vacancies       | General Occupancy | Section 8 Project. Tenants pay electricity. Manager reports no vacancies.   |
| Newport           | <u>17 - 1 bedroom</u><br>17 Total                  | 30% of Income                               | No Vacancies       | General Occupancy | Rural Development/Tax Credit Project developed in 1989. Rent includes heat, water, sewer, and garbage. Manager reports no vacancies   |
| Opera House       | 18 - 1 bedroom<br><u>2 - 2 bedroom</u><br>20 Total | 30% of Income                               | No Vacancies       | General Occupancy | Rural Development /Tax Credit Project. Opera House converted to apartments in 1985. Project includes a community room. Manager reports no vacancies.  |

**Multifamily Rental Housing Tables** ■

| Name               | Number of Units /Bedroom Mix                              | Rent          | Vacancy / Wait List | Tenant Mix                        | Comments   |
|--------------------|---|---------------|---------------------|-----------------------------------|--|
| <b>Subsidized</b>  |   |               |                     |                                   |  |
| Park Place I       | <u>24 - 1 bedroom</u><br>24 Total                         | 30% of Income | No Vacancies        | Seniors - 62 & older and disabled | Rural Development/Tax Credit Project constructed in 1994. Project includes community room and guest room. Manager reports no vacancies. Meals on Wheels delivered.                                   |
| Park Place II      | <u>24 - 1 bedroom</u><br>24 Total                         | 30% of Income | No Vacancies        | Seniors - 62 & older and disabled | Rural Development/Tax Credit Project built in 1997. Project includes community and guest rooms, beauty/barber salon. Manager reports no vacancies. Meals on Wheels delivered.                        |
| Academy Park       | <u>20 - 1 bedroom</u><br><u>8 - 2 bedroom</u><br>28 Total | 30% of Income | No Vacancies        | General Occupancy                 | Rural Development Project - formerly St. Mary's School converted to housing in 1983. Rent includes heat, water, and garbage. Project has garages and a community room. Manager reports no vacancies. |
| Dakota Manor       | <u>6 - 1 bedroom</u><br><u>18 - 2 bedroom</u><br>24 Total | 30% of Income | No Vacancies        | General Occupancy                 | Rural Development/Tax Credit Project. Project remodeled in 2007. Manager reports no vacancies.   |
| Great Northern     | <u>35 - 1 bedroom</u><br><u>3 - 2 bedroom</u><br>38 Total | 30% of Income | No Vacancies        | General Occupancy                 | Section 8 Project. Hotel built in the 1920's converted to rental units in 1978. Project includes a community room. Manager reports no vacancies.   |
| Holiday Village #1 | <u>20 - 1 bedroom</u><br>20 Total                         | 30% of Income | No Vacancies        | Seniors - 62 & older and disabled | HUD/Tax Credit Project developed in 1985. Tenants pay utilities, but receive a utility allowance. Manager reports no vacancies.  |
| Holiday Village #2 | <u>11 - 2 bedroom</u><br><u>9 - 3 bedroom</u><br>20 Total | 30% of Income | No Vacancies        | General Occupancy                 | HUD/Tax Credit Project developed in 1985. Tenants pay utilities buy receive a utility allowance. Manager reports no vacancies.   |
| Prairie Heights    | <u>21 - 1 bedroom</u><br>21 Total                         | \$336-\$414   | No Vacancies        | Homeless, Mentally Ill            | Facility for homeless and mentally ill individuals. Referrals from Human Services. Facility has 20 Housing Vouchers which assist with rent. Facility is fully occupied.                              |



**Multifamily Rental Housing Tables ■**

| Name                    | Number of Units /Bedroom Mix  | Rent                                   | Vacancy / Wait List | Tenant Mix                      | Comments  |
|-------------------------|---|--|---------------------|---------------------------------|---|
| <b>Subsidized</b>       |   |  |                     |                                 |   |
| IOOF Retirement Village | 76 - 1 bedroom<br><u>2 - 2 bedroom</u><br>78 Total                  | \$345-350<br>\$385<br>30% of income    | No Vacancies        | Seniors - Disabled, Handicapped | HUD 221 93 Project. Twenty 4-plexes constructed in 1969 and 1971. Two buildings have recently been remodeled. Project is senior and disabled independent living. Fifty-one units are on a HAP Contract, remaining units are market rent. Tenants pay 30% of income up to maximum rents listed. All utilities included in rent. Fully occupied for 6 to 8 weeks. |
| Gary Wilhemi Apts.      | 3 - 1 bedroom<br><u>2 - 2 bedroom</u><br>5 Total                    | 30% of Income                          | No Vacancies        | General Occupancy               | Section 8 Subsidized Project. Tenants must meet income limits and pay 30% of their income for rent. Owner reports no vacancies.   |
| Skyview Apts.           | 19 - Studio<br>27 - 1 bedroom<br><u>1 - 2 bedroom</u><br>47 units   | \$350-\$475 max. rent<br>30% of income | 5 Vacancies         | Senior, Disabled                | Public Housing elderly/disabled project approximately 40 years old. Currently 5 vacancies, primarily in studio apartments. Tenants pay 30% of income up to a maximum rent.  |
| Fairington Homes        | 4 - 1 bedroom<br><u>6 - 2 bedroom</u><br>10 Total                   | \$350-\$475 max. rent<br>30% of income | 1 Vacancy           | General Occupancy               | Public Housing general occupancy project approximately 40 years old. Currently one vacancy.   |
| Walnut West Homes       | 6 - 2 bedroom<br><u>6 - 3 bedroom</u><br>12 Total                   | \$475-\$575 max. rent<br>30% of income | No Vacancies        | General Occupancy - Families    | Public Housing general occupancy project approximately 40 years old. Currently there are no vacancies.  |
| Sweetwater Homes        | 4 - 2 bedroom<br>12 - 3 bedroom<br><u>2 - 4 bedroom</u><br>18 Total | \$475-\$700 max. rent<br>30% of income | 2 Vacancies         | General Occupancy - Families    | Public Housing General Occupancy project approximately 40 years old. Currently 2 vacancies.   |

| Name                         | Number of Units /Bedroom Mix   | Rent   | Vacancy / Wait List | Tenant Mix | Comments   |
|------------------------------|--|--|---------------------|------------|--|
| <b>Senior with Services</b>  |  |  |                     |            |  |
| Old Fellows Home             | 43 beds  | \$65.00 per day  | No Vacancies        | Seniors    | Basic care facility that provides senior services including bathing, meals, med set up, laundry, etc. The facility operates at a 99% occupancy rate. Beds are in private rooms with a private bath.  |
| Lake Country Manor           | 6 - Studio<br>15 - 1 bedroom<br><u>3 - 1 bdrm deluxe</u><br>24 Total | \$2,400<br>\$2,500<br>\$2,600                                    | 8 Vacancies         | Seniors    | Twenty - four unit assisted living project. Rents include meals, 24 hour staffing, transportation, housekeeping ,med set up, etc. Manager reports eight vacancies which is more vacancies than usual. Facility had 10 basic care , but units were moved to the Good Samaritan Nursing Home.  |
| Good Samaritan Nursing Home  | <u>12 - private rooms</u><br>12 Total                                | Approx. \$28 per day   | No Vacancies        | Seniors    | Twelve basic care units. Currently no vacancies. Good Samaritan has had basic care units for approximately 18 months.  |
| Heartland Court #1, #3, & #4 | 1 - 1 bedroom<br><u>48 - 2 bedroom</u><br>49 Total                   | \$1250-<br>\$1350 for one person,<br>\$200 for additional person | No Vacancies        | Seniors    | Three Assisted Living buildings with a total 49 units constructed in the 1990's. Rent includes all utilities except electricity. Rent also includes breakfast and noon meal Monday thru Friday. All other assisted living services are provided ala carte. Tenants range from having no services to having the full array of services. The facility has had a 99% occupancy rate over the past year. A garage can be rented for an additional \$50.00. |
| Heartland Care Center        | 18 Alzheimer's Units   | N/A  | N/A                 | N/A        | Eighteen Alzheimer's units are currently under construction and will be opened in the summer of 2012.  |

**Multifamily Rental Housing Tables ■**

| Name                         | Number of Units /Bedroom Mix  | Rent         | Vacancy / Wait List | Tenant Mix | Comments  |
|------------------------------|-------------------------------|--------------|---------------------|------------|---|
| <b>City of Edmore</b>        |                               |              |                     |            |   |
| Edmore Memorial Nursing Home | 20 - private beds<br>20 Total | \$75 per day | 8 Vacancies         | Seniors    | Hospital converted into basic care currently 8 vacancies which is the average number of vacancies according to the Administrator. Rents are \$75 per day. |
| Edmore General Occupancy     | 6 units                       | N/A          | N/A                 | N/A        | Unable to contact.  |

Source: Community Partners Research, Inc.

## **Employment and Local Economic Trends Analysis**

While many factors influence the need for housing, employment opportunities represent a predominant demand generator. Without jobs and corresponding wages, the means to afford housing is severely limited.

Employment opportunities may be provided by a broad range of private and public business sectors. Jobs may be available in manufacturing, commercial services, agriculture, public administration, and other industries. The type of employment, wage level, and working conditions will each influence the kind of housing that is needed and at what level of affordability.

The largest employers in Devils Lake include:

### **Company**

- ▶ Devils Lake Public Schools
- ▶ Lake Region Lutheran Home
- ▶ Mercy Hospital
- ▶ Lake Region State College
- ▶ Good Samaritan Center
- ▶ Leever's
- ▶ City of Devils Lake
- ▶ Wally's
- ▶ Altru Health System
- ▶ The Mentor Network
- ▶ Summers Manufacturing
- ▶ U.S. Military in North Dakota
- ▶ North Dakota Telephone
- ▶ Lake Region Corporation

Source: Job Service North Dakota

## Work Force and Unemployment Rates

Employment information is available at the County level. Data in the table that follows is for all of Ramsey County and was obtained from the North Dakota Labor Market Information Center.

| <b>Table 27 Ramsey County Average Annual Labor Force 2000 -2010</b> |             |          |            |                            |                        |                        |
|---|-------------|----------|------------|----------------------------|------------------------|------------------------|
| Year  | Labor Force | Employed | Unemployed | Unemployment Rate - County | Unemployment Rate - ND | Unemployment Rate - US |
| 2000  | 6,247       | 6,040    | 207        | 3.3%                       | 2.9%                   | 4.0%                   |
| 2001  | 6,322       | 6,129    | 193        | 3.1%                       | 2.8%                   | 4.7%                   |
| 2002  | 6,195       | 5,962    | 233        | 3.8%                       | 3.5%                   | 5.8%                   |
| 2003  | 6,080       | 5,830    | 250        | 4.1%                       | 3.6%                   | 6.0%                   |
| 2004  | 5,999       | 5,752    | 247        | 4.1%                       | 3.5%                   | 5.6%                   |
| 2005  | 6,018       | 5,784    | 234        | 3.9%                       | 3.4%                   | 5.1%                   |
| 2006  | 5,958       | 5,719    | 239        | 4.0%                       | 3.2%                   | 4.6%                   |
| 2007  | 5,846       | 5,616    | 230        | 3.9%                       | 3.1%                   | 4.6%                   |
| 2008  | 5,776       | 5,562    | 214        | 3.7%                       | 3.2%                   | 5.8%                   |
| 2009  | 5,691       | 5,445    | 246        | 4.3%                       | 4.3%                   | 9.3%                   |
| 2010  | 5,703       | 5,473    | 230        | 4.0%                       | 3.9%                   | 9.6%                   |

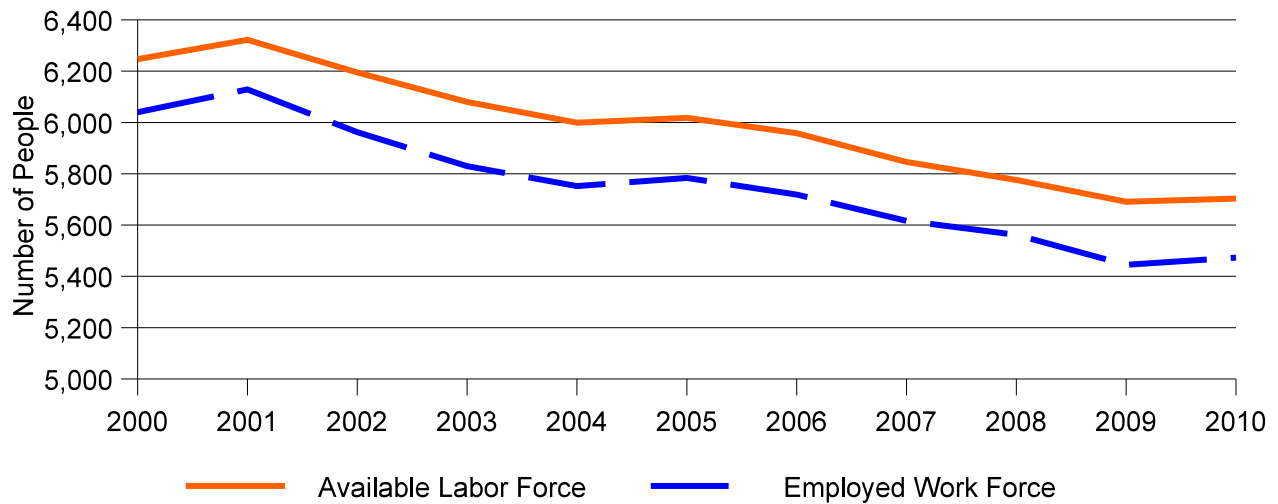
Source: Job service North Dakota, Labor Market Information Center, LAUS Unit

Note: Not Seasonally Adjusted

Ramsey County has experienced a gradual decline in the size of the available civilian labor force over the past decade. Between 2000 and 2010 (the last full year of data), the labor force decreased by 544 people, or 8.7%. Through the first four months of 2011, the size of the labor force has declined even further, by 94 people when compared to 2010, but this may reflect a seasonal variation during the winter months.

The employed work force has also decreased gradually since 2000. Between 2000 and 2010, the number of employed workers in Ramsey County decreased by 567 people, or 9.4%. Once again, information for the first four months of 2011 show a further decline, down 128 employed people from the 2010 annual average.

## Labor Force and Work Force Trends - Ramsey County



Despite the reduction in the labor force since 2000, the number of employed people has decreased even faster, resulting in an increase in the County's unemployment rate. Over the past 11 years, the lowest unemployment rate was achieved in 2001, at 3.1%. The highest rate of unemployment was reached in 2009, at 4.3%. The unemployment rate did drop in 2010, to 4.0%, but was at 4.7% through the first four months of 2011. Ramsey County's unemployment rate has tended to be higher than the Statewide average over the past 11 years, but has consistently been well below the national average.

## Employment and Wages by Industry

The following table shows the average annual wages by major employment sector in 2010, the last full year of data. It is important to note that the major employment sectors listed do not represent all employment in the County.

| <b>Table 28 Ramsey County Average Annual Wages by Industry Detail</b> |                 |                   |
|---|-----------------|-------------------|
| Industry  | 2010 Employment | 2010 Average Wage |
| Total All Industry  | 5,596           | \$31,304          |
| Utilities   | 61              | \$67,600          |
| Construction  | 295             | \$36,348          |
| Manufacturing   | 189             | \$37,596          |
| Wholesale Trade   | 245             | \$56,836          |
| Retail Trade  | 897             | \$24,492          |
| Transportation and Warehousing  | 84              | \$36,920          |
| Information   | 166             | \$42,016          |
| Finance and Insurance   | 281             | \$41,964          |
| Real Estate and Rental and Leasing                                    | 72              | \$22,308          |
| Professional and Technical Services                                   | 62              | \$35,880          |
| Management of Companies and Enterprises                               | 70              | \$55,744          |
| Administrative and Waste Services                                     | 124             | \$19,760          |
| Health Care and Social Assistance                                     | 974             | \$32,292          |
| Arts, Entertainment and Recreation                                    | 133             | \$16,068          |
| Accommodation and Food Services                                       | 609             | \$11,804          |
| Other Services  | 134             | \$18,408          |
| Public Administration   | 462             | \$38,584          |

Source: Job Service North Dakota, QCEW Unit

The average annual wage for all industry sectors in Ramsey County for 2010 was \$31,304. The highest paying wage sectors were Utilities, at \$67,600, and Wholesale Trade, at \$56,836. The lowest paying wage sector was Accommodation and Food Services, which had an annual average wage of less than \$12,000.

## **Employment Projections by Industry for North Dakota**

The North Dakota Labor Market Information Center has generated employment projections for the State of North Dakota. The following table compares estimated employment in the general industry classifications in 2008, the projected level of employment by 2018, and the percentage change.

| <b>Table 29 North Dakota Projected Employment by Industry - 2018</b> |                 |                           |                          |
|--|-----------------|---------------------------|--------------------------|
| Industry   | 2008 Employment | 2018 Projected Employment | Percent Change 2008-2018 |
| Total All Industry   | 420,109         | 458,634                   | 9.2%                     |
| Natural Resources and Mining   | 39,814          | 41,670                    | 4.7%                     |
| Construction   | 20,827          | 24,048                    | 15.5%                    |
| Manufacturing  | 26,375          | 27,037                    | 2.5%                     |
| Trade, Transportation, Utilities                                     | 80,129          | 86,102                    | 7.5%                     |
| Information  | 7,439           | 7,730                     | 3.9%                     |
| Financial Activities   | 16,361          | 19,405                    | 18.6%                    |
| Professional and Business Services                                   | 12,962          | 15,324                    | 18.2%                    |
| Education and Health Services  | 85,641          | 96,041                    | 12.1%                    |
| Leisure and Hospitality  | 33,578          | 37,925                    | 12.9%                    |
| Other Services   | 15,923          | 16,534                    | 3.8%                     |

Source: North Dakota Labor Market Information Center

All sectors are expected to gain jobs between 2008 and 2018. The Financial Activities sector is expected to have the greatest percentage growth among industries in the State of North Dakota. This sector is projected to add 3,044 jobs, for a percentage growth of 18.6%. In numeric growth, the largest employment increase in North Dakota is expected in the Education and Health Services sector, which is projected to add 10,400 new jobs.



## **Findings on Growth Trends**

According to the 2010 U.S. Census, Devils Lake's population decreased from 7,222 to 7,141 people from 2000 to 2010. This is a loss of 81 people, which is a 1.1% decrease. However, Devils Lake gained 102 households from 2000 to 2010, a 3.2% increase. The City of Devils Lake lost population, but gained households because the average household size in the City decreased. Ramsey County lost 615 people and two households from 2000 to 2010.

The Devils Lake Market Area lost 538 people and gained 25 households from 2000 to 2010.

Based on the 2010 Census and past trends, the City of Devils Lakes' population is projected to remain relatively stable and the City will gain approximately 53 households from 2010 to 2015. The number of households is projected to remain relatively stable in Ramsey County and the Market Area.

## **Ramsey County Growth Projections by Age Group**

In addition to forecasts on overall household growth, there is projection information available on the changes expected by age of households. As part of the research for this Study, we have examined information on age patterns and population data from the 2010 U.S. Census. With this data, Community Partners Research, Inc. has calculated age-based projections from 2010 to 2015.

The following projections are for all of Ramsey County:

| <u>Age Range</u> | <u>Projected Change in Households<br/>2010 to 2015</u> |
|------------------|--|
| 15 to 24         | -27 to -31   |
| 25 to 34         | 7 to 14  |
| 35 to 44         | 19 to 26   |
| 45 to 54         | -177 to -190   |
| 55 to 64         | 86 to 94   |
| 65 to 74         | 130 to 165   |
| 75 to 84         | -2 to -4   |
| 85 and Older     | -16 to -18   |

## **Housing Demand**

There are three main factors that drive demand for new housing. The first demand generator is caused by overall household growth. Our projections for Devils Lake anticipate some limited household growth over the next five years. From 2010 to 2015, the City will add approximately 53 households. Approximately 50% of these households will be rental households.

The second demand generator is pent-up demand, or demand created by existing households. The market rate and subsidized units in Devils Lake have very low vacancy rates. There is a strong demand for market rate and subsidized/tax credit units.

The third demand generator is the replacement of existing units. There have also been some unit losses over the years, such as homes that were removed due to their dilapidated condition and some homes lost due to flooding. Some of our recommendations that follow assume that replacement of units will be required in the future.

In addition to these three demand generators, there are a large number of temporary employees working in the construction trades and ancillary jobs. A significant number of jobs have been created due to construction projects created as a result of the flooding. It is estimated that these temporary jobs will exist for three to five more years. The influx of temporary workers has put a strain on the City's rental market.

These housing demands will be incorporated into the recommendations that follow.

Based on the research that was conducted for this study and the analysis of available information, we have identified the following strengths that will help the City as it addresses its housing needs and barriers that will limit or hinder certain housing activities. Following this discussion, specific strategies and recommendations for action are provided.

## **Strengths for Housing Development**

The following City of Devils Lake strengths were identified through statistical data, local interviews, research and on-site review of the local housing stock.

- ▶ **Devils Lake is the regional center for the area** - Devils Lake is the regional center serving Ramsey County and portions of surrounding counties. The City provides employment opportunities, retail/service options, government services, health and professional services, and cultural amenities for the surrounding trade area.
- ▶ **Affordably priced housing stock** - The City has a relatively large stock of affordable, existing houses. Our analysis shows that the City's median home value based on recent sales is \$73,500. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Housing developers** - Devils Lake has access to housing developers that are willing to invest in housing projects in the community, including rental housing, attached ownership housing and single family housing development.
- ▶ **Educational Facilities** - The City's educational facilities include Lake Region State College and an excellent public K-12 school system.
- ▶ **Infrastructure** - Devils Lake's water and sewer infrastructure is in good condition and can accommodate future expansion.
- ▶ **Commercial development** - Devils Lake's commercial district is adequate to meet daily needs and new commercial development is on going.
- ▶ **Housing Agencies** - Several housing agencies have the capacity to provide financing and administrative services for housing projects and programs in the City of Devils Lake.
- ▶ **Housing Development** - From 2000 to 2010, Devils Lake has established a strong housing development track record with 171 housing units constructed in the City and the extraterritorial area during this time period.
- ▶ **Adequate land for development** - The City has adequate land for both residential and commercial/industrial development.
- ▶ **Housing Incentives** - Devils Lake has Housing Incentives for households that build a home or rental units in the City.

- ▶ **State and Federal funds** - The City and developers have leveraged private funds for housing activities over the years with other resources including State, Federal and Non-Profit Funds. This experience in obtaining funds and the City's track record in appropriately utilizing the funds will continue to serve the City well when seeking funds in the future.
- ▶ **Proactive City involvement** - The City and Housing Authority have a past track record of being proactive in developing housing opportunities including rental housing and subdivision development.
- ▶ **Increasing diverse housing stock** - The City has a good mix of housing options including rental housing units for various household types and owner-occupied homes at various values.
- ▶ **Health facilities** - The City has an excellent health care system and there are plans for future expansion.
- ▶ **Tourism and natural amenities** - Devils Lake is located in a lakes area that is a popular tourism/seasonal recreational destination. This helps the local economy and has contributed significantly to the growth of the surrounding area.
- ▶ **Employment opportunities** - Devils Lake has a significant number of major employers, which provide employment opportunities.
- ▶ **Temporary employees** - A significant number of workers are employed in the Devils Lake area. Many of these workers need housing.
- ▶ **Forward Devils Lake Corporation** - This Corporation promotes economic and employment opportunities in the area, which creates housing opportunities.

## **Barriers or Limitations to Housing Activities**

Our research also identified the following barriers or limitations that hinder or prevent certain housing activities in the City of Devils Lake.

- ▶ **Age and condition of the housing stock** - While the existing older housing stock is affordable, some housing is old and may need substantial improvement to meet expectations of potential renters and owners.
- ▶ **Limited household growth** - According to the 2010 Census, Devils Lake's population decreased and household growth was limited.
- ▶ **Staff capacity limitations** - The City of Devils Lake operates with limited personnel. It is very difficult for existing staff with current responsibilities to develop new housing initiatives.
- ▶ **Competition with surrounding area** - The areas immediately surrounding Devils Lake offer attractive residential locations. The rural area will be the preferred option for some households.
- ▶ **Temporary employees** - Although temporary employees are a strength, they are a barrier as there is uncertainty as to how long the temporary employees will be in the area and how much housing should be developed to address their needs.
- ▶ **Devils Lake flooding** - The Devils Lake water level continues to rise, which has resulted in on-going flooding. This has created uncertainty in the region.

## **Recommendations, Strategies and Housing Market Opportunities**

Based on the research contained in this Study and the housing strengths and barriers identified above, we believe that the following recommendations are realistic options for the City of Devils Lake. They are based on the following strategies:

- ▶ **Focus heavily on the preservation, maintenance and improvement of the housing stock that already exists** - While some housing construction will occur in coming years, most of the housing opportunities will continue to be provided by the housing stock that is already on the ground. This is especially important for affordable housing opportunities, as it will almost always be less expensive to offer an affordable unit through rehabilitation versus new construction. Units that are lost due to deterioration and obsolescence cannot be replaced for a similar price. Evidence suggests that the majority of the existing stock is generally being well maintained, however, a significant percentage of housing needs repair. Emphasis on continued improvement will be important to meet future housing needs.
- ▶ **Develop life cycle housing** - It is vital for a community that serves as a regional center to provide housing opportunities for all ages and household types. These housing opportunities enable a community to thrive, promote economic development and allow households to live in the community throughout their lives.
- ▶ **Promote new construction** - New construction provides housing opportunities, stimulates the economy and upgrades the community's housing stock. Both new owner-occupied single family homes and rental units are needed to provide households in Devils Lake with housing options and to assure a healthy housing stock.
- ▶ **Promote home ownership** - Home ownership is the preferred option for most households. Home ownership assists in creating community stability and commitment to the community. There are many younger families that are renting their housing. These households may be interested in home ownership, if an affordable opportunity is available.
- ▶ **The market for new housing development will generally not occur without proactive community involvement** - Much of the housing development that has occurred in the past has involved some form of public involvement or subsidy. Future public involvement will continue to be required for certain types of housing.

- ▶ **Prioritize community housing goals** - Many of the recommendations in the Study will require staff-intensive efforts. The City should prioritize its housing goals and work with area housing agencies to establish a plan to achieve its goals.

It is very difficult to meet all of the objectives as the balance of the objectives are very sensitive. An overly aggressive or overly passive approach to any of the objectives can cause problems in achieving the other objectives. For example, overbuilding new rental housing units could lead to vacancy problems in older, less marketable units in the community, causing these units to deteriorate in quality. The recommendations of this section attempt to provide a balanced approach to addressing the housing needs of Devils Lake.



## **Summary of Findings/Recommendations**

The findings/recommendations for the City of Devils Lake have been formulated through the analysis of the information provided in the previous sections and include 20 recommendations. The findings/recommendations have been divided into the following five categories:

- ▶ **Rental Housing Development**
- ▶ **Home Ownership**
- ▶ **Single Family New Construction**
- ▶ **Housing Rehabilitation**
- ▶ **Other Housing Initiatives**

The findings/recommendations for each category are as follows:

### **Rental Housing Development**

1. Develop 58 to 62 general occupancy market rate rental units
2. Develop 36 to 40 subsidized / tax credit rental housing units
3. Develop 36 to 40 senior designated market rate rental units
4. Monitor the need for additional senior with services units
5. Apply for Housing Choice Voucher / Section 8 Existing Program allocations from HUD
6. Continue to provide incentives to construct new rental housing

### **Home Ownership**

7. Utilize and promote all programs that assist with home ownership
8. Develop a Purchase/Rehabilitation Program

### **New Construction**

9. Lot Availability and Development
10. Promote a townhouse, twin home development
11. Utilize in fill lots for housing development

12. Develop home ownership marketing programs

**Housing Rehabilitation**

13. Promote rental housing rehabilitation programs
14. Promote owner-occupied housing rehabilitation programs
15. Develop a neighborhood revitalization program
16. Develop a Landlord/Tenant Quality of Life Ordinance

**Other Housing Initiatives**

17. Continue to acquire and demolish dilapidated structures
18. Consider a mobile home time of sale program
19. Create a plan and continue coordination among housing agencies
20. Continue and potentially expand the City's Renaissance Zone Program

## **Rental Housing Development**

**Overview:** In recent decades it has been difficult to produce new rental housing units that are viewed as “affordable”, when compared to existing rental housing. A number of factors, including Federal tax policy, State property tax rates, and high construction costs, have all contributed to a cutback in rental housing production in most Minnesota communities since the 1980s.

From 2000 to 2010, 29 rental units have been constructed in Devils Lake. These units were developed in small three to eight unit projects. Also, our research identified 20 market rate units that are in the construction phase and 12 units that are in the planning phase.

Demand for new rental housing is typically generated from three factors: growth from new households, pent-up demand from existing households, and from replacement of lost units. Our household projections for Devils Lake expect strong household growth, although some of this growth will result in demand for owner occupied housing. From 2000 to 2015, we are projecting a 50-household gain in Devils Lake. Approximately 50% of these households will be rental households, thus, we believe that growth will generate demand of approximately 25 to 30 additional rental units over the next five years.

Demand created by replacement of lost units is more difficult to determine, but the best available evidence suggests that the City will lose as many as 10 units per year. As a result, approximately 50 to 55 additional units will be needed over the next five years to replace lost units. In some cases, this unit replacement will be necessary as existing units are removed from the inventory through demolition or conversion. In other cases, this replacement is appropriate due to deteriorating condition of older, substandard rental housing that should be removed from the occupied stock.

Pent-up demand also exists. As part of this study, a rental survey was conducted. A total of 1,051 rental units in 49 multi-family buildings with four or more units and 138 units in single family homes, duplexes, tri-plexes and mobile homes were contacted. The survey found that 16 of the market, subsidized and senior with services units were vacant, which is a 1.3% vacancy rate. This is well below the range of 3% to 5% which is considered a healthy market to allow for unit choice and availability and to assure the viability and profitability of the rental project. Eight vacancies were reported in one senior with services project, Lake County Manor. Seven vacancies were reported in public housing subsidized projects. Only one vacancy was reported in 522 market rate units that were surveyed.

We are estimating that there is a demand for approximately 55 to 66 additional rental units in Devils Lake over the next five years based on pent-up demand.

There are two additional factors affecting rental housing in Devils Lake. There currently is an influx of temporary workers in Devils Lake due to construction projects. It is estimated that these temporary workers will be in the area for the next three to five years. These workers have a significant impact on the rental market. Additionally, there is a Lake Region State College student population that is having difficulty finding rental housing due to the tight rental market.

Based on the factors stated above, we recommend the development of the following new rental units over the next five years from 2011 to 2016:

|   |                               |                  |
|---|-------------------------------|------------------|
| ▶ | General Occupancy Market Rate | - 58-62 units    |
| ▶ | Subsidized/Tax Credit         | - 36-40 units    |
| ▶ | Senior Designated Market Rate | - 36-40 units    |
| ▶ | Senior with Services          | - <u>0 units</u> |
|   | Total                         | 130-142 units    |

### **1. Develop 58 to 62 general occupancy market rate rental units**

**Findings:** Approximately 63% of the rental housing in the City can be classified as general occupancy market rate housing. These units are free of any specific occupancy restrictions such as financial status, or student enrollment, although there are some market rate units that do have age restrictions for occupancy. Market rate housing does not have any form of rent controls, other than those imposed by the competitive marketplace.

The entire rental inventory in the City includes approximately 1,736 total units in 2010. We believe that approximately 1,100 of these units are best described as market rate rental housing.

As part of the research for this Study, we contacted 522 market rate units. We found only one vacancy for a vacancy rate of 0.02%, which is well below the healthy market range of 3% to 5%.

There is a fairly wide variation in rental rates in the market rate segment in Devils Lake.

From 2000 to 2010, only 29 market rate rental units were constructed in Devils Lake. There are also 20 market rate units currently under construction and an additional 12 units in the planning phase.

**Recommendation:** The age-based household projections through the year 2015 that we have used for this Study show relatively strong demand for rental housing caused by household growth in Devils Lake. While a majority of growth is expected within prime home ownership age groups, there is also significant growth expected among younger adult households, in the 25 to 44 age ranges, and among senior citizen households. Even the strong growth in the 55 to 74 year old ranges will generate some rental demand, as 10% to 15% of these households will also look for rental opportunities.

As a result, we have calculated overall demand for between 25 and 30 additional units per year in Devils Lake due to projected growth in households. This demand calculation is for all types of rental housing.

At the time of our rental survey, we found strong demand created from low vacancy rates, or pent-up demand. We found a market rate vacancy rate of 0.02%.

We do see ongoing demand caused by the need for unit replacement and to upgrade the housing stock. We believe that between 50 and 55 total rental units would be needed over the next five years for replacement purposes. However, we believe that most of the units that will be lost are from the lower-end of the market rate rental range, and replacement with new, higher-rent market rate units will be aimed at a more affluent renter.

Based on this combination of demand generators, we believe that it is reasonable to plan for production of between 58 and 62 market rate rental units over the next five years. This includes the market rate rental projects that are currently in the construction and planning phase.

We believe that prevailing rates for higher quality newer rentals are in the \$550 to \$700 per month range for one bedroom units, and between \$700 and \$1,000 per month range for two bedroom units. Higher rates exist for properties that offer more amenities, such as in-unit laundry and attached parking.

The new units constructed over the next five years should have a mix of one, two, three and four bedroom units.

The current trend for new unit construction in Devils Lake is to construct small projects in phases. We recommend this strategy as it allows new units to be absorbed into the market.

## **2. Develop 36 to 40 Subsidized/Tax Credit Rental Housing Units**

**Findings:** Although Devils Lake has a good supply of subsidized/tax credit multifamily rental units, we see unmet need in this sector of the local market. The City has 21 project-based subsidized/tax credit developments with a combined 521 units. Subsidies have been provided by USDA Rural Development, the Department of Housing and Urban Development (HUD) through the Public Housing, Section 8, and Section 221d3 programs, and through the North Dakota Housing Finance Agency. Nine subsidized projects also received tax credit assistance.

A majority of the units, 307, are general occupancy subsidized housing. The remaining 214 units are designated for senior and/or disabled occupancy, as well as one project for the homeless/mentally ill.

Most of the City's subsidized units serve very low income people and charge rent based on 30% of the tenant's household income. In some cases, tenant households pay 30% of income, but not less than a basic rent level established for the unit. In these cases, it would be possible for a very low income household to pay more than 30% of income, if the basic rent was higher.

In addition to these subsidized projects, Ramsey County has 162 HUD Housing Choice Vouchers (formerly Section 8 Existing Program). Housing Choice Voucher assistance is issued to income-eligible households for use in suitable, private market rental housing units. With the assistance, a household pays approximately 30% of their income for their rent, with the program subsidy paying any additional rent amounts. Approximately 30 vouchers aren't being utilized because households who have been issued a voucher cannot find a housing unit.

Between the tenant-based assistance and project based subsidized housing, there are approximately 640 renter households in Devils Lake that have access to some form of subsidized housing in 2011. This represents approximately 37% of all renters in the City. Compared to other communities that we have examined, this is a relatively high proportion of subsidized housing.

Despite the relatively large supply of subsidized units, the 2010 Census still identified that approximately 32% of renter households in Devils Lake reported a housing cost burden, with 30% or more of their income going to housing costs. A majority of these households were actually paying 35% or more of their income for housing, which is defined as a severe cost burden.

This large number of renters with a housing cost burden is reflected into strong demand for subsidized units. Our rental survey found seven vacancies in subsidized developments, which represented a vacancy rate of 1.3%. All seven vacancies were in Public Housing units.

Our demographic projections over the next five years, show growth among households in the age ranges that often need subsidized housing. This is most pronounced in the expected increase of households in the 25 to 34 year old range. Growth is also expected among senior citizen households in the 65 to 74 age range.

There is also a shortage of three and four-bedroom subsidized units. Of the 521 subsidized units, there are only 27 three-bedroom and two four-bedroom units.

**Recommendation:** We would recommend the development of 36 to 40 additional rental housing units for low income people whenever resources can be found. At this time, it is difficult to produce new subsidized units to serve low income people.

One option is to utilize the federal tax credit program. Tax credits alone do not produce 'deep subsidy' rental units that can serve very low income households, but tax credits do provide a 'shallow subsidy' that allows for the construction of units that can serve households at or below 60% of the median income established for the County. When other resources are combined with tax credits, even lower income households can be served.

If tax credit units are constructed, we strongly recommend that the rents are at or below the fair market rents for Housing Vouchers, thus, a low income household in a tax credit unit can also receive a Housing Voucher, which will enable the household to pay 30% of their income for their unit.

We recommend that at least 50% of the subsidized/tax credit units constructed over the next five years should be three or four-bedroom units and constructed as town home style units. We also recommend that if new allocations of Housing Vouchers are made available, that the Ramsey County Housing Authority apply for additional vouchers.

### **3. Develop 36 to 40 senior designated market rate rental units**

**Findings:** The City of Devils Lake has only one senior designated market rate rental project. Prairie Manor is an eight-unit project constructed in 2007. There are also several other rental projects in Devils Lake that are general occupancy, but primarily occupied by seniors.

Although these rental options exist for senior households in Devils Lake, it is our opinion that a 36 to 40-unit senior designated market rate rental project would address a gap that currently exists in the Devils Lake rental inventory.

According to the 2010 Census, the Devils Lake Market Area has approximately 2,300 households age 65 and over. We estimate that approximately 4% of the households age 65 and over in the market area would prefer senior designated market rate units, which is a market need of approximately 85 to 95 senior designated market rate units.

**Recommendation:** We recommend the construction of a 36 to 40-unit market rate senior project with 'state of the art' amenities.

The Project's amenities and features should include:

- ▶ A community room including a community dining room and kitchen
- ▶ 24-hour call system
- ▶ A limited access security system
- ▶ Smoke alarms
- ▶ Enclosed or underground parking
- ▶ Spacious corridor with a theme such as a streetscape design

Apartment features should include:

- ▶ 36 to 40 units
  - ▶ 10-12 one bedroom
  - ▶ 26-28 two bedroom
- ▶ Fully equipped kitchen
- ▶ Large storage room
- ▶ Ample closet space
- ▶ Laundry hookups
- ▶ Open floor plan
- ▶ Private patio
- ▶ Individually controlled heat and AC
- ▶ Raised outlets, lever door handles, lowered kitchen cabinets
- ▶ Expansive windows



Services should include:

- ▶ Noon meal
- ▶ Weekly housekeeping
- ▶ Home healthcare
- ▶ Social activities

This project is intended to be senior independent living supplemented with limited services and community support.

The location of the project should be close to services as the project will be primarily occupied by older seniors.

The recommended rents are \$850 to \$900 for a one-bedroom unit and \$950 to \$1,000 for a two-bedroom unit. Subsidies and/or incentives should be utilized to lower rents, expand the available senior market and to make the project possible.

It is estimated that 50% of the units will be occupied when the project opens and three to four additional units will be rented each following month for an absorption period of five to six months.

For 36 to 40 units, we recommend the following unit type, number of units, size and rent structure:

**Senior Market Rate Units:**

| <u>Unit Type</u> | <u>No. of Units</u> | <u>Size/Sq. Ft.</u> | <u>Rent</u>   |
|------------------|---------------------|---------------------|---------------|
| One Bedroom      | 10-12               | 850-900             | \$850-\$900   |
| Two Bedroom      | 26-28               | 950-1,050           | \$950-\$1,000 |
| Total            | 36-40               |                     |               |

Note: Rents are quoted in 2011 dollars and include utilities.

**4. Monitor the need for additional senior with services units**

**Findings:** Devils Lake currently has four senior with services projects with a total of 128 units/beds. The four senior assisted living projects include two basic care projects, the Olds Fellows Home with 43 beds and Good Samaritan Home with 12 beds, and two assisted living projects, Lake Country Manor with 24 units and Heartland Court with 49 units.

The difference between basic care and assisted living units/beds is not clearly defined, but generally assisted living tenants are private pay and Basic Care tenants often receive government assistance to pay for rent and services. Also,

basic care usually provides a higher level of senior services than assisted living, however, this is not always true. For example, Lake Country Minor assisted living provides a full array of senior services.

Currently, all of the basic care beds in the Odd Fellows Home and the Good Samaritan Home are fully occupied. There are currently eight vacancies in the Lake Country Manor assisted living project. The other assisted living project, Heartland Court, is fully occupied.

In addition to the four senior with services projects in Devils Lake, there is a 20-unit basic care project, the Edmore Memorial Nursing Home, in Edmore. This project has eight vacancies.

There are also tenants in subsidized senior projects that receive senior services through home care agencies.

Also, the Heartland Care Center is currently constructing an 18-unit Alzheimer's project. This project will open summer 2012.

**Recommendation:** We recommend that senior housing with services providers monitor the need for future senior with services units. Currently, there is an adequate number of units. The occupancy of the future Alzheimer's units should also be monitored to determine if additional units will be needed.

Using 2010 Census data for Ramsey County, there are 1,109 senior citizens age 75 and above. The 143 senior with services units/beds in Ramsey County represent approximately 12.9% of the seniors 75 and over in Ramsey County. Based on our previous research in other communities, this would represent an above-average supply of this type of housing. Also, the 75 and older population in Ramsey County is projected to decrease over the next five years.

Also, there are eight basic care and eight assisted living vacancies. Additionally, the managers and administrators of the senior with services projects, report that they are currently meeting the demand for senior with services units/beds.

## **5. Apply for Housing Choice Vouchers/Section 8 Existing Program allocations from HUD**

**Findings:** The Housing Choice Voucher Program provides portable, tenant-based rent assistance to lower income renter households. The program requires participating households to contribute from 30% to 40% of their adjusted income for rent, with the rent subsidy payment making up the difference. Tenants may lease any suitable rental unit in the community, provided that it passes a Housing Quality Standards inspection, and has a reasonable gross rent when compared to prevailing rents in the community. Although the federal government provides almost no funding for subsidized housing construction, it has provided new Housing Choice Voucher allocations over the last two decades.

The Housing Choice Voucher Program is a popular form of subsidized housing. Because of the flexibility offered through the program, eligible households often prefer the portable rent assistance to other forms of subsidized housing that are project-based, and can only be accessed by living in a specific rental development.

The Housing Choice Voucher Program in Ramsey County is administered by the Ramsey County Housing Authority. Currently, the Ramsey County Housing Authority has funding for 162 vouchers. However, not all of the vouchers are being utilized because some households that are issued a voucher cannot find a rental unit with a rent rate that is within the rent limits established by the Voucher Program. Also, larger households have difficulty finding a three or four-bedroom unit.

**Recommendation:** From a practical standpoint, the Housing Choice Voucher Program is the single best way that Devils Lake can provide affordable housing. HUD does not make new incremental assistance available every year, but when new allocations are authorized, we would encourage the City to work with the Ramsey County Housing Authority to apply for additional vouchers. With the number of renter households paying more than 30% of their income for housing, there is an ongoing demand for vouchers.

Also, the Ramsey County Housing Authority should continue to publicize the Housing Choice Voucher Program in Devils Lake and Ramsey County to assure that Devils Lake and Ramsey County households have access to the Program.

**6. Continue to provide incentives to construct new rental housing**

**Findings:** The Forward Devils Lake Economic Development Corporation has developed and is implementing a program to assist rental housing developers called Flex Pace.

Flex Pace provides an interest reduction incentive for developers that are constructing rental units. Currently, two builders are constructing a total of 20 rental units. Both builders are utilizing the Flex Pace Program.

The City of Devils Lake is also utilizing Tax Increment Financing to assist developers with constructing rental units.

**Recommendation:** We recommend the continuation of the Flex Pace and Tax Increment Programs, and when possible to expand these programs. It is very difficult to construct rental housing and to experience a positive cash flow. These programs provide incentives that assist with making the construction of rental housing feasible.

## **Home Ownership Recommendations**

**Findings:** Expanding home ownership opportunities is one of the primary goals for most Cities. High rates of home ownership promote stable communities and strengthen the local tax base.

The median owner-occupied home value in Devils Lake is estimated to be \$73,500. With approximately 50% of the homes in Devils Lake valued less than \$73,500, Devils Lake has a good market for first time home buyers and households seeking moderately priced homes. The affordable price of Devils Lake homes, is attractive when compared to prices in some of the larger Cities in North Dakota.

Our analysis of Devils Lake demographic trends shows an increase in the traditionally strong home ownership age ranges between 55 and 74 years old. While most households in these age ranges already own their housing, this group represents a strong potential market for 'trade-up' housing. Increasingly, the older age ranges within this group look for lower maintenance housing options, such as twin homes or town house developments. Some older households may eventually move out of Devils Lake to move into other housing options in larger communities, if these options don't exist in Devils Lake.

Also, the number of households in the 25 to 44 age ranges is expected to increase in Devils Lake. The area has shown an ability to retain and attract households in this age range. Households in these age ranges are typically first-time home buyers. While some of these households already own their housing, those households that have not been able to achieve the goal of home ownership, may need the assistance of special programs to help them purchase their first home and will be seeking affordable homes such as the homes in Devils Lake.

To assist in promoting the goal of home ownership, the following activities are recommended.

## **7. Utilize and promote all programs that assist with home ownership**

**Findings:** Home ownership is generally the preferred housing option for most households and most communities. As discussed previously, the demographic make-up of Devils Lake is conducive to the promotion of home ownership opportunities. There are a number of strategies and programs that can be used to promote home ownership in Devils Lake. The area's housing agencies and financial institutions can assist with this effort.

First time home buyer assistance, down payment assistance, low interest loans, gap financing and home ownership training programs help to address affordable housing issues. With the City's median home value at \$73,500, many of the homes in the existing housing stock in Devils Lake are valued under purchase price limits for first-time home buyer assistance programs. Also, there are many single family homes in the Devils Lake rental market. Some of these homes could be converted to owner-occupied homes. Conversely, home ownership programs may prevent owner-occupied homes from being converted to rentals.

Home ownership counseling and training programs can also play a significant role in helping marginal buyers achieve home ownership. To become homeowners and/or to remain homeowners, many households need financial counseling to improve their credit score, to save for a down payment and to properly budget household income.

While these individual home ownership assistance programs may not generate a large volume of new ownership activity, the combination of below market mortgage money, home ownership training, credit counseling, and down payment assistance may be the mix of incentives that moves a potential home buyer into home ownership.

**Recommendation:** Devils Lake and area housing agencies such as the Dakota Prairie Community Action Agency, should utilize all available home ownership assistance programs to promote home ownership. The City, in coordination with other Ramsey County Cities, should also explore the possibility of obtaining specific program set-asides for home ownership programs from the North Dakota Housing Finance Agency. Specific set-asides will offer multiple advantages, including a dedicated pool of funds, the opportunity for higher participation limits for income and purchase price, and the flexibility for more local design and control. Mortgage programs should also be developed that include all households and not just first time home buyers to encourage trade-up housing activity.

The City could work with the area's housing agencies to develop programs that provide financial assistance for households to purchase a home and to assure the City of Devils Lake is receiving its share of resources that are available in the Region. The local financial institution should also continue to have a significant role in assisting households with purchasing a home. Also, Rural Development works with local financial institutions to provide first time home buyer assistance.

Funding sources for home ownership programs include Rural Development, the North Dakota Housing Finance Agency, Fannie Mae and the Federal Home Loan Bank.

## **8. Develop a Purchase/ Rehabilitation Program**

**Findings:** Devils Lake has a stock of older, lower valued homes, some of which need repairs. The City also has a limited number of vacant homes. The median estimated market value for homes in Devils Lake is \$73,500. As some of the homes below the median price come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

The Home ownership and Rehabilitation Program (HARP) has been developed by the North Dakota Finance Agency. Under the program, the North Dakota Housing Finance Agency purchases an existing home that needs rehabilitation, rehabilitates the home, sells the home to a low income family and provides a mortgage and a monthly payment that are affordable for the family. The HARP Program accomplishes many community goals, including the promotion of home ownership for lower income people, and the repair of substandard housing units.

In many cases, the cost of acquisition and rehab will exceed the house's after-rehab value. Although a public subsidy may be involved, the cost to rehab and sell an existing housing unit is generally lower than the subsidy required to provide an equally affordable unit through new construction.

A Program could also be developed to provide mortgage funds directly to households for the purchase and rehabilitation of substandard existing homes.

**Recommendation:** We recommend that the City of Devils Lake consider the creation of a rehab/purchase program for existing houses. Area housing agencies and financial institutions could assist by offering some rehabilitation assistance in conjunction with first-time buyer programs to make the City's

older housing a more attractive option for potential home buyers. Also, Rural Development provides mortgage funds to purchase a home to make repairs to the home. Additionally, the City's Renaissance Zone Program provides activities for housing rehabilitation/renovation.

Attitudinal surveys that we have conducted in other Cities have found that purchase/rehabilitation programs are appealing to people who are currently renting their housing. In some similar sized communities, more than 80% of survey respondents who were renters indicated an interest in buying a home in need of repair if rehabilitation assistance was also available.

A purchase/rehabilitation program will achieve several goals. The programs will encourage home ownership, prevent substandard homes from becoming rental properties and rehabilitate homes that are currently substandard.



## **New Housing Construction**

**Findings:** Devils Lake and the Extraterritorial Area has experienced significant single family housing construction in recent years. Over the past 11 years, from 2000 to 2010, 142 single family structures and duplexes have been constructed or moved into Devils Lake and the Extraterritorial Area, which is an average of approximately 13 housing units per year. The peak years for new construction were 2010 when 21 homes were constructed or moved in and in 2008 when 20 homes were constructed or moved in. Every year from 2000 to 2010, had 10 or more homes constructed or moved in with the exception of 2005 and 2007.

The attractiveness of the area, the City's status as a regional center, the City's amenities and its proximity to jobs, should result in the continued construction of new homes annually. Also, it is estimated that an additional 175 to 200 homes will be acquired due to flooding. This will result in new home construction and homes being moved. However, attractive residential lot options must be available for new home construction and move ins to continue over the next five years.

Overall household projections for Devils Lake and the Market Area indicate good demand for owner-occupied housing construction. Substantial household growth is anticipated through 2015 among households in the age ranges between 55 and 74 years old. Households in these age ranges tend to be predominantly home owners, and form a market for higher priced, trade-up housing and low maintenance housing such as town homes and twin homes. The number of households in the 25 to 44 year old ranges is also expected to grow through 2015. Many of the households in these age ranges are first time home buyers.

It is our opinion that if the City, local housing agencies and developers are proactive, 20 to 25 homes can be constructed or moved into Devils Lake and the Extraterritorial Area annually over the next five years. This projection is based on the availability of attractive residential lots for new construction. Our projection for single family housing starts includes homes built in new subdivisions and on infill lots, and includes single family attached housing units, such as twin homes and town houses.

The breakdown of our projection of 20 to 25 new owner-occupied housing units annually over the next five years is as follows:

|                               |                  |
|-------------------------------|------------------|
| ▶ Higher & median price homes | 6-7 homes        |
| ▶ Affordable homes            | 5-6 homes        |
| ▶ Homes on In-Fill lots       | 1-2 homes        |
| ▶ Twin homes/Town homes       | 2-3 units        |
| ▶ Move-in homes               | <u>6-7 homes</u> |
| Total                         | 20-25 units      |

## **9. Lot Availability and Development**

**Findings:** As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in the City of Devils Lake and the Extraterritorial Area. Currently, there are 83 lots available in the City of Devils Lake and the Extraterritorial Area.

The available lots are in the following subdivisions:

- Greenview Heights - 8 lots, 8 vacant
- Eagle Bend 11<sup>th</sup> - 6 lots, 5 vacant
- El Rancho 2<sup>nd</sup> - 3 lots, 3 vacant
- Roundhouse - 56 lots, 19 vacant
- Rush Valley 2<sup>nd</sup> - 7 lots, 5 vacant
- Highland Park - 9 lots, 3 vacant
- Academy Village - 7 lots, 7 vacant
- Elkhorn - 22 lots, 12 vacant
- Rush Valley 1<sup>st</sup> - 9 lots, 5 vacant
- Skyhawk - 16 lots, 16 vacant

There are also several miscellaneous infill lots scattered around the City and the Extraterritorial Area that we did not attempt to count. We also do not know the availability of some of these infill lots. There are also lots available outside of the two-mile Extraterritorial Area.

**Recommendation:** We use a standard that a 2 ½ year supply of lots should be available in the marketplace, based on annual lot usage. Using our projections that 20 to 25 new houses will be constructed or moved in per year, the City and Extraterritorial Area should have approximately 50 to 63 residential lots available to meet the expected demand. Part of this demand would be for attached unit construction. The available inventory could include lots that are currently buildable, as well as lots in the advanced planning stages that could be available for the next construction season.

Using this standard, the City of Devils Lake and the Extraterritorial Area, with 83 available lots, plus in fill lots, currently has an adequate number of available lots. There are also several subdivisions that are in the planning phase. This planning should continue as additional lots will be needed in three to four years.

## **10. Promote townhouse and twin home development**

**Findings:** Devils Lake has experienced very limited owner-occupied attached housing development as only one owner-occupied twin home has been constructed in Devils Lake from 2000 to the present. Many communities have seen attached housing take an increasingly large share of new construction. In small Cities the size of Devils Lake, 30% to 40% of the housing starts are typically twin homes/townhomes.

Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making homes available for families. It is estimated that the 55 to 74 age ranges in Devils Lake and the Market Area will increase significantly from 2010 to 2015. It is important for the City to offer a range of life-cycle housing options as many of these households will be seeking to downsize into low maintenance housing options.

**Recommendation:** It is our projection that approximately two to three of the City of Devils Lake and Extraterritorial Area's new owner single family homes will be twin home/town homes over the next five years, which is approximately 10 to 15 units during the five-year period.

We recommend a twin home/townhome development and for the development to be successful, the following should be considered:

- ▶ Senior friendly home designs
- ▶ Maintenance, lawn care, snow removal, etc. all covered by an Association
- ▶ Cluster development of a significant number of homes which provides security
- ▶ Homes are at a price that is acceptable to the market

The public sector's role in any owner-occupancy attached housing development may be limited, as the private sector can often meet this housing need if a demand exists. The City should assure that adequate land is available for development and that zoning allows for attached housing development.

In some Cities, such as Arlington, MN, a group of contractors and investors have developed a corporation and have constructed twin homes.

## **11. Utilize infill lots for housing development**

**Findings:** There are several vacant infill lots in the City that already have access to municipal services. These lots represent an affordable option for new home construction.

Also, our housing condition analysis of the single family homes in four of Devils Lake's oldest neighborhoods identified 54 homes that were dilapidated and beyond repair. Additionally, 226 homes need major rehabilitation and some of these homes also may be beyond repair. In a separate recommendation, we have promoted the acquisition and clearance of substandard houses. Once demolished, some of the cleared lots could be suitable for reuse.

**Recommendation:** We recommend that the City coordinate with area housing agencies to construct affordable homes on infill lots. The Dakota Prairie Community Action Agency, the North Central Planning Council and the Eastern Dakota Housing Alliance have constructed affordable homes in Cities in the past. The City and area housing agencies may be able to access funds from several sources to assist with affordable housing development. Also, a nonprofit organization and private developers may also have an interest in developing housing on infill lots.

The City of Devils Lake can contribute to infill development through land negotiations, land donations, grant writing, project coordination, TIF funding, tax abatement, etc.

A goal of constructing one to two new moderately priced homes annually over the next five years on infill lots appears to be realistic. To be successful, the housing units should not exceed approximately \$120,000 to construct and programs should be available to further reduce the purchase price for the buyer. Also, the most appealing infill lots should be identified and utilized. As housing units are constructed and sold, a revolving fund could be developed and an infill housing program could be self sustaining.

## **12. Develop home ownership marketing programs**

**Findings:** Opportunities for new housing construction are sometimes limited because of the lack of information and awareness of financing and incentive programs, lots on the market, local builders, etc. This is especially evident for new households moving into the area. Households who are participating in a buyout program also may lack information. The home buying/home building process can be very intimidating for first-time home buyers and builders.

**Recommendation:** We recommend the creation of additional marketing materials that describe the lots, builders and financing programs that are available in Devils Lake. Buying a lot, selecting a builder, obtaining financing and constructing or purchasing a home can be an intimidating process. Often households have not been through this process and do not know where to begin or how to proceed. A "How-To" brochure with pertinent and up-to-date information will encourage and assist households with constructing a home or finding a suitable move-up home.

Another possibility for promoting ownership options is to organize a Housing Fair that educates and informs the public on lots, builders, finance programs, etc. The Housing Fair should include developers, builders, lenders, realtors, public agencies, etc. Local employers should be contacted to assess their interest and possible participation in the event.

Also, it is anticipated that 175 to 200 homes will be acquired over the next several years due to the flooding, thus, 175 to 200 households will need to relocate. It would be advantageous for Devils Lake to have detailed marketing and incentive information for these households pertaining to purchasing, building or move a home.

These marketing programs do not have to be "City" projects but could possibly be developed by a local civic organization or the private sector.

## **Housing Rehabilitation**

**Findings:** Devils Lake has an asset in its existing housing stock. Existing units, both now and into the future, will represent the large majority of the affordable housing opportunities. Existing units generally sell at a discount to their replacement value. Units that are not maintained and improved may slip into disrepair and be lost from the housing stock. Efforts and investment in housing rehabilitation activities will be critical to offering affordable housing opportunities.

Housing options for households will largely be met by the existing, more affordable housing stock. As this existing stock ages, more maintenance and repair are required. Without rehabilitation assistance, the affordable stock will shrink, creating an even more difficult affordability situation.

The following specific recommendations are made to address the housing rehabilitation needs.

### **13. Promote rental housing rehabilitation programs**

**Findings:** Based on the 2010 Census, the City of Devils Lake currently has 1,736 rental units. These rental units are in multi-family projects, small rental buildings, mixed use buildings, duplexes, single family homes and mobile homes. Many of these rental structures could benefit from rehabilitation as many of the rental structures are more than 30 years old and some rental units are in poor condition.

The rehabilitation of older rental units can be one of the most effective ways to produce decent, safe and sanitary affordable housing. However, it is often difficult for rental property owners to rehabilitate and maintain their rental properties while keeping the rents affordable for the tenants.

**Recommendation:** The City of Devils Lake and area housing agencies should seek funds to rehabilitate rental units. The funds should allow for program design flexibility, which will make rental rehabilitation workable.

Potential funding sources include Community Development Block Grant funds, the Federal Home Loan Bank, the North Dakota Housing Finance Agency, Rural Development and local funds.

The Dakota Prairie Community Action Agency, the North Central Planning Council and the Eastern Dakota Housing Alliance have successfully assisted rental property owners in several Cities in the past with rehabilitating their rental properties.

#### **14. Promote owner-occupied housing rehabilitation programs**

**Findings:** The affordability of the existing housing stock in Devils Lake will continue to be the major attraction for families that are seeking housing in the area. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities.

Our 2011 housing condition survey rated 776 single family homes and duplexes in five of Devils Lakes' oldest neighborhoods. Our survey found that 272 homes need minor repairs and 226 homes need major repairs. Without rehabilitation assistance, there is the potential that the affordable housing stock will shrink in the City of Devils Lake.

In the past, the Dakota Prairie Community Action Agency and the North Central Planning Council have administered housing rehabilitation programs in Ramsey County. Also, the Dakota Prairie Community Action Agency currently administers the weatherization programs in Ramsey County.

**Recommendation:** We recommend that the City of Devils Lake and area housing agencies identify and apply for funds to develop an ongoing housing rehabilitation program. Rural Development, the North Dakota Housing Finance Agency, the Federal Home Loan Bank, the Community Development Block Grant Program and HOME funds are all potential funding sources.

Also, homeowners who rehabilitate their homes in the City's Renaissance Zone are eligible for tax incentives. Some homeowners have utilized this incentive to rehabilitate/renovate their homes.

#### **15. Develop a Neighborhood Revitalization Program**

**Findings:** The City of Devils Lake has several neighborhoods that are on the bubble. These neighborhoods have a significant number of homes that need rehabilitation and have a significant number of low/moderate income households. The neighborhoods could deteriorate or could be revitalized to continue to be strong vital neighborhoods.

**Recommendation:** We recommend that the City of Devils Lake, area housing agencies, and the private housing sector select a neighborhood and develop and implement a Neighborhood Revitalization Program.

Redevelopment strategies and opportunities should be identified for the Neighborhood including:

- ▶ A plan for each parcel in the neighborhood
- ▶ Owner occupied rehabilitation
- ▶ Rental Rehabilitation
- ▶ Demolition of dilapidated structures
- ▶ Infill new construction including single family homes and attached housing
- ▶ Land pooling for larger town home and attached housing projects
- ▶ Purchase/ Rehabilitation Programs that rehabilitate homes and provide home ownership for low/moderate income households
- ▶ Public projects (streets, utilities, parks, etc.)
- ▶ Consider rezoning, variances and/or replatting to make areas and parcels more desirable for redevelopment
- ▶ Programs that encourage energy conservation
- ▶ Other projects identified through the planning process

The Neighborhood Revitalization Plan should include time lines, responsible City Department or Housing Agency, funding sources, etc. The Program should be evaluated on an ongoing basis as opportunities and potential projects may change priorities.

It must be noted that neighborhood revitalization can result in the loss of affordable housing. Redevelopment projects, infill construction and other affordable housing projects in the community should assure that there are overall net gains in the affordable housing stock.

Also, as a neighborhood is revitalized, a new neighborhood can be selected for revitalization.

## **16. Develop a Landlord/Tenant Quality of Life Ordinance**

**Findings:** We recommend that the City of Devils Lake develop and implement a Landlord/Tenant Quality of Life Ordinance that will require all rental units in the City to be inspected every two to three years. Neighborhood deterioration, lower property values and unsafe rental units are often prevented when a rental housing inspection program is successfully implemented.

The need for a Landlord/Tenant Quality of Life Ordinance includes the following:

### **Health and Safety**

- ▶ There is a need to provide tenants with safe, sanitary, and standard living conditions and to eliminate life threatening hazards.



### **Age of Housing Stock**

- ▶ Much of the existing rental housing stock in Devils Lake is over 25 years old.
- ▶ Older housing needs continued rehabilitation and maintenance.
- ▶ Older housing often has difficulty complying with current codes.

### **Conversions**

- ▶ Many of the rental buildings were originally constructed for uses other than rental housing such as owner occupied single family homes, commercial use and mobile homes. In conversion, often owners do the work themselves and have inadequate or faulty mechanical, electrical, plumbing, and heating systems. Also, constructing an apartment in the basement often results in a lack of natural lighting, ventilation and proper access and egress.

### **Trends of Conversions**

- ▶ Today's buyers want more amenities and conveniences, and less maintenance; thus, they are less likely to purchase the older homes which results in the continuation of converting old homes to rental units and magnifies the problem.

### **Maintenance Efforts**

- ▶ A large number of landlords are providing standard housing and reinvesting in their rental properties. However, some landlords do not maintain their buildings. Ongoing maintenance is necessary for older housing as buildings with continued deferred maintenance become unsafe and substandard.

### **High Number of Landlords**

- ▶ Devils Lake has a significant number of rental property owners. Many of these landlords do an excellent job; however, some absentee landlords do not reinvest in their properties, and create a need for the program.

### **Neighborhood Stabilization**

- ▶ Rental units need to be maintained to keep the integrity of the neighborhood and stabilize property values. Deferred maintenance, parked junk cars, trash and debris all negative impact.

### **Zoning and Codes**

- ▶ Illegal apartments such as inappropriately constructed basement apartments may be unsafe and a violation of zoning regulations.

**Coordination**

- ▶ A Landlord/Tenant Quality of Life Ordinance provides an accurate record of rental units and owners.
- ▶ The program provides a better opportunity for coordination of city programs and codes.

**Recommendation:** We recommend the implementation of the Landlord/Tenant Quality of Life Ordinance to assure that all rental units in Devils Lake comply with housing laws and codes. The Ordinance should include registration and inspections of rental units. The Ordinance will assure that Devils Lake rental units are safe and sanitary, thus, removing blighted and unsafe conditions.

## **Other Recommendations**

### **17. Acquire and demolish dilapidated structures**

**Findings:** Our housing condition survey identified 54 homes in five of Devils Lakes' oldest neighborhoods that are dilapidated and too deteriorated to rehabilitate. We also identified 226 homes as needing major repair and several of these homes may be too dilapidated to rehabilitate.

Dilapidated structures have been demolished in Devils Lake over the past several years.

**Recommendation:** We recommend that the City of Devils Lake continue to take an aggressive approach to demolishing severely dilapidated structures. The City is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can possibly be utilized for the construction of new affordable housing units. The City could also develop partnerships with housing agencies and private developers to construct new housing on cleared parcels. Additionally, the demolition of dilapidated rental structures will upgrade the City's rental housing stock.

### **18. Consider a mobile home time of sale program**

**Findings:** Community Partners, Inc., has conducted a condition survey of 282 mobile homes in the City of Devils Lake. Eighty-seven mobile homes require minor repairs, 82 homes require major repairs and 31 mobile homes are dilapidated and beyond repair.

**Recommendation:** Some communities have adopted a time of sale inspection program. This inspection is designed to provide safe living conditions to community residents through the identification and elimination of basic life/safety hazards in older mobile homes. Mobile homes are inspected prior to their sale. All identified safety hazards must be corrected before the unit can be sold or occupied.

## **19. Create a plan and continue coordination among housing agencies**

**Findings:** The City of Devils Lake needs staff resources in addition to existing City staff to plan and implement many of the housing recommendations advanced in this Study. The City has access to the Ramsey County Housing Authority, the Dakota Prairie Community Action Agency, the North Central Planning Council and the Eastern Dakota Housing Alliance. The City also has access to the North Dakota Housing Finance Agency and the USDA Rural Development Office. These agencies all have experience with housing and community development programs.

**Recommendation:** The City of Devils Lake and Ramsey County are fortunate to have access to several agencies that can address housing needs. It is our recommendation that the City work with the housing agencies to prioritize the recommendations of this Study and to develop a plan to address the City's housing needs. The Plan should include strategies, time lines and the responsibilities of each agency. While there has traditionally been a degree of staff interaction between these agencies, it will be important that a coordinated approach be used to prioritize and assign responsibility for housing programs.

It will also be important for the City to look for opportunities to work cooperatively with other Ramsey County Cities to address housing issues. With the number of small Cities in the County, and limited staff capacity at both the City and County level, cooperative efforts may be the only way to accomplish certain projects. Cooperative efforts will not only make housing projects more practical, but they will often be more cost-effective and competitive.

We also recommend that the three counties that make up the Devils Lake Region Partnership consider hiring a Housing Coordinator to assist with developing and implementing housing projects and programs in the three counties.

## **20. Continue the City's Renaissance Zone Program**

**Findings:** The City of Devils Lake has developed and is implementing a Renaissance Zone Program. The Program provides real estate and income tax incentives and abatements for the following:

- ▶ Single family housing rehabilitation/renovation/additions
- ▶ New single family housing construction
- ▶ Rental housing construction/rehabilitation/renovation

To date, there are 12 Renaissance Zone projects that are in progress or have been completed.

**Recommendation:** We recommend that the City of Devils Lake continue to implement this successful Program and possibly expand the Renaissance Program.

The Renaissance Zone Program improves and expands the City's housing stock and often provides the incentives that are necessary to enable a property owner, developer or household to undertake a housing project.

## **Findings and Recommendations for the Small Cities in Ramsey County**

In addition to the Findings and Recommendations for the City of Devils Lake, we have provided Findings and Recommendations for several small Cities in Ramsey County including Starkweather, Edmore, and Crary.

All three Cities have lost population and households over the past decade and are projected to continue to lose households from 2010 to 2015.

To minimize population and household losses or possibly stabilize the population in small Cities, it will be necessary for the Cities to be proactive in addressing the following recommendations.

### **1. Market Affordable Homes**

**Findings:** The single family homes in the small Cities are very affordable. Based on sales over the past two years, the 2009 /2010 median sales price for each small city is:

- ▶ Starkweather      \$3,175
- ▶ Edmore            \$4,400
- ▶ Crary                \$21,500

Please note that these median sales prices are based on a very small number of sale samples.

**Recommendation:** We recommend that Ramsey County and the Cities continue to market the affordability of the homes in these small Cities.

### **2. Develop a plan for vacant homes**

**Findings:** There are a significant number of vacant homes in Ramsey County. Following, based on the 2010 census, is the vacant housing unit count for each city. The first number is the total number of housing units that are vacant. The second number is the number of the vacant units that are listed as seasonal, recreational.

- ▶ Starkweather - 25, 5
- ▶ Edmore - 32, 11
- ▶ Crary - 6, 1

The small Cities in Ramsey County have a substantial number of vacant homes. These homes range from homes that are in move in condition to dilapidated homes.

**Recommendation:** We recommend that each city inventory the vacant homes in their community to determine:

- ▶ Ownership status
- ▶ Condition of the structure
- ▶ Owners future plans for the structure

With this information, the City can develop a plan for each vacant home. The plan for vacant homes can include:

- ▶ Demolition of dilapidated homes
- ▶ Rehabilitation of substandard homes
- ▶ Purchase/Rehab Program for home ownership
- ▶ Conversion to single family home rentals

### **3. Promote owner occupied housing rehabilitation**

**Findings:** The affordability of the existing housing stock in the small Cities will be an attraction for some families that are seeking housing in the area. Investment in owner occupied housing rehabilitation activities will be critical to offering affordable housing opportunities.

Our 2011 housing condition survey rated the single family homes in the small Cities. Our survey found the number of homes that need minor or major repairs in each city is as follows:

- ▶ Starkweather      20-minor repair, 32-major repair
- ▶ Edmore            34-minor repair, 29 major repair
- ▶ Crary                15-minor repair, 10 major repair

**Recommendation:** We recommend that the Cities work with area housing agencies to apply for funds to rehabilitate homes. Rural Development, the North Dakota Housing Finance Agency, the Federal Home Loan Bank, the Community Development Block Grant Program and Home funds are all potential funding sources.

With limited funds, it will be necessary to only rehabilitate homes that are not functionally obsolete or too dilapidated to rehabilitate.

#### **4. Acquire and demolish dilapidated structures**

**Findings:** Our housing condition survey identified the following number of dilapidated homes in each city:

- ▶ Starkweather 10
- ▶ Edmore 17
- ▶ Crary 4

Dilapidated structures have been demolished in the small Cities over the past several years.

**Recommendation:** We recommend that the Cities continue to demolish severely dilapidated structures. Cities are enhanced when blighted and dilapidated structures are removed.

#### **5. Continue to maintain the City's infrastructure**

**Findings:** To maintain a healthy Community and a healthy housing stock, it is necessary to maintain the city's infrastructure including water, sewer, streets, parks, etc.

**Recommendation:** We recommend that the small Cities continue to maintain, update and improve their infrastructure to assure that households have access to services.

To be competitive with other Cities, to retain its population and to attract new households, a good infrastructure and public utilities are vital.

#### **6. Promote Commercial Development / Rehabilitation**

**Findings:** When our households are selecting a city to purchase a home in, they often determine if the city's commercial sector is sufficient to serve their daily needs.

**Recommendation:** We recommend that the Cities work with commercial property and business owners to rehabilitate their buildings. New businesses should also be encouraged to work in the small Cities.



**7. Create a plan and continue coordination among housing agencies**

**Findings:** The small Cities need staff resources to plan and implement the housing recommendations advanced in this Study. The City has access to the Dakota Prairie Community Action Agency, the North Central Planning Council and the Eastern Dakota Housing Alliance. The Cities also have access to the North Dakota Housing Finance Agency and the USDA Rural Development Office.

**Recommendation:** It is our recommendation that the Cities work with the housing agencies to address their housing needs. It will also be important for the Cities to look for opportunities to work cooperatively with other Ramsey County Cities to address housing issues.

**8. Other Recommendations:**

The City of Edmore has a 20 unit basic care senior with services project and a six unit apartment project. These projects should be maintained and marketed as they are assets to the community.

Starkweather has a public elementary school. It is crucial for the community to keep this school open and operational.

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## **Demographic Data Overview**

### **Sources of Data**

The following pages contain demographic data obtained from a variety of local, state and national sources. At the time that research was completed for this Study, the Census Bureau had released 2010 demographic profile information for jurisdictions in North Dakota. The demographic profile contains basic information from the 2010 U.S. Census, but does not contain more detailed tables, such as income information or household characteristics. However, detailed tables are available from the Census Bureau's 2009 American Community Survey. The following tables incorporate the 2010 Census data, when available, or the American Community Survey data. The American Community Survey estimates are derived from five-year sampling, obtained between 2005 and 2009.

The following pages contain population, household, income, home sales and housing condition data for the City of Cando. There is also demographic data for Towner County and the small Cities in Towner County.

## Population Data and Trends

| <b>Table 1 Population Trends - 1990-2010</b> |                    |                    |                       |                    |                       |
|--|--------------------|--------------------|-----------------------|--------------------|-----------------------|
|  | 1990<br>Population | 2000<br>Population | % Change<br>1990-2000 | 2010<br>Population | % Change<br>2000-2010 |
| Cando  | 1,564              | 1,342              | -14.2%                | 1,115              | -16.9%                |
| Bisbee                                       | 227                | 167                | -26.4%                | 126                | -24.6%                |
| Egeland                                      | 103                | 49                 | -52.4%                | 28                 | -42.9%                |
| Hansboro                                     | 20                 | 8                  | -60.0%                | 12                 | 50.0%                 |
| Perth  | 22                 | 13                 | -40.9%                | 9                  | -30.8%                |
| Rocklake                                     | 221                | 194                | -12.2%                | 101                | -47.9%                |
| Towner County                                | 3,627              | 2,876              | -20.7%                | 2,246              | -21.9%                |

Source: U.S. Census

- ▶ The 2010 U.S. Census Bureau population data was released in March, 2011. The 2010 Census reports that Cando's population was 1,115 in 2010. This is a loss of 227 since 2000, which is a 16.9% decrease.
- ▶ The 2010 population for all of Towner County was 2,246. This is a 21.9% decrease since 2000. The majority of the decrease was due to out migration, while the remaining decrease was due to deaths exceeding births.
- ▶ Based on the U.S. Census, the City of Cando also lost population from 1990 to 2000. Between 1990 and 2000, the City's population decreased by 9.2%.
- ▶ All of the small Cities in Towner County experienced significant population losses with the exception of the very small City of Hansboro, which gained four people.

## Population by Age

The following table compares populations by age in 2000 and 2010, along with the percentage changes.

| <b>Table 2 Persons by Age - 2000 - 2010</b> |                      |              |               |                      |              |               |
|---|----------------------|--------------|---------------|----------------------|--------------|---------------|
| <b>Age</b>                                  | <b>City of Cando</b> |              |               | <b>Towner County</b> |              |               |
|   | 2000                 | 2010         | % Change      | 2000                 | 2010         | % Change      |
| 0-19  | 333                  | 253          | -24.0%        | 757                  | 470          | -37.9%        |
| 20-24                                       | 18                   | 41           | 127.8%        | 54                   | 76           | 40.7%         |
| 25-34                                       | 108                  | 61           | -43.5%        | 218                  | 148          | -32.1%        |
| 35-44                                       | 211                  | 127          | -39.8%        | 472                  | 225          | -52.3%        |
| 45-54                                       | 189                  | 188          | -0.5%         | 419                  | 404          | -3.6%         |
| 55-64                                       | 124                  | 158          | 27.4%         | 286                  | 371          | 29.7%         |
| 65-74                                       | 121                  | 122          | 0.8%          | 281                  | 256          | -8.9%         |
| 75-84                                       | 141                  | 87           | -38.3%        | 256                  | 184          | -28.1%        |
| 85+   | 97                   | 78           | -19.6%        | 133                  | 112          | -15.8%        |
| <b>Total</b>                                | <b>1,342</b>         | <b>1,115</b> | <b>-16.9%</b> | <b>2,876</b>         | <b>2,246</b> | <b>-21.9%</b> |

Source: U.S. Census; Community Partners Research, Inc.

- ▶ From 2000 to 2010, there were some significant percentage changes in the age make-up of the population in the City of Cando. The largest numeric gain occurred among people age 55 to 64 years old. This age group increased by 34 people, or 27.4%. Significant percentage increases also occurred in the in the 20 to 24 year old range.
- ▶ The 35 to 44 age range experienced the loss of 84 people, a 39.8% decrease. Also, the 0 to 19 year old age group decreased by 80 people, or 24%, and the 75 to 84 age range decreased by 54 people, or 38.3%. The 25 to 34, 45 to 54 and 85 and over age ranges also experienced losses.
- ▶ The City's overall loss of senior citizens, age 65 and older, from 2000 to 2010, was 72 people.
- ▶ Patterns for Towner County were similar, with growth occurring in the 20 to 24 and 55 to 64 year old age ranges and population losses in the remaining age ranges.

## Population Projections

The following table presents population level projections using two different sources. The 20-year growth trend is based on the rate of change between 1990 and 2010, using the 1990 and 2010 Census, and projects this rate of growth forward between 2010 and 2015. The 10-year growth trend uses the same methodology, but calculates an annual growth rate from the 2000 and 2010 Census data.

| <b>Table 3 Population Projections Through 2015</b> |                 |                                       |                                       |
|--|-----------------|---------------------------------------|---------------------------------------|
|  | 2010 Population | 2015 Projection from<br>10-year trend | 2015 Projection from<br>20-year trend |
| Cando  | 1,115           | 1,021                                 | 1,035                                 |
| Bisbee   | 126             | 111                                   | 112                                   |
| Egeland  | 28              | 22                                    | 23                                    |
| Hansboro   | 12              | 15                                    | 11                                    |
| Perth  | 9               | 8                                     | 8                                     |
| Rocklake   | 101             | 77                                    | 87                                    |
| Towner County                                      | 2,246           | 2,000                                 | 2,032                                 |

Source: Community Partners Research, Inc.; U.S. Census

- ▶ Our population projection calculated from the 10-year growth rate for Cando, expects that the City's population will decrease by 94 people, and the projection based on the 20-year growth rate expects a loss of 80 people from 2010 to 2015.
- ▶ The projections for Towner County also show population losses over the next five years. The 10 and 20-year growth projections expect the County population to lose between 214 and 246 people.
- ▶ All of the small Cities are projected to lose population from 2010 to 2015, with the exception of Hansboro, which based on 10-year trends is projected to gain three people.

## Household Data and Trends

| <b>Table 4 Household Trends - 1990-2010</b> |                    |                    |                       |                    |                       |
|---|--------------------|--------------------|-----------------------|--------------------|-----------------------|
|   | 1990<br>Households | 2000<br>Households | % Change<br>1990-2000 | 2010<br>Households | % Change<br>2000-2010 |
| Cando                                       | 660                | 595                | -9.8%                 | 518                | -12.9%                |
| Bisbee                                      | 103                | 82                 | -20.4%                | 63                 | -23.2%                |
| Egeland                                     | 39                 | 21                 | -46.2%                | 17                 | -19.0%                |
| Hansboro                                    | 11                 | 5                  | -54.5%                | 8                  | 60.0%                 |
| Perth                                       | 8                  | 4                  | -50.0%                | 5                  | 25.0%                 |
| Rocklake                                    | 105                | 89                 | -15.2%                | 63                 | -29.2%                |
| Towner County                               | 1,433              | 1,218              | -15.0%                | 1,048              | -14.0%                |

Source: U.S. Census

- ▶ The 2010 U.S. Census Bureau household data was released in March, 2011. The Census reports that Cando had 518 households in 2010. The City lost 77 households since the 2000 Census, which is a 12.9% decrease.
- ▶ Towner County had 1,048 households in 2010, down 170 households from the year 2000, which is a 14.0% decrease.
- ▶ Bisbee, Egeland and Rocklake lost households from 2000 to 2010.
- ▶ Hansboro gained three households and Perth gained one household from 2000 to 2010.

## Average Household Size

The following table provides 2010 Census Data on average household size.

| <b>Table 5 Average Number of Persons Per Household 1990-2010</b> |             |             |             |
|--|-------------|-------------|-------------|
|  | 1990 Census | 2000 Census | 2010 Census |
| Cando  | 2.23        | 2.15        | 2.07        |
| Bisbee   | 2.20        | 2.04        | 2.00        |
| Egeland  | 2.64        | 2.33        | 1.65        |
| Hansboro   | 1.82        | 1.60        | 1.50        |
| Perth  | 2.75        | 3.25        | 1.80        |
| Rocklake   | 2.10        | 2.18        | 1.60        |
| Towner County  | 2.47        | 2.31        | 2.10        |

Source: U.S. Census

- ▶ Household formation has been occurring at a different rate than population change in recent decades due to a steady decrease in average household size. This has been due to household composition changes, such as more single parent families, more senior households due to longer life spans, etc.
- ▶ The average Cando household size has decreased from 2.23 persons per household in 1990 to 2.07 persons per household in 2010.
- ▶ The average household size for all of Towner County has decreased from 2.47 persons per household in 1990 to 2.10 persons in 2010.
- ▶ All five small Cities in Towner County have had an average household size of 2.00 or less in 2010.



## Household Projections

The following table presents household projections using two different calculation methods. The 10-year growth trend is based on the rate of change between 2000 and 2010 using the U.S. Census population, and projects this rate of growth forward between 2010 and 2015. The 20-year growth trend uses the same methodology, but calculates an annual growth rate from the 1990 to 2010.

| <b>Table 6 Household Projections Through 2015</b> |                         |                                    |                                    |
|---|-------------------------|------------------------------------|------------------------------------|
|   | 2010 Household Estimate | 2015 Projection from 10-year trend | 2015 Projection from 20-year trend |
| Cando   | 518                     | 484                                | 490                                |
| Bisbee  | 63                      | 56                                 | 57                                 |
| Egeland   | 17                      | 15                                 | 15                                 |
| Hansboro  | 8                       | 10                                 | 7                                  |
| Perth   | 5                       | 6                                  | 5                                  |
| Rocklake  | 63                      | 54                                 | 57                                 |
| Towner County                                     | 1,048                   | 975                                | 978                                |

Source: U.S. Census; Community Partners Research, Inc.

- ▶ Our calculations, based on past trends, indicate a loss in the number of households for the City of Cando over the next five years, with a projected range of a loss of 28 to 34 households from 2010 to 2015.
- ▶ Our projections for all of Towner County show the potential loss of 70 to 73 households from 2010 to 2015.
- ▶ Bisbee, Egeland and Rocklake are projected to lose households.
- ▶ Hansboro is projected to gain two households and Perth is projected to gain one household based on 10-year trends.

## 2009 Income Data

Household income represents all independent households, including people living alone and unrelated individuals in a housing unit. Families are two or more related individuals living in a household.

| <b>Table 7 Median Household Income - 2000 to 2009</b> |             |             |          |
|---|-------------|-------------|----------|
|   | 1999 Median | 2009 Median | % Change |
| Cando   | \$31,989    | \$42,143    | 31.7%    |
| Towner County   | \$32,740    | \$42,681    | 30.4%    |
| North Dakota  | \$34,604    | \$47,827    | 38.2%    |

Source: U.S. Census; 2009 ACS

| <b>Table 8 Median Family Income - 2000 to 2009</b> |             |             |          |
|--|-------------|-------------|----------|
|  | 1999 Median | 2009 Median | % Change |
| Cando  | \$43,571    | \$48,750    | 11.9%    |
| Towner County                                      | \$39,286    | \$48,500    | 23.5%    |
| North Dakota                                       | \$43,654    | \$63,507    | 45.5%    |

Source: U.S. Census; 2009 ACS

- ▶ Cando's median household income in 2009 was \$42,143, which is an increase of 31.7% since 2000. Towner County's median household income was \$42,681, which is an increase of 30.4%
- ▶ Using the commonly accepted standard that 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Cando could afford approximately \$1,054 per month for ownership or rental housing in 2009, and a median income family could afford \$1,219 per month in 2009.
- ▶ Using the "rule of thumb" standard that a household can afford to purchase a house that is approximately 2 ½ times annual income, a median income household in the City of Cando could afford a home valued at approximately \$105,358, and a median income household in Towner County could afford approximately \$106,703.

## Estimated Household Income

| <b>Table 9 Cando Estimated Household Distribution - 2000-2009</b> |                           |                              |                     |
|---|---------------------------|------------------------------|---------------------|
| Household Income  | Number of Households 2000 | Number of Households in 2009 | Change 2000 to 2009 |
| \$0 - \$14,999  | 142                       | 87                           | -55                 |
| \$15,000 - \$24,999   | 108                       | 77                           | -31                 |
| \$25,000 - \$34,999   | 69                        | 98                           | 29                  |
| \$35,000 - \$49,999   | 112                       | 127                          | 15                  |
| \$50,000 - \$74,999   | 90                        | 98                           | 8                   |
| \$75,000 - \$99,999   | 22                        | 49                           | 27                  |
| \$100,000+  | 42                        | 40                           | -2                  |
| Total   | 585                       | 576                          | -9                  |

Source: 2009 ACS; U.S. Census ( NOTE: 2000 data for this table were taken from STF-3 which provides sample data and may not match 100% reporting from STF-1)

- ▶ According to income estimates for 2009, household incomes have improved in Cando. The American Community Survey reports that the number of households with annual incomes of less than \$30,000 has decreased over the past 10 years, while the number of households with incomes greater than \$30,000 has increased.
- ▶ According to the American Community Survey, the median household income in 2009 was \$42,143, compared to \$31,989 in 2000, an increase of 31.7%.
- ▶ Although the number of lower income households has been declining, there were still 87 households in 2009 with an annual income below \$15,000. These households can only afford \$375 per month or less for housing costs, without experiencing a cost burden.

## Households by Age and Household Income - Towner County

The American Community Survey provides household income estimates for the year 2009. This information is also provided in four age ranges.

| <b>Table 10 Households by Age of Householder - 2009</b> |                    |              |              |                  |              |
|---|--------------------|--------------|--------------|------------------|--------------|
| Household Income  | Age 24 and younger | Age 25 to 44 | Age 45 to 64 | Age 65 and older | Total        |
| Less than \$10,000                                      | 4                  | 8            | 26           | 33               | 71           |
| \$10,000 - \$19,999                                     | 2                  | 39           | 21           | 141              | 203          |
| \$20,000 - \$29,999                                     | 0                  | 43           | 30           | 65               | 138          |
| \$30,000 - \$39,999                                     | 0                  | 49           | 28           | 37               | 114          |
| \$40,000 - \$49,999                                     | 0                  | 107          | 75           | 28               | 210          |
| \$50,000 - \$59,999                                     | 0                  | 34           | 52           | 16               | 102          |
| \$60,000-\$74,999                                       | 7                  | 44           | 57           | 15               | 116          |
| \$75,000 - \$99,999                                     | 0                  | 25           | 50           | 24               | 99           |
| \$100,000+  | 0                  | 13           | 39           | 32               | 84           |
| <b>Total</b>  | <b>13</b>          | <b>362</b>   | <b>376</b>   | <b>391</b>       | <b>1,142</b> |

Source: 2009 ACS

- ▶ Approximately 64% of the households in Towner County have annual incomes under \$50,000.
- ▶ Approximately 43% of the households in the 25 to 44 age range have annual incomes in the \$30,000 to \$50,000 range.
- ▶ In the 45 to 64 age range, approximately 53% of the households have annual incomes over \$50,000.
- ▶ Approximately 64% of the households in the 65 and older age range have incomes under \$50,000.

## 2009 Estimated Income and Housing Costs - Renters

In addition to collecting income data, the American Community Survey also collected information on housing costs. The following table provides data on the number of renter households that are paying different percentages of their gross household income for housing costs in the City of Cando.

| <b>Table 11 Gross Rent as a Percentage of Household Income - Cando</b> |                                  |                                       |
|--|----------------------------------|---------------------------------------|
| Percentage of Household Income for Housing Costs                       | Number of Renter Households 2009 | Percent of All Renter Households 2009 |
| 0% to 19.9%  | 89                               | 46.4%                                 |
| 20% to 29.9%   | 29                               | 15.1%                                 |
| 30% to 34.9%   | 16                               | 8.3%                                  |
| 35% or more  | 29                               | 15.1%                                 |
| Not Computed   | 29                               | 15.1%                                 |
| Total  | 192                              | 100%                                  |

Source: 2009 ACS

- ▶ The American Community Survey reported that 23.4% of renter households in the City of Cando were paying more than 30% of their income for rent, including 15.1% of all renter households that were paying more than 35% of income for housing.

## 2009 Estimated Income and Housing Costs - Owners

The American Community Survey also provided housing cost estimates for owner-occupants. The following table provides estimates of the number of households in the City of Cando that are paying different percentages of their gross household income for housing costs.

| <b>Table 12 Home Ownership Costs as a Percentage of Household Income - Cando</b> |                                 |                                      |
|--|---------------------------------|--------------------------------------|
| Percentage of Household Income for Housing Costs                                 | Number of Owner Households 2009 | Percent of All Owner Households 2009 |
| 0% to 19.9%  | 276                             | 71.9%                                |
| 20% to 29.9%   | 67                              | 17.4%                                |
| 30% to 34.9%   | 19                              | 5.0%                                 |
| 35% or more  | 22                              | 5.7%                                 |
| Not Computed   | 0                               | 0%                                   |
| Total  | 384                             | 100%                                 |

Source: 2009 ACS

- ▶ Most owner-occupants, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. However, 5.7% of all home owners reported that they paid more than 35% of their income for housing.

## Racial and Ethnic Minority Population Data - Towner County

The following tables compare racial and ethnic populations in Towner County from 2000 to 2010. The data was obtained from the U.S. Census Bureau.

| <b>Table 13 Population by Race and Ethnicity<br/>Towner County - 2000 to 2010</b> |                 |                 |                |
|---|-----------------|-----------------|----------------|
| Race  | 2000 Population | 2010 Population | Numeric Change |
| White   | 2,799           | 2,173           | -626           |
| Black/African American  | 2               | 2               | 0              |
| American Indian/Alaskan   | 59              | 49              | -10            |
| Asian   | 2               | 1               | -1             |
| Hawaiian/Pacific Islander   | 0               | 0               | 0              |
| Other race Alone  | 1               | 6               | 5              |
| Two or more races   | 13              | 15              | 2              |
| <b>Total</b>  | <b>2,876</b>    | <b>2,246</b>    | <b>-630</b>    |

Source: 2010 U.S. Census

- ▶ Approximately 97% of the Towner County's population is white and 2.2% is American Indian/Alaskan.

| <b>Table 14 Towner County Hispanic/Latino Population - 2000 to 2010</b> |                 |                 |                |
|---|-----------------|-----------------|----------------|
| Race  | 2000 Population | 2010 Population | Numeric Change |
| Hispanic/Latino   | 5               | 10              | 5              |
| Not Hispanic/Latino   | 2,871           | 2,236           | -635           |
| <b>Total</b>  | <b>2,876</b>    | <b>2,246</b>    | <b>-630</b>    |

Source: 2010 U.S. Census

- ▶ The Towner County population includes only 10 Hispanic/Latino individuals.

## Housing Construction Activity

The following table examines housing construction activity using annual building permit summary reports from the City of Cando.

| <b>Table 15 Housing Construction/Demolition Activity - 2000 to 2010</b> |      |      |      |      |      |      |      |      |      |      |      |       |
|---|------|------|------|------|------|------|------|------|------|------|------|-------|
| Housing Type  | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Total |
| Single Family   | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 1    | 0    | 0    | 1    | 2     |
| Two Family  | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0     |
| Multifamily   | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0     |
| Total   | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 1    | 0    | 0    | 1    | 2     |

Source: City Building Permits; Census Bureau; Community Partners Research, Inc.

Cando has had very limited new housing construction over the 11 years from 2000 to 2010. The City has added only two single family homes during this time period. No duplexes or multi-family housing units were constructed from 2000 to 2010.



## Cando Existing Home Sales

This section examines houses that have been sold in the City of Cando over the past three years, 2008, 2009 and 2010. It is important to note that in smaller communities, the number of houses that have sold is limited, and may not be an accurate indicator of overall home values. However, this sample does provide some insight into those units that are turning-over in the jurisdiction.

**Table 16 Median and Average Value of Recent Residential Sales - 2009-2010**

| Calendar Year | Number of Good Sales | Median Sale Price | Average Sale Price |
|---------------|----------------------|-------------------|--------------------|
| 2010          | 16                   | \$41,000          | \$41,973           |
| 2009          | 15                   | \$40,000          | \$50,860           |
| 2008          | 22                   | \$24,950          | \$39,006           |

Source: Towner County; Community Partners, Research, Inc.

- ▶ The residential sales information is for sales that are considered to be “arms length” transactions according to the County Tax Equalization Staff. Sales that are not “arms length” include, but are not limited to, sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. Only the “arms length” transactions have been reviewed for this study.
- ▶ There were 16 sales in 2010. The median sales price was \$41,000 and the average sales price was \$41,973. The highest valued sale was for \$125,000 and the lowest valued sale was for \$7,000.
- ▶ There were 15 sales in 2009. The median sales price was \$40,000 and the average sales price was \$50,860. The highest valued sale was for \$141,000 and the lowest valued sale was for \$8,000.
- ▶ There were 22 sales in 2008. The median sales price was \$24,950 and the average sales price was \$39,006. The highest valued sale was for \$105,000 and the lowest valued sale was for \$1,500.

## Cando Homes Sales by Price Range

To examine sales by price range, the 2008, 2009 and 2010 sales have been assembled for analysis.

| <b>Table 17 Home Sales by Price Range - Jan. 2009 to Dec. 2010</b> |                 |                  |
|--|-----------------|------------------|
| Sale Price   | Number of Sales | Percent of Sales |
| Less than \$20,000   | 18              | 33.3%            |
| \$20,000-\$30,000  | 8               | 14.8%            |
| \$30,000 - \$49,999  | 11              | 20.4%            |
| \$50,000 - \$74,999  | 4               | 7.4%             |
| \$75,000 - \$99,999  | 8               | 14.8%            |
| \$100,000 - \$124,999  | 3               | 5.6%             |
| \$125,000 - \$149,999  | 2               | 3.7%             |
| \$150,000 +  | 0               | 0%               |
| Total  | 5               | 100%             |

Source: Towner County; Community Partners Research, Inc.

- ▶ A large majority of recent residential sales were priced less than \$100,000. In the three-year sales period, only five of the existing homes were sold for more than \$100,000.
- ▶ Thirty-seven of the 54 homes sales, 68.5%, were sold for less than \$50,000.
- ▶ Twelve homes, which are 22.2% of the total home sales, were sold in the price ranges between \$50,000 and \$100,000.

## Bisbee Existing Home Sales

This section examines houses that have been sold in the City of Bisbee over the past three years, 2008, 2009 and 2010. It is important to note that in smaller communities, the number of houses that have sold is limited, and may not be an accurate indicator of overall home values. However, this sample does provide some insight into those units that are turning-over in the jurisdiction.

**Table 18 Median and Average Value of Recent Residential Sales - 2009-2010**

| Calendar Year | Number of Good Sales | Median Sale Price | Average Sale Price |
|---------------|----------------------|-------------------|--------------------|
| 2010          | 1                    | \$6,500           | \$6,500            |
| 2009          | 4                    | \$12,100          | \$15,025           |
| 2008          | 1                    | \$4,500           | \$4,500            |

Source: Towner County; Community Partners, Research, Inc.

- ▶ The residential sales information is for sales that are considered to be "arms length" transactions according to the County Tax Equalization Staff. Sales that are not "arms length" include, but are not limited to, sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. Only the "arms length" transactions have been reviewed for this study.
- ▶ There were six total sales in Bisbee in 2008, 2009 and 2010. The highest valued sale during the three years was for \$30,000 and the lowest valued sale was for \$4,500.

## Rocklake Existing Home Sales

This section examines houses that have been sold in the City of Rocklake over the past three years, 2008, 2009 and 2010. It is important to note that in smaller communities, the number of houses that have sold is limited, and may not be an accurate indicator of overall home values. However, this sample does provide some insight into those units that are turning-over in the jurisdiction.

**Table 19 Median and Average Value of Recent Residential Sales - 2009-2010**

| Calendar Year | Number of Good Sales | Median Sale Price | Average Sale Price |
|---------------|----------------------|-------------------|--------------------|
| 2010          | 0                    | N/A               | N/A                |
| 2009          | 0                    | N/A               | N/A                |
| 2008          | 3                    | \$7,500           | \$8,500            |

Source: Towner County; Community Partners, Research, Inc.

- ▶ The residential sales information is for sales that are considered to be "arms length" transactions according to the County Tax Equalization Staff. Sales that are not "arms length" include, but are not limited to, sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. Only the "arms length" transactions have been reviewed for this study.
- ▶ There were three total sales in Rocklake from 2008 through 2010. The highest valued sale during the three years was for \$13,000 and the lowest valued sale was for \$5,000.

## Egeland Existing Home Sales

This section examines houses that have been sold in the City of Egeland over the past three years, 2008, 2009 and 2010. It is important to note that in smaller communities, the number of houses that have sold is limited, and may not be an accurate indicator of overall home values. However, this sample does provide some insight into those units that are turning-over in the jurisdiction.

**Table 20 Median and Average Value of Recent Residential Sales - 2009-2010**

| Calendar Year | Number of Good Sales | Median Sale Price | Average Sale Price |
|---------------|----------------------|-------------------|--------------------|
| 2010          | 0                    | N/A               | N/A                |
| 2009          | 1                    | \$13,000          | \$13,000           |
| 2008          | 0                    | N/A               | N/A                |

Source: Towner County; Community Partners, Research, Inc.

- ▶ The residential sales information is for sales that are considered to be "arms length" transactions according to the County Tax Equalization Staff. Sales that are not "arms length" include, but are not limited to, sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. Only the "arms length" transactions have been reviewed for this study.
- ▶ There was only one sale in Egeland from 2008 through 2010. The sale was for \$13,000.

## **Cando Housing Condition**

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 332 single family/duplex houses in four Cando neighborhoods. Houses that appeared to contain three or more units were excluded from the survey. The boundaries of the four neighborhoods are as follows:

**Neighborhood No. 1** - 9<sup>th</sup> St. - North, 11<sup>th</sup> St. - South, 6<sup>th</sup> Ave. - East and 3<sup>rd</sup> Ave. - West

**Neighborhood No. 2** - Main St. - North, 9<sup>th</sup> St. South, 6<sup>th</sup> Ave. - East and 1<sup>st</sup> Ave. - West

**Neighborhood No. 3** - 1<sup>st</sup> St. North, Main St. - South, Railroad Tracks - East and 1<sup>st</sup> Ave. - West

**Neighborhood No. 4** - 3<sup>rd</sup> St. - North, Main St. - South, 8<sup>th</sup> Ave. - East and 7<sup>th</sup> Ave. - West

Houses were rated in one of four levels of physical condition, as defined below. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition is assumed to be a reasonable indicator of the structure's interior quality. Dilapidated houses are generally considered beyond repair. Major Repair houses need multiple major improvements such as roof, windows, sidings, structural/foundation, etc. Houses in this condition category may or may not be economically feasible to rehabilitate. Minor Repair houses are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses in this condition category will generally be good candidates for rehabilitation programs because they are in a affordable price range and are economically feasible to repair. Sound houses are judged to be in good, 'move-in' condition. Sound houses may contain minor code violations and still be considered Sound.

**Table 21 Cando Windshield Survey Condition Estimate - 2011**

| Neighborhood | Sound       | Minor Repair | Major Repair | Dilapidated | Total |
|--------------|-------------|--------------|--------------|-------------|-------|
| No. 1        | 23 (25.6%)  | 28 (31.1%)   | 24 (26.6%)   | 15 (16.7%)  | 90    |
| No. 2        | 28 (32.6%)  | 28 (32.6%)   | 23 (26.7%)   | 7 (8.1%)    | 86    |
| No. 3        | 46 (35.4%)  | 41 (31.5%)   | 33 (25.4%)   | 10 (7.7%)   | 130   |
| No. 4        | 6 (23.1%)   | 8 (30.8%)    | 8 (30.8%)    | 4 (15.4%)   | 26    |
| Total        | 103 (31.0%) | 105 (31.6%)  | 88 (26.5%)   | 36 (10.9%)  | 332   |

Source: Community Partners Research, Inc.

The existing housing stock in the four neighborhoods is in fair condition. Approximately 31% of the houses were rated as Sound, while approximately 31% of the houses were judged to be in need of Minor Repair and 27% need Major Repair.

Thirty-six homes in the four neighborhoods were rated as Dilapidated and possibly beyond repair. These houses may be suitable for demolition and clearance.

## Bisbee Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 102 single family/duplex houses in Bisbee. Houses that appeared to contain three or more units were excluded from the survey.

Houses were rated in one of four levels of physical condition, as defined below. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition is assumed to be a reasonable indicator of the structure's interior quality. Dilapidated houses are generally considered beyond repair. Major Repair houses need multiple major improvements such as roof, windows, sidings, structural/foundation, etc. Houses in this condition category may or may not be economically feasible to rehabilitate. Minor Repair houses are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses in this condition category will generally be good candidates for rehabilitation programs because they are in an affordable price range and are economically feasible to repair. Sound houses are judged to be in good, 'move-in' condition. Sound houses may contain minor code violations and still be considered Sound.

**Table 22 Bisbee Windshield Survey Condition Estimate - 2011**

|        | Sound      | Minor Repair | Major Repair | Dilapidated | Total |
|--------|------------|--------------|--------------|-------------|-------|
| Bisbee | 16 (15.7%) | 38 (37.3%)   | 29 (28.4%)   | 19 (18.6%)  | 102   |

Source: Community Partners Research, Inc.

The existing housing stock in Bisbee is in fair condition. Approximately 16% of the houses were rated as Sound, while approximately 37% of the houses were judged to be in need of Minor Repair and 28% need Major Repair.

Nineteen homes were rated as Dilapidated and possibly beyond repair. These houses may be suitable for demolition and clearance.



## Rocklake Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 78 single family/duplex houses in the City of Rocklake. Houses that appeared to contain three or more units were excluded from the survey.

Houses were rated in one of four levels of physical condition, as defined below. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition is assumed to be a reasonable indicator of the structure's interior quality. Dilapidated houses are generally considered beyond repair. Major Repair houses need multiple major improvements such as roof, windows, sidings, structural/foundation, etc. Houses in this condition category may or may not be economically feasible to rehabilitate. Minor Repair houses are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses in this condition category will generally be good candidates for rehabilitation programs because they are in an affordable price range and are economically feasible to repair. Sound houses are judged to be in good, 'move-in' condition. Sound houses may contain minor code violations and still be considered Sound.

**Table 23 Rocklake Windshield Survey Condition Estimate - 2011**

|          | Sound      | Minor Repair | Major Repair | Dilapidated | Total |
|----------|------------|--------------|--------------|-------------|-------|
| Rocklake | 16 (20.5%) | 28 (35.9%)   | 23 (29.5%)   | 11 (14.1%)  | 78    |

Source: Community Partners Research, Inc.

The existing housing stock in Rocklake is in fair condition. Approximately 21% of the houses were rated as Sound, while approximately 36% of the houses were judged to be in need of Minor Repair and 30% need Major Repair.

Eleven homes were rated as Dilapidated and possibly beyond repair. These houses may be suitable for demolition and clearance.

## Egeland Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 32 single family/duplex houses in the City of Egeland. Houses that appeared to contain three or more units were excluded from the survey.

Houses were rated in one of four levels of physical condition, as defined below. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition is assumed to be a reasonable indicator of the structure's interior quality. Dilapidated houses are generally considered beyond repair. Major Repair houses need multiple major improvements such as roof, windows, sidings, structural/foundation, etc. Houses in this condition category may or may not be economically feasible to rehabilitate. Minor Repair houses are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses in this condition category will generally be good candidates for rehabilitation programs because they are in an affordable price range and are economically feasible to repair. Sound houses are judged to be in good, 'move-in' condition. Sound houses may contain minor code violations and still be considered Sound.

**Table 24 Egeland Windshield Survey Condition Estimate - 2011**

|         | Sound     | Minor Repair | Major Repair | Dilapidated | Total |
|---------|-----------|--------------|--------------|-------------|-------|
| Egeland | 5 (15.6%) | 8 (25.0%)    | 13 (40.6%)   | 6 (18.8%)   | 32    |

Source: Community Partners Research, Inc.

The existing housing stock in the City of Egeland is in fair to poor condition. Approximately 16% of the houses were rated as Sound, while approximately 25% of the houses were judged to be in need of Minor Repair and 41% need Major Repair.

Six homes were rated as Dilapidated and possibly beyond repair. These houses may be suitable for demolition and clearance.

## Cando Mobile Home Condition

In May, 2011, Community Partners Research, Inc. representatives also conducted a visual 'windshield' survey of the mobile homes in Cando. The majority of the mobile homes are in the mobile home park, although, one mobile home is located on a lot outside of the park.

Mobile homes were rated in one of four levels of physical condition. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition is assumed to be a reasonable indicator of the structure's interior quality. Dilapidated units are generally considered beyond repair. Major Repair units need multiple major improvements such as roof, windows, siding, etc. Units in this condition category may or may not be economically feasible to rehabilitate. Minor Repair units are judged to be generally in good condition and require less extensive repair, such as one major improvement. Units in this condition category will generally be good candidates for rehabilitation programs because they are economically feasible to repair. Sound units are judged to be in good, 'move-in' condition. Sound units may contain minor code violations and still be considered Sound.

| <b>Table 25 Cando Mobile Home Condition Estimate - 2011</b> |           |              |              |             |       |
|---|-----------|--------------|--------------|-------------|-------|
|   | Sound     | Minor Repair | Major Repair | Dilapidated | Total |
| Mobile Homes  | 3 (37.5%) | 2 (25.0%)    | 2 (25.0%)    | 1 (12.5%)   | 8     |

Source: Community Partners Research, Inc.

Of the eight mobile homes in Cando, three were rated as being in sound condition, and two require minor repair. Two of the mobile homes need major repairs and one mobile home is dilapidated and beyond repair.

## **Rental Housing Inventory**

### **Total Unit Inventory**

According to the 2010 Census, the City of Cando had a total of 242 rental units in 2011. From 2000 to 2011, no new rental units were constructed.

### **Pending Projects**

Our research did not identify any pending rental development projects.

### **Rental Housing Survey**

As part of this housing study, a survey was conducted of multifamily buildings in the City. The survey included information on 153 units in 17 rental buildings that have three or more units. Information was also obtained on four single family homes.

A total of 157 of the estimated 242 rental units in Cando, or approximately 65% of all units, were surveyed. The survey represents a significant portion of all rental property in the City, and includes all of the larger rental properties. For purposes of new unit construction, it is assumed that most future development would be oriented toward buildings and developments with three or more units, thus, these properties offer the best comparison.

The survey was conducted by Community Partners Research, Inc., from March to May, 2011.

The breakdown of the units surveyed is as follows:

- ▶ 100 general occupancy market rate units
- ▶ 37 subsidized units
- ▶ 20 senior with services units

## **Market Rate Rental Summary**

Twelve market rate rental projects with three or more units were contacted with a total of 96 rental units. An additional four market rate rental units in single family homes were also contacted.

### **Occupancy/Vacancy**

Overall, we found six vacant market rate units in the 100 units we surveyed for a vacancy rate of 6.0% in the market rate segment. All managers and owners reported high occupancy rates over the past six months.

### **Unit Mix**

The following information is the bedroom mix for the 100 market rate rental units surveyed:

- ▶ 4 (4%) efficiency
- ▶ 21 (21%) one-bedroom
- ▶ 59 (59%) two-bedroom
- ▶ 14 (14%) three-bedroom
- ▶ 2 (2%) four-bedroom

### **Rental Rates**

The units in the survey included apartment buildings of various ages and condition resulting in a wide variation in the type and price of market rate units. Based on the units contacted, the rent ranges are as follows:

|            |             |
|------------|-------------|
| Efficiency | \$210-\$300 |
| 1 Bedroom  | \$295-\$445 |
| 2 Bedroom  | \$450-\$675 |
| 3 Bedroom  | \$600-\$615 |

The payment of utilities varies greatly from the tenant paying all utilities to the landlord paying all utilities.

In addition to the rental rates stated above, eight one-bedroom and four two-bedroom units are rented by the day. The one-bedroom units are rented for \$60 per day or \$600 per month and the two-bedroom units are rented for \$75 per day or \$750 per month.

## **Tax Credit Summary**

There are no tax credit-assisted rental projects in the City of Cando.

## **Subsidized Summary**

Cando has two subsidized rental projects with a total of 37 units. Sunrise Apartments is a 27-unit HUD Public Housing General Occupancy Project. The project includes 18 one-bedroom, five two-bedroom and four three-bedroom units. Cando Village was a 10-unit Section 8 New Construction Project occupied primarily with seniors and singles, but is no longer a subsidized project. However, there are still income restrictions for a percentage of the tenants, thus, we have included the project in the subsidized inventory. All of the units in Cando Village are one-bedroom units.

## **Occupancy/Vacancy**

Sunrise Apartments has three one-bedroom vacancies and Cando Village has no vacancies, thus, the total vacancy rate for the two subsidized projects is 8.1%. The manager of Sunrise Apartments reports that vacancy rates have been as high as 50% in the past. Cando Village had 20 units, however, 10 units were closed due to high vacancy rates. The manager of Cando Village reported that although there are currently no vacancies, there have been ongoing vacancies in the past.

## **Unit Mix**

The unit mix of the two projects with 37 units is as follows:

- ▶ 28 (75.7%) one-bedroom
- ▶ 5 (13.5%) two-bedroom
- ▶ 4 (10.8%) three-bedroom

## **Rental Rates**

The rental rates for Cando Village are \$285. The rent includes all utilities. Sunrise Apartments tenants receive rent assistance that allows for rent based on 30% of tenant household income. The project, however, has maximum rent levels. The tenant does not pay more than the maximum rent. The maximum rent in Sunrise Apartments is \$250 for a one-bedroom unit, \$300 for a two-bedroom unit and \$500 for a three-bedroom unit.

## **Senior Housing with Services Summary**

There are two senior with services projects in Cando. Prairie View Estates is a 10-unit senior project constructed in 1998. All of the units are two-bedroom units. Rent is \$990 and includes a noon meal and housekeeping. Garages can be rented for an additional \$50. Prairie View Estates has no vacancies and a waiting list.

St. Francis is a wing of the Towner County Nursing Home and has 10 Basic Care beds. The facility provides senior services for Basic Care tenants including meals, medication set-up, laundry, housekeeping, bathing, etc. The Basic Care beds have an 85% occupancy rate.

## **Housing Choice Voucher Program**

In addition to subsidized rental properties with project-based rent assistance, Cando renters have access to tenant-based rent assistance through the Housing Choice Voucher Program. Voucher assistance is available through the Towner County Housing Authority and can be used in any suitable private market rental unit in the County. With a Voucher, the household pays approximately 30% of income toward for rent, with the Voucher paying the difference.

In April, 2011, there were approximately 20 Vouchers available for Towner County households.

**Table 26 Cando Multifamily Rental Housing Inventory**

| Name                     | Number of Units /Bedroom Mix  | Rent   | Vacancy/ Wait List        | Tenant Mix                      | Comments  |
|--------------------------|---|--|---------------------------|---------------------------------|---|
| <b>Market Rate</b>       |   |  |                           |                                 |   |
| Featherrock Apts.        | 8 - 1 bedroom<br><u>48 - 2 bedroom</u><br>56 Total Units                                | 1 bed at \$60/day or \$600/month<br>2 bed at \$375-\$400<br>Four 2-bedrooms at \$75/day or \$750/month | Average of five vacancies | Mix of tenants                  | Featherrock Apartments include 56 units in two 4-plexes, five 8-plexes and two 3-plexes. Units were originally constructed as Rural Development units from 1968 to 1982. Eight one-bedroom and four two-bedroom units can be rented by the day. Two-bedroom units range from \$375-\$400 and utilities range from the tenant paying some of the utilities to paying all utilities. Some of the tenants have been renting at Featherrock Apartments for 30 years. Some units have garages. Owner reports that there is an average of five vacancies. |
| Cando Villa              | 1 - studio<br>2 - 1 bedroom<br>9 - 2 bedroom<br><u>12 - 3 bedroom</u><br>24 Total Units | \$210-\$305  | No vacancies              | Mix of tenants                  | Twenty-four unit market rate apartment building constructed in 1981. Currently there are no vacancies, but there have been ongoing vacancies. Three units were recently rented. Rent includes water, sewer and garbage.   |
| Vondal Apts.             | 3 - efficiency<br>4 - 1 bedroom<br><u>2 - 2 bedroom</u><br>9 Total Units                | \$300<br>\$325<br>\$400  | 1 - 2 bedroom             | Mostly singles, couples         | Nine units in two mixed use buildings. Good occupancy past six months, but average 50% occupancy three years prior. Rent includes utilities.  |
| Countryview Condos       | <u>7 - 1 bedroom</u><br>7 Total Units   | \$350  | No vacancies              | Mix of tenants - mostly seniors | Eight-unit condo project constructed in 1986. New owner is renting seven of the units. There are no vacancies and the owner reports excellent ongoing occupancy rates. Tenants pay utilities.   |
| Four single family homes | <u>3 to 5 bedroom</u><br>4 Total Units  | \$400  | No vacancies              | Mix of tenants                  | Tenants pay utilities. Homes range from three to five bedrooms.   |



| <b>Table 26 Cando Multifamily Rental Housing Inventory</b> |   |  |                                 |                   |   |
|--|---|--|---------------------------------|-------------------|---|
| <b>Name</b>  | <b>Number of Units /Bedroom Mix</b>                                       | <b>Rent</b>  | <b>Vacancy/ Wait List</b>       | <b>Tenant Mix</b> | <b>Comments</b>   |
| <b>Subsidized</b>  |   |  |                                 |                   |   |
| Cando Village  | <u>10 - 1 bedroom</u><br>10 Total Units                                   | \$285  | No vacancies                    | Seniors, singles  | Section 8 New Construction project constructed in the 1970s. The project no longer has its Section 8 contract, but there are still income limits for a percentage of the tenants, thus, we have kept it in the subsidized inventory. Rent includes all utilities. Currently no vacancies, but there have been ongoing vacancies. Project has 20 units, but 10 units have been closed due to high vacancy rates. |
| Sunrise Apts.  | 18 - 1 bedroom<br>5 - 2 bedroom<br><u>4 - 3 bedroom</u><br>27 Total Units | 30% of income with max rents of \$250, \$300 and \$500 | Three 1-bedroom vacancies       | General occupancy | HUD Public Housing constructed in the 1970s. Currently three vacancies. There were 50% vacancy rates in the past. Tenants pay 30% of their income with maximum rents of \$250 for a one-bedroom, \$300 for a two-bedroom and \$500 for a three-bedroom.   |
| <b>Senior Housing</b>                                      |   |  |                                 |                   |   |
| Prairie View Estates                                       | <u>10 - 2 bedroom</u><br>10 Total Units                                   | \$990  | No vacancies and a waiting list | Seniors           | Ten-unit senior project constructed in 1998. Rent includes a noon meal and housekeeping. Garage is an additional \$50.  |
| St. Francis Basic Care                                     | 10 beds   | Varies   | 85% occupancy rate              | Seniors           | Ten basic care beds in the Prairie View Nursing Home. Basic care provides all assisted living services. The 10 beds operate at an 85% occupancy rate.   |
| <b>Rocklake</b>  |   |  |                                 |                   |   |
| Parkview Apts.   | <u>8 - 1 bedroom</u><br>8 Total Units                                     | \$30% of income<br>\$507 - max. rent                   | 4 vacancies                     | General occupancy | Section 8 Project owned by the Rocklake Housing Authority. Project was constructed in 1980. Project has waivers to allow non-low income households as tenants. Manager reports four vacancies and there have been ongoing vacancies.  |

Source: Community Partners Research, Inc.

## **Employment and Local Economic Trends Analysis**

While many factors influence the need for housing, employment opportunities represent a predominant demand generator. Without jobs and corresponding wages, the means to afford housing is severely limited.

Employment opportunities may be provided by a broad range of private and public business sectors. Jobs may be available in manufacturing, commercial services, agriculture, public administration, and other industries. The type of employment, wage level, and working conditions will each influence the kind of housing that is needed and at what level of affordability.

The largest employers in Towner County include:

### **Company**

(Not in order of number of employees)

- ▶ Towner County Medical Center
- ▶ Noodles by Leonardo
- ▶ Sky Can/Dakota Country Farms/Hexagon Farms
- ▶ North Star Public School
- ▶ Northern Plains Electric Cooperative
- ▶ Cando Farmers Grain & Oil
- ▶ North Central Grain Coop
- ▶ Towner County
- ▶ First State Bank of Cando
- ▶ CountryBank USA

Source: Director Business Development, Cando ND

## Work Force and Unemployment Rates

Employment information is available at the County level. Data in the table that follows is for all of Towner County and was obtained from the North Dakota Labor Market Information Center.

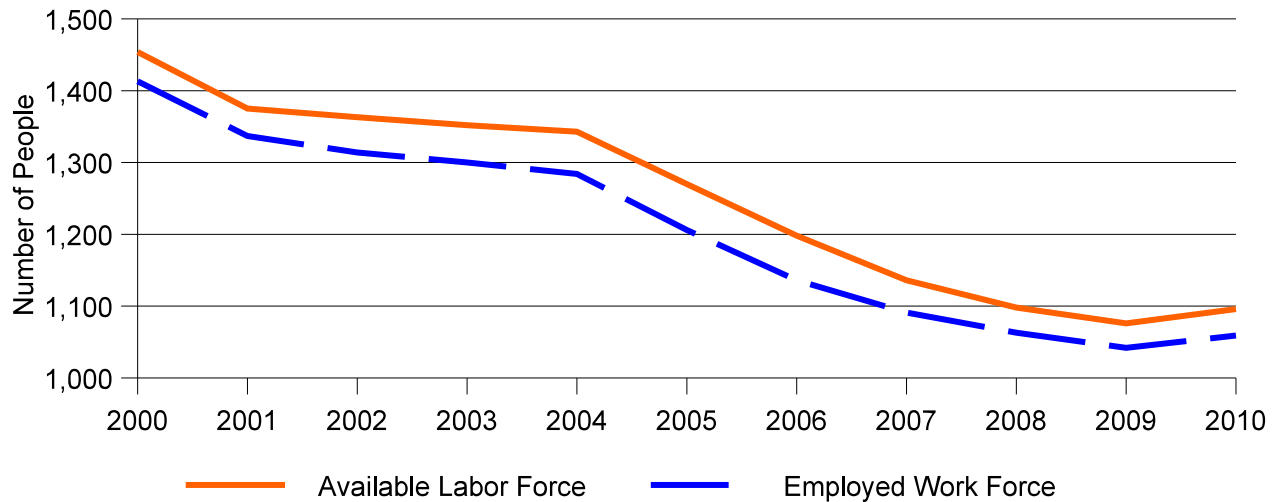
| <b>Table 27 Towner County Average Annual Labor Force 2000 -2010</b> |             |          |            |                            |                        |                        |
|---|-------------|----------|------------|----------------------------|------------------------|------------------------|
| Year  | Labor Force | Employed | Unemployed | Unemployment Rate - County | Unemployment Rate - ND | Unemployment Rate - US |
| 2000  | 1,454       | 1,413    | 41         | 2.8%                       | 2.9%                   | 4.0%                   |
| 2001  | 1,375       | 1,337    | 38         | 2.8%                       | 2.8%                   | 4.7%                   |
| 2002  | 1,363       | 1,314    | 49         | 3.6%                       | 3.5%                   | 5.8%                   |
| 2003  | 1,352       | 1,300    | 52         | 3.8%                       | 3.6%                   | 6.0%                   |
| 2004  | 1,343       | 1,284    | 59         | 4.4%                       | 3.5%                   | 5.6%                   |
| 2005  | 1,270       | 1,206    | 64         | 5.0%                       | 3.4%                   | 5.1%                   |
| 2006  | 1,198       | 1,136    | 62         | 5.2%                       | 3.2%                   | 4.6%                   |
| 2007  | 1,136       | 1,091    | 45         | 4.0%                       | 3.1%                   | 4.6%                   |
| 2008  | 1,098       | 1,063    | 35         | 3.2%                       | 3.2%                   | 5.8%                   |
| 2009  | 1,076       | 1,042    | 34         | 3.2%                       | 4.3%                   | 9.3%                   |
| 2010  | 1,096       | 1,059    | 37         | 3.4%                       | 3.9%                   | 9.6%                   |

Source: Job service North Dakota, Labor Market Information Center, LAUS Unit  
 Note: Not Seasonally Adjusted

Towner County has experienced a gradual decline in the size of the available civilian labor force over the past decade. Between 2000 and 2010 (the last full year of data), the labor force decreased by 358 people, or 24.6%. Through the first four months of 2011, the size of the labor force has remained stable when compared to 2010. Due to seasonal variations during the winter months, it is possible that 2011 could show some growth when more months are reported.

The employed work force has also decreased gradually since 2000. Between 2000 and 2010, the number of employed workers in Towner County decreased by 354 people, or 25.1%. Once again, information for the first four months of 2011 shows a relatively stable employment level, down only eight people from the 2010 annual average.

## Labor Force and Work Force Trends - Towner County



Despite the reduction in the labor force since 2000, the number of employed people has decreased even faster, resulting in an increase in the County's unemployment rate. Over the past 11 years, the lowest unemployment rate was achieved in 2000 and 2001, at 2.8%. The highest rate of unemployment was reached in 2006, at 5.2%. The unemployment rate has dropped since 2006, to 3.4% in 2010, but was still higher than at the start of the decade. The unemployment rate was at 4.0% through the first four months of 2011. Towner County's unemployment rate has been both above and below the Statewide average over the past 11 years, but has been below the North Dakota average over the past two years.

## Employment and Wages by Industry

The following table shows the average annual wages by major employment sector in 2010, the last full year of data. It is important to note that the major employment sectors listed do not represent all employment in the County.

| <b>Table 28 Towner County Average Annual Wages by Industry Detail</b> |                 |                   |
|---|-----------------|-------------------|
| Industry  | 2010 Employment | 2010 Average Wage |
| Total All Industry  | 828             | \$28,756          |
| Agriculture, Forestry, Fishing, Hunting                               | 96              | \$27,092          |
| Construction  | 22              | \$24,960          |
| Wholesale Trade   | 64              | \$49,556          |
| Retail Trade  | 52              | \$14,560          |
| Transportation and Warehousing  | 36              | \$29,952          |
| Finance and Insurance   | 51              | \$36,088          |
| Real Estate and Rental and Leasing                                    | 10              | \$5,304           |
| Professional and Technical Services                                   | 20              | \$22,464          |
| Arts, Entertainment and Recreation                                    | 27              | \$6,240           |
| Accommodation and Food Services                                       | 50              | \$6,968           |
| Other Services  | 11              | \$37,648          |
| Public Administration   | 67              | \$29,588          |

Source: Job Service North Dakota, QCEW Unit

The average annual wage for all industry sectors in Towner County for 2010 was \$28,756.

The highest paying wage sectors were Wholesale Trade at \$49,556, and Other Services, at \$37,648.

There were three wage sectors, Real Estate and Rental and Leasing, Arts, Entertainment and Recreation, and Accommodation and Food Services, that had an annual average wage of less than \$7,000.

## Employment Projections by Industry for North Dakota

The North Dakota Labor Market Information Center has generated employment projections for the State of North Dakota. The following table compares estimated employment in the general industry classifications in 2008, the projected level of employment by 2018, and the percentage change.

| <b>Table 29 North Dakota Projected Employment by Industry - 2018</b> |                 |                           |                          |
|--|-----------------|---------------------------|--------------------------|
| Industry   | 2008 Employment | 2018 Projected Employment | Percent Change 2008-2018 |
| Total All Industry   | 420,109         | 458,634                   | 9.2%                     |
| Natural Resources and Mining   | 39,814          | 41,670                    | 4.7%                     |
| Construction   | 20,827          | 24,048                    | 15.5%                    |
| Manufacturing  | 26,375          | 27,037                    | 2.5%                     |
| Trade, Transportation, Utilities                                     | 80,129          | 86,102                    | 7.5%                     |
| Information  | 7,439           | 7,730                     | 3.9%                     |
| Financial Activities   | 16,361          | 19,405                    | 18.6%                    |
| Professional and Business Services                                   | 12,962          | 15,324                    | 18.2%                    |
| Education and Health Services  | 85,641          | 96,041                    | 12.1%                    |
| Leisure and Hospitality  | 33,578          | 37,925                    | 12.9%                    |
| Other Services   | 15,923          | 16,534                    | 3.8%                     |

Source: North Dakota Labor Market Information Center

All sectors are expected to gain jobs between 2008 and 2018. The Financial Activities sector is expected to have the greatest percentage growth among industries in the State of North Dakota. This sector is projected to add 3,044 jobs, for a percentage growth of 18.6%. In numeric growth, the largest employment increase in North Dakota is expected in the Education and Health Services sector, which is projected to add 10,400 new jobs.

## **Findings on Growth Trends**

According to the 2010 U.S. Census, Cando's population decreased by 227 people and 77 households from 2000 to 2010. However, there is evidence that the City's population and number of households have stabilized somewhat since the 2010 Census was taken. Our rental survey found that although some vacancies do exist in the City, rental property owners and managers report higher occupancy rates over the past several months that they had experienced previously.

Towner County has also lost population and households over the past decade, based on the 2010 Census. From 2000 to 2010, Towner County has lost 630 people and 170 households.

Based on the 2010 Census and past trends, the City of Cando and Towner County's population and number of households will continue to decrease over the next five years.

## **Towner County Growth Projections by Age Group**

In addition to forecasts on overall household growth, there is projection information available on the changes expected by age of households. As part of the research for this Study, we have examined information on age patterns and population data from the 2010 U.S. Census. With this data, Community Partners Research, Inc. has calculated age-based projections from 2010 to 2015.

The following projections are for all of Towner County:

| <u>Age Range</u> | <u>Projected Change in Households<br/>2010 to 2015</u> |
|------------------|--|
| 15 to 24         | 0 to -2  |
| 25 to 34         | -1 to 1  |
| 35 to 44         | -17 to -20   |
| 45 to 54         | -53 to -59   |
| 55 to 64         | -1 to -3   |
| 65 to 74         | 26 to 30   |
| 75 to 84         | -1 to -5   |
| 85 and Older     | -8 to -9   |



## **Housing Demand**

There are three main factors that drive demand for new housing. The first demand generator is caused by overall household growth. Our projections for Cando anticipate continued household losses over the next five years. As a result, there will be no housing demand due to growth.

The second demand generator is pent-up demand, or demand created by existing households. We do see demand generated from this factor in Cando. There have been no market rate general occupancy rental units constructed in Cando for over 30 years. There is a need for newer high quality units with state of the art amenities.

The third demand generator is the replacement of existing units. There have also been some unit losses over the years, such as homes that were removed due to their dilapidated condition or are dilapidated and not suitable for habitation. Some of our recommendations that follow assume that replacement of units will be required in the future.

These housing demands will be incorporated into the recommendations that follow.

Based on the research that was conducted for this study and the analysis of available information, we have identified the following strengths that will help the City as it addresses its housing needs and barriers that will limit or hinder certain housing activities. Following this discussion, specific strategies and recommendations for action are provided.

## **Strengths for Housing Development**

The following City of Cando strengths were identified through statistical data, local interviews, research and on-site review of the local housing stock.

- ▶ **Cando is the regional center for the County** - Cando is a small regional center serving Towner County. The City provides employment opportunities, retail/service options, government services, health and professional services, and cultural amenities for the surrounding trade area.
- ▶ **Affordably priced housing stock** - The City has a large stock of affordable, existing houses. Our analysis shows that the City's median home value based on recent sales is \$41,000. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Cando is located within commuting distance of Devils Lake** - The City is located within commuting distance of Devils Lake, which has employment, service, commercial and entertainment opportunities.
- ▶ **School system** - The City has an excellent public K-12 school system.
- ▶ **Infrastructure** - Cando's water and sewer infrastructure is in good condition and can accommodate future expansion.
- ▶ **Commercial development** - Cando's commercial district is adequate to meet daily needs and new commercial development is on going.
- ▶ **Housing Agencies** - Several housing agencies have the capacity to provide financing and administrative services for housing projects and programs in the City of Cando.
- ▶ **Adequate land for development** - The City has adequate land for both residential and commercial/industrial development.
- ▶ **Housing Incentives** - Cando has a housing incentive plan for households that build or buy a new home in the City or rehabilitate an existing home.
- ▶ **Health facility** - The Towner County Medical Center is an excellent health facility for the area.

## **Barriers or Limitations to Housing Activities**

Our research also identified the following barriers or limitations that hinder or prevent certain housing activities in the City of Cando.

- ▶ **Age of the housing stock** - While the existing stock is very affordable, some housing is old and may need substantial improvement to meet expectations of potential renters and owners.
- ▶ **Housing Agencies** - Although the City has access to several housing agencies, the agencies' housing activity in the City of Cando has been limited.
- ▶ **Low Rent structure** - The City's rent structure is low, which makes it difficult to construct new rental housing.
- ▶ **Competition with other Cities** - Although it is an asset to be located within commuting distance of the City of Devils Lake, it can also be a barrier to new housing construction. Devils Lake has employment, service, retail and entertainment opportunities. Devils Lake competes with Cando to attract new households.
- ▶ **Population and household losses** - According to the 2010 Census, Cando's population and number of households have decreased.
- ▶ **Housing costs** - A significant gap exists between the median sales price of existing homes in the City of Cando and the cost of constructing a new home.
- ▶ **Staff capacity limitations** - The City of Cando operates with limited personnel. It is very difficult for existing staff with current responsibilities to develop new housing initiatives.
- ▶ **Limited employment opportunities** - Cando does not have a large number of major employers, which limits the number of job opportunities.
- ▶ **Vacant homes** - It is estimated that there are more than 100 vacant homes in the City of Cando.

## **Recommendations, Strategies and Housing Market Opportunities**

Based on the research contained in this Study and the housing strengths and barriers identified above, we believe that the following recommendations are realistic options for the City of Cando. They are based on the following strategies:

- ▶ **Focus heavily on the preservation, maintenance and improvement of the housing stock that already exists** - While some housing construction will occur in coming years, most of the housing opportunities will continue to be provided by the housing stock that is already on the ground. This is especially important for affordable housing opportunities, as it will almost always be less expensive to offer an affordable unit through rehabilitation versus new construction. Units that are lost due to deterioration and obsolescence cannot be replaced for a similar price. Evidence suggests that the majority of the existing stock is generally being well maintained, however, a significant percentage of housing needs repair. Emphasis on continued improvement will be important to meet future housing needs.
- ▶ **Develop life cycle housing** - It is vital for a community that serves as a regional center to provide housing opportunities for all ages and household types. These housing opportunities enable a community to thrive, promote economic development and allow households to live in the community throughout their lives.
- ▶ **Promote new construction** - New construction provides housing opportunities, stimulates the economy and upgrades the community's housing stock. Both new owner-occupied single family homes and rental units are needed to provide households in Cando with housing options and to assure a healthy housing stock.
- ▶ **Promote home ownership** - Home ownership is the preferred option for most households. Home ownership assists in creating community stability and commitment to the community. There are many younger families that are renting their housing. These households may be interested in home ownership, if an affordable opportunity is available.

- ▶ **The market for new housing development will generally not occur without proactive community involvement** - Much of the housing development that has occurred in the past has involved some form of public involvement or subsidy. Future public involvement will continue to be required for certain types of housing.
- ▶ **Prioritize community housing goals** - Many of the recommendations in the Study will require staff-intensive efforts. The City should prioritize its housing goals and work with area housing agencies to establish a plan to achieve its goals.

It is very difficult to meet all of the objectives as the balance of the objectives are very sensitive. An overly aggressive or overly passive approach to any of the objectives can cause problems in achieving the other objectives. For example, overbuilding new rental housing units could lead to vacancy problems in older, less marketable units in the community, causing these units to deteriorate in quality. The recommendations of this section attempt to provide a balanced approach to addressing the housing needs of Cando.

## **Summary of Findings/Recommendations**

The findings/recommendations for the City of Cando have been formulated through the analysis of the information provided in the previous sections and include 17 recommendations. The findings/recommendations have been divided into the following five categories:

- ▶ **Rental Housing Development**
- ▶ **Home Ownership**
- ▶ **Single Family New Construction**
- ▶ **Housing Rehabilitation**
- ▶ **Other Housing Initiatives**

The findings/recommendations for each category are as follows:

### **Rental Housing Development**

1. Develop 10 to 12 general occupancy market rate rental units
2. Monitor the need for additional subsidized rental housing units
3. Develop 4 to 6 additional senior designated market rate rental units
4. Explore options to utilize the 10 vacant units at Cando Village
5. Apply for Housing Choice Voucher / Section 8 Existing Program allocations from HUD

### **Home Ownership**

6. Utilize and promote all programs that assist with home ownership
7. Develop a Purchase/Rehabilitation Program

### **New Construction**

8. Lot Availability and Development
9. Promote a townhouse, twin home development
10. Utilize in fill lots for housing development
11. Develop home ownership marketing programs

**Housing Rehabilitation**

12. Promote rental housing rehabilitation programs
13. Promote housing opportunities for Cando

**Other Housing Initiatives**

14. Continue to acquire and demolish dilapidated structures
15. Create a plan and continue coordination among housing agencies
16. Expand the City's Renaissance Zone Program
17. Develop a plan to address vacant homes

## **Rental Housing Development**

**Findings:** It is difficult to produce new affordable rental units. A number of factors including Federal tax policy, State property tax rates, high construction costs and low rental rates have all contributed to making rental housing production difficult to achieve, especially in small Cities.

From 1990 to the present, one multi-family rental unit development has been constructed in Cando. Prairie View Estates is a senior project and has 10 two-bedroom units. The senior market rate project was constructed in 1998.

As part of this study a rental survey was conducted. A total of 153 rental units in 17 multifamily buildings and four single family homes, duplexes and mobile homes were contacted. The survey showed that 10 of the market rate, subsidized and senior with services units surveyed were vacant, which is a 6.4% vacancy rate. This is above the range of 3% to 5% which is considered a healthy market to allow for unit choice and availability and to also assure the viability and profitability of the rental project.

The City of Cando is projected to lose 28 to 34 households and all of Towner County is projected to lose between 70 and 73 households through 2015. With the projected loss of households in Cando and Towner County, we are recommending several strategies to develop a healthy rental market in the City of Cando. These strategies include:

- ▶ **Increase the City's Population** - The City and all stakeholders should continue to implement all strategies possible to increase the City's population including job creation, marketing the community, assuring a healthy housing stock, etc. These efforts will continue to make the City of Cando an attractive and viable City.
- ▶ **Rehabilitate rental housing** - Most of Cando's rental housing stock was constructed in the 1960s, 1970s and 1980s. Some of this rental housing stock needs rehabilitation. Rental rehabilitation programs should be created to rehabilitate the rental projects when it is economically feasible.
- ▶ **Demolish dilapidated rental housing** - Rental housing that is substandard and no longer feasible for renovation, should be demolished and eliminated from the rental housing stock.
- ▶ **Develop new rental housing** - It may appear to be counter productive to construct new rental housing in a community that is projected to lose households, however, new rental housing can achieve several goals which include:



- Addressing pent-up demand for certain housing types
- Upgrading the overall quality of the rental stock
- Increasing the City’s rent structure
- Addressing gaps in the City’s rental stock
- Attracting new households to the City

Based on the strategies stated above, we recommend the development of the following new rental units over the next five years from 2011 to 2016:

|                                 |                |
|---------------------------------|----------------|
| ▶ General Occupancy Market Rate | 10-12 units    |
| ▶ Subsidized/Tax Credit         | 0 units        |
| ▶ Senior Designated Market Rate | 4-6 units      |
| ▶ Senior with Services          | <u>0 units</u> |
| Total                           | 14-18 units    |

**1. Develop 10 to 12 general occupancy market rate rental units**

**Findings:** Cando has a market rate rental housing vacancy rate of 6%, which is above the healthy market range of 3% to 5%.

No market rate rental units have been constructed in the City of Cando since the early 1980s. The Featherrock Apartments were constructed from 1968 to 1982 and Cando Village was constructed in 1981.

Countryview Villas were constructed as an owner-occupied condo project in 1986, but seven of the eight units are currently rentals.

Based on the age of the existing market rate units in Cando, there is a pent-up demand for market rate units that are high quality and have state of the art amenities. Additional high quality market rate units may attract households to the City and prevent some households from seeking housing in other communities.

There is also a shortage of high quality three-bedroom units in the City as we were only able to identify three-bedroom units in one market rate multi-family building, Cando Villa.

The first option to developing market rate rental housing would be to encourage a private developer to undertake the project. If a private developer does not come forward, the Towner County Housing Authority or an area housing agency could construct the market rate units. The developer of the project should seek financial assistance to keep rents affordable including land donations, city incentives and assistance from private employers.

**Recommendation:** We recommend the development of 10 to 12 market rate rental housing units. We are making this recommendation based on pent-up demand for high quality market rate units. A twinhome or townhome style unit would be the preferred style, to cater to active renter households. This would also provide the option of phasing construction of the units. However, another option is to construct a high quality apartment project that includes state of the art amenities.

The unit mix and rents should be as follows:

**Recommended unit mix, sizes and rents for the Cando Market Rate Rental Units:**

| <u>Unit Type</u> | <u>No. of Units</u> | <u>Size/Sq. Ft.</u> | <u>Rent</u> |
|------------------|---------------------|---------------------|-------------|
| Two Bedroom      | 7-8                 | 1,000-1,100         | \$625-\$675 |
| Three Bedroom    | 3-4                 | 1,250-1,350         | \$700-\$750 |
| Total            | 10-12               |                     |             |

Note: The recommended rents are quoted in 2011 dollars and do not include utilities.

**2. Monitor the need for additional subsidized/rental housing units**

**Findings:** The City of Cando has two subsidized rental projects, Cando Village and Sunrise Apartments. Cando Village was developed as a Section 8 New Construction Project, but no longer has its Section 8 contract. However, there are still income restrictions for a percentage of the tenants, thus, we have included the project in the subsidized inventory. Cando Village has 10 one-bedroom units. There are an additional 10 units that are vacant and no longer in the rental inventory because of high vacancy rates. Sunrise Apartments is a General Occupancy Public Housing Project with 18 one-bedroom, five two-bedroom and four three-bedroom units for a total of 27 units.

The two subsidized projects have a combined total of 37 units. Three vacancies were found in the subsidized units. All three vacancies are in the Sunrise Apartments Project, although, the manager reported that there are usually vacancies in Cando Village.

**Recommendation:** We recommend that the City of Cando and area housing agencies monitor the need for additional subsidized projects in the future.

Currently, the two existing subsidized projects are meeting the housing needs of the area. Also, there are 10 one-bedroom units that are vacant and currently not included in the rental inventory.

### **3. Develop four to six additional senior designated market rate rental units**

**Findings:** The City of Cando has one senior designated market rate rental project. Prairie View Estates has 10 two-bedroom units and was constructed in 1998. The project provides a noon meal and housekeeping. The project has been very successful and is fully occupied with a waiting list.

According to the 2010 Census, Towner County has 552 people age 65 and over. We estimate that approximately 4% of the households age 65 and over would prefer senior designated market rate units, which is a market need of approximately 22 senior designated market rate units. With the 10 existing senior units at Prairie View Estates, there is still a need for 12 senior units.

**Recommendation:** We recommend the construction of four to six additional senior market rate units with 'state of the art' amenities. Ideally, the four to six units would be an addition to the existing senior project. The tenants of the new units would have access to the services provided by the existing facility. If an addition to the existing facility is not feasible, a new four to six-unit project could be constructed.

We are not recommending a full scale assisted living project as it is our opinion that the market does not support a full scale assisted living project in Cando. This project is intended to be senior independent living supplemented with limited services and community support.

The location of a new project should be close to services as the project will be primarily occupied by older seniors.

We are recommending all two-bedroom units and rents comparable to the existing senior project. Subsidies and/or incentives should be utilized to lower rents, expand the available senior market and to make the project possible.

#### **4. Explore Options to utilize the 10 vacant units in Cando Village**

**Findings:** Cando Village was formerly a Section 8 New Construction Project with 20 one-bedroom units. The project has had high vacancy rates for several years. As a result of these vacancies, 10 units have been taken off the market. The 10 units that are still open for occupancy are currently fully occupied.

**Recommendation:** We recommend that the City of Cando work with the Towner County Housing Authority, the North Dakota Housing Finance Agency and area housing agencies to determine if there are options for the 10 units that will bring them back into the rental inventory and maximize their usage.

#### **5. Apply for Housing Choice Vouchers/Section 8 Existing Program allocations from HUD**

**Findings:** The Housing Choice Voucher Program provides portable, tenant-based rent assistance to lower income renter households. The program requires participating households to contribute from 30% to 40% of their adjusted income for rent, with the rent subsidy payment making up the difference. Tenants may lease any suitable rental unit in the community, provided that it passes a Housing Quality Standards inspection, and has a reasonable gross rent when compared to prevailing rents in the community. Although the federal government provides almost no funding for subsidized housing construction, it has provided new Housing Choice Voucher allocations over the last two decades.

The Housing Choice Voucher Program is a popular form of subsidized housing. Because of the flexibility offered through the program, eligible households often prefer the portable rent assistance to other forms of subsidized housing that are project-based, and can only be accessed by living in a specific rental development.

The Housing Choice Voucher Program in Towner County is administered by the Towner County Housing Authority. Currently, the Towner County Housing Authority has funding for 20 vouchers. Currently, approximately 18 Cando households are utilizing the Voucher Program.

**Recommendation:** From a practical standpoint, the Housing Choice Voucher Program is the single best way that Cando and Towner County can provide affordable housing. HUD does not make new incremental assistance available every year, but when new allocations are authorized, we would encourage the

City to work with the Towner County Housing Authority to determine if there is sufficient demand to apply for additional vouchers.

Also, the Towner County Housing Authority should continue to publicize the Housing Choice Voucher Program in Cando and Towner County to assure that Cando and Towner County households have access to the Program.

## **Home Ownership Recommendations**

**Findings:** Expanding home ownership opportunities is one of the primary goals for most Cities. High rates of home ownership promote stable communities and strengthen the local tax base.

The median owner-occupied home value in Cando is estimated to be \$41,000. With approximately 50% of the homes in Cando valued less than \$41,000, Cando has a good market for first time home buyers and households seeking moderately priced homes. The affordable price of Cando homes, is very attractive when compared to prices in some of the larger Cities within commuting distance of Cando.

Our analysis of Cando demographic trends shows limited growth in the traditionally strong home ownership age ranges between 55 and 74 years old. While most households in these age ranges already own their housing, this group represents a strong potential market for 'trade-up' housing. Increasingly, the older age ranges within this group look for lower maintenance housing options, such as twin homes or town house developments. Some older households may eventually move out of Cando to move into other housing options in larger communities, if these options don't exist in Cando.

Also, the number of households in the 25 to 34 age range is expected to remain relatively stable in Cando and Towner County over the next five years. Households in these age ranges are typically first-time home buyers. While some of these households already own their housing, those households that have not been able to achieve the goal of home ownership, may need the assistance of special programs to help them purchase their first home and will be seeking affordable homes such as the homes in Cando.

To assist in promoting the goal of home ownership, the following activities are recommended.

### **6. Utilize and promote all programs that assist with home ownership**

**Findings:** Home ownership is generally the preferred housing option for most households and most communities. As discussed previously, the demographic make-up of Cando is conducive to the promotion of home ownership opportunities. There are a number of strategies and programs that can be used to promote home ownership in Cando. The area's housing agencies and financial institutions can assist with this effort.

First time home buyer assistance, down payment assistance, low interest loans, gap financing and home ownership training programs help to address affordable housing issues. With the City's median home value at \$41,000, most of the homes in the existing housing stock in Cando are valued under purchase price limits for first-time home buyer assistance programs. Also, there are several single family homes in the Cando rental market. Many of these homes could be converted to owner-occupied homes. Conversely, home ownership programs may prevent owner-occupied homes from being converted to rentals.

Home ownership counseling and training programs can also play a significant role in helping marginal buyers achieve home ownership. To become homeowners and/or to remain homeowners, many households need financial counseling to improve their credit score, to save for a down payment and to properly budget household income.

While these individual home ownership assistance programs may not generate a large volume of new ownership activity, the combination of below market mortgage money, home ownership training, credit counseling, and down payment assistance may be the mix of incentives that moves a potential home buyer into home ownership.

**Recommendation:** Cando and area housing agencies such as the Dakota Prairie Community Action Agency, should utilize all available home ownership assistance programs to promote home ownership. The City, in coordination with other Towner County Cities, should also explore the possibility of obtaining specific program set-asides for home ownership programs from the North Dakota Housing Finance Agency. Specific set-asides will offer multiple advantages, including a dedicated pool of funds, the opportunity for higher participation limits for income and purchase price, and the flexibility for more local design and control. Mortgage programs should also be developed that include all households and not just first time home buyers to encourage trade-up housing activity.

The City could work with the area's housing agencies to develop programs that provide financial assistance for households to purchase a home and to assure the City of Cando is receiving its share of resources that are available in the Region. The local financial institution should also continue to have a significant role in assisting households with purchasing a home. One local financial institution works closely with Rural Development to provide first time home buyer assistance.

Funding sources for home ownership programs include Rural Development, the North Dakota Housing Finance Agency, Fannie Mae and the Federal Home Loan Bank.

## **7. Develop a Purchase/ Rehabilitation Program**

**Findings:** Cando has a stock of older, lower valued homes, some of which need repairs. The City also has a limited number of vacant homes. The median estimated market value for homes in Cando is \$41,000. As some of the homes below the median price come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

The Home ownership and Rehabilitation Program (HARP) has been developed by the North Dakota Finance Agency. Under the program, the North Dakota Housing Finance Agency purchases an existing home that needs rehabilitation, rehabilitates the home, sells the home to a low income family and provides a mortgage and a monthly payment that are affordable for the family. The HARP Program accomplishes many community goals, including the promotion of home ownership for lower income people, and the repair of substandard housing units.

In many cases, the cost of acquisition and rehab will exceed the house's after-rehab value. Although a public subsidy may be involved, the cost to rehab and sell an existing housing unit is generally lower than the subsidy required to provide an equally affordable unit through new construction.

A Program could also be developed to provide mortgage funds directly to households for the purchase and rehabilitation of substandard existing homes.

**Recommendation:** We recommend that the City of Cando consider the creation of a rehab/purchase program for existing houses. Area housing agencies and financial institutions could assist by offering some rehabilitation assistance in conjunction with first-time buyer programs to make the City's older housing a more attractive option for potential home buyers. Also, Rural Development provides mortgage funds to purchase a home to make repairs to the home. Additionally, the City's Renaissance Zone Program provides activities for housing rehabilitation/renovation.

Attitudinal surveys that we have conducted in other Cities have found that purchase/rehabilitation programs are appealing to people who are currently renting their housing. In some similar sized communities, more than 80% of survey respondents who were renters indicated an interest in buying a home in need of repair if rehabilitation assistance was also available.

A purchase/rehabilitation program will achieve several goals. The program will encourage home ownership, prevent substandard homes from becoming rental properties and rehabilitate homes that are currently substandard.



## **New Housing Construction**

**Findings:** Cando has experienced very limited single family housing construction in recent years. Over the past 11 years, from 2000 to 2010, only two single family structures have been constructed in Cando. One single family home was constructed in 2007 and one single family home was constructed in 2010.

The attractiveness of the community, the City's status as a small regional center, the City's amenities and its proximity to jobs, should result in the construction of new homes annually. However, attractive residential lot options must be available for new home construction to continue over the next five years.

Overall household projections for Cando and Towner County indicate limited demand for owner-occupied housing construction. However, limited growth is anticipated through 2015 among households in the age ranges between 55 and 74 years old. Households in these age ranges tend to be predominantly home owners, and form a market for higher priced, trade-up housing and low maintenance housing such as town homes and twin homes. The number of households in the 25 to 34 year old range is expected to remain stable through 2015. Many of the households in these age ranges are first time home buyers.

It is our opinion that if the City, local housing agencies and developers are proactive, four to six homes can be constructed in Cando over the next five years. Our projection for single family housing starts includes single homes and single family attached housing units, such as twin homes and town houses.

The breakdown of our projection of four to six new owner-occupied housing units over the next five years is as follows:

- |                                     |                |
|-------------------------------------|----------------|
| • Affordable and median price homes | 1 home         |
| • Homes on In-Fill lots             | 1 home         |
| • Twin homes/Town homes             | <u>2 units</u> |
| Total                               | 4-6 units      |

## **8. Lot Availability and Development**

**Findings:** As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in the City of Cando. Currently, the City of Cando owns nine lots. These lots are available at no cost if the buyer agrees to build a home on the lot within one year.

There are also several miscellaneous infill lots scattered around the City that we did not attempt to count. We also do not know the availability of some of these infill lots.

**Recommendation:** We use a standard that a 2 ½ year supply of lots should be available in the marketplace, based on annual lot usage. Using our projections that approximately one new housing unit will be constructed per year, the City should have approximately two to three residential lots available to meet the expected demand.

Using this standard, the City of Cando, with nine available lots, plus in fill lots, currently has an adequate number of available lots.

## **9. Promote townhouse and twin home development**

**Findings:** Cando had no owner occupied attached housing development from 2000 to the present. Many communities have seen attached housing take an increasingly large share of new construction. Even in small Cities the size of Cando, 25% to 30% of the housing starts are typically twin homes/townhomes.

Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making homes available for families. It is estimated that the 55 to 74 age ranges in Cando and Towner County will increase from 2010 to 2015. It is important for the City to offer a range of life-cycle housing options as many of these households will be seeking to downsize into low maintenance housing options.

**Recommendation:** It is our projection that there is sufficient demand to construct two to four twin home/town home units in Cando over the next five years.

We recommend a twin home/townhome development and for the development to be successful, the following should be considered:

- ▶ Senior friendly home designs
- ▶ Maintenance, lawn care, snow removal, etc. all covered by an Association
- ▶ Plan a cluster development for a significant number of homes which provides security
- ▶ Homes are at a price that is acceptable to the market

The public sector's role in any owner-occupancy attached housing development may be limited, as the private sector can often meet this housing need if a demand exists. The City should assure that adequate land is available for development and that zoning allows for attached housing development.

In some Cities, such as Arlington, MN, a group of contractors and investors have developed a corporation and have constructed twin homes.

## **10. Utilize infill lots for housing development**

**Findings:** There are several vacant infill lots in the City that already have access to municipal services. These lots represent an affordable option for new home construction.

Also, our housing condition analysis of the single family homes in four Cando neighborhoods identified 36 homes that were dilapidated and beyond repair. Additionally, 88 homes in the four neighborhoods need major rehabilitation and some of these homes also may be beyond repair. In a separate recommendation, we have promoted the acquisition and clearance of substandard houses. Once demolished, some of the cleared lots could be suitable for reuse.

**Recommendation:** We recommend that the City coordinate with area housing agencies to construct affordable homes on infill lots. The City and area housing agencies may be able to access funds from several sources to assist with affordable housing development. Also, a nonprofit organization and private developers may also have an interest in developing housing on infill lots. The City of Cando can contribute to infill development through land negotiations, land donations, grant writing, project coordination, TIF funding, tax abatement, etc.

A goal of constructing one new moderately priced home over the next five years on an infill lot appears to be realistic. To be successful, the housing unit should not exceed approximately \$120,000 to construct and programs should be available to further reduce the purchase price for the buyer. Also, the most appealing infill lots should be identified for potential development.

**11. Promote housing opportunities in Cando**

**Findings:** Cando has affordable housing opportunities. Affordable rental units, affordable homes and buildable lots at no cost are attractive housing options for households.

**Recommendation:** We recommend that the City of Cando market and advertise the community, its amenities and its housing options. A marketing program does not have to be “a City” project, but could be developed by a local civic organization or the private sector.

## **Housing Rehabilitation**

**Findings:** Cando has an asset in its existing housing stock. Existing units, both now and into the future, will represent the large majority of the affordable housing opportunities. Existing units generally sell at a discount to their replacement value. Units that are not maintained and improved may slip into disrepair and be lost from the housing stock. Efforts and investment in housing rehabilitation activities will be critical to offering affordable housing opportunities.

Housing options for households will largely be met by the existing, more affordable housing stock. As this existing stock ages, more maintenance and repair are required. Without rehabilitation assistance, the affordable stock will shrink, creating an even more difficult affordability situation.

The following specific recommendations are made to address the housing rehabilitation needs.

### **12. Promote rental housing rehabilitation programs**

**Findings:** Based on the 2010 Census, the City currently has 242 rental units. These rental units are in multi-family projects, small rental buildings, mixed use buildings, duplexes, single family homes and mobile homes. Many of these rental structures could benefit from rehabilitation as most of the rental structures are more than 30 years old and some rental units are in poor condition.

The rehabilitation of older rental units can be one of the most effective ways to produce decent, safe and sanitary affordable housing. However, it is often difficult for rental property owners to rehabilitate and maintain their rental properties while keeping the rents affordable for the tenants.

**Recommendation:** The City of Cando and area housing agencies should seek funds to rehabilitate rental units. The funds should allow for program design flexibility, which will make rental rehabilitation workable.

Potential funding sources include Community Development Block Grant funds, the Federal Home Loan Bank, the North Dakota Housing Finance Agency, Rural Development and local funds.

The Dakota Prairie Community Action Agency and the North Central Planning Council have successfully assisted rental property owners in several Cities with rehabilitating their rental properties.

### **13. Promote owner-occupied housing rehabilitation programs**

**Findings:** The affordability of the existing housing stock in Cando will continue to be the major attraction for families that are seeking housing in the area. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities.

Our 2011 housing condition survey rated the 332 single family homes and duplexes in four Cando neighborhoods. Our survey found that 105 homes need minor repairs and 88 homes need major repairs. Without rehabilitation assistance, there is the potential that the affordable housing stock will shrink in the City of Cando.

In the past, the Dakota Prairie Community Action Agency and the North Central Planning Council have administered the housing rehabilitation programs. The Dakota Prairie Community Action Agency currently administers the weatherization program in Towner County.

**Recommendation:** We recommend that the City of Cando and area housing agencies identify and apply for funds to develop an ongoing housing rehabilitation program. Rural Development, the North Dakota Housing Finance Agency, the Federal Home Loan Bank, the Community Development Block Grant Program and HOME funds are all potential funding sources.

Also, homeowners who rehabilitate their homes in the City's Renaissance Zone are eligible for tax incentives.

## **Other Recommendations**

### **14. Acquire and demolish dilapidated structures**

**Findings:** Our housing condition survey identified 36 homes in four Cando neighborhoods that are dilapidated and too deteriorated to rehabilitate. We also identified 88 homes as needing major repair and several of these homes may be too dilapidated to rehabilitate.

Dilapidated structures have been demolished in Cando over the past several years.

**Recommendation:** We recommend that the City of Cando continue to take an aggressive approach to demolishing severely dilapidated structures. The City is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can possibly be utilized for the construction of new affordable housing units. The City could also develop partnerships with housing agencies and private developers to construct new housing on cleared parcels. Additionally, the demolition of dilapidated rental structures will upgrade the City's rental housing stock.

### **15. Create a plan and continue coordination among housing agencies**

**Findings:** The City of Cando needs staff resources in addition to existing City staff to plan and implement many of the housing recommendations advanced in this Study. The City has access to the Towner County Housing Authority, the North Central Planning Council, the Dakota Prairie Community Action Agency and the Eastern Dakota Housing Alliance. The City also has access to the North Dakota Housing Finance Agency and the USDA Rural Development Office. These agencies all have experience with housing and community development programs.

**Recommendation:** The City of Cando and Towner County is fortunate to have access to several agencies that can address housing needs. It is our recommendation that the City work with the housing agencies to prioritize the recommendations of this Study and to develop a plan to address the City's housing needs. The Plan should include strategies, time lines and the responsibilities of each agency. While there has traditionally been a degree of staff interaction between these agencies, it will be important that a coordinated approach be used to prioritize and assign responsibility for housing programs.

It will also be important for the City to look for opportunities to work cooperatively with other Towner County Cities to address housing issues. With the number of small Cities in the County, and limited staff capacity at both the City and County level, cooperative efforts may be the only way to accomplish certain projects. Cooperative efforts will not only make housing projects more practical, but they will often be more cost-effective and competitive.

We also recommend that the three counties that make up the Devil's Lake Region Partnership consider hiring a Housing Coordinator to assist with developing and implementing housing projects and programs in the three counties.

## **16. Continue and expand the City's Renaissance Zone and New Home Construction Programs**

**Findings:** The City of Cando has developed and is implementing a Renaissance Zone Program. The Program provides tax abatements for:

- ▶ Single family housing rehabilitation/renovation/additions
- ▶ Commercial/industrial rehabilitation/renovation/additions
- ▶ Rental housing/rehabilitation/renovation

To date, the City of Cando's Renaissance Program's priority has been commercial projects. The City also provides lots at no cost, if the buyer agrees to build a house on the lot within one year.

**Recommendation:** We recommend that the City of Cando continue to implement and possibly expand the Renaissance Zone Program and to continue to provide lots at no cost.

## **17. Develop a Plan to address vacant homes in the City of Cando**

**Findings:** The Cando City Auditor estimates that there are 100 vacant homes in the City of Cando. These homes range from homes that are in move-in condition to dilapidated homes.

Vacant homes can be detrimental to a neighborhood as the homes often lack maintenance, have unsightly yards, invite vandalism, etc.

Vacant homes can also be an asset as the homes can provide immediate home ownership and rental opportunities.



**Recommendation:** We recommend that the City of Cando inventory the vacant homes in the City to determine the following:

- ▶ Ownership status
- ▶ Condition of the structure
- ▶ The owner's future plans for the structure

With this information, the City can develop a plan for each vacant home that will maximize each lot/home's potential.

The Plan for vacant homes can include:

- ▶ Demolition of dilapidated homes
- ▶ Rehabilitation of substandard homes
- ▶ Purchase/Rehab Program for home ownership
- ▶ Conversion to single family home rentals

## **Findings and Recommendations for the Small Cities in Towner County**

In addition to the Findings and Recommendations for the City of Cando, we have provided Findings and Recommendations for several small Cities in Towner County including Bisbee, Rocklake, and Egeland.

All three Cities have lost population and households over the past decade and are projected to continue to lose households from 2010 to 2015.

To minimize population and household losses or possibly stabilize the population in small Cities, it will be necessary for the Cities to be proactive in addressing the following recommendations.

### **1. Market Affordable Homes**

**Findings:** The single family homes in the small Cities are very affordable. Based on sales over the past three years, the median sales price for each small City is:

- ▶ Bisbee        \$7,268
- ▶ Rocklake     \$7,500
- ▶ Egeland      \$13,000

Please note that these median sales prices are based on a very small number of sale samples.

**Recommendation:** We recommend that Towner County and the Cities continue to market the affordability of the homes in these small Cities.

### **2. Develop a plan for vacant homes**

**Findings:** There are a significant number of vacant homes in Towner County. Following, based on the 2010 census, is the vacant unit count for each City.

The first number is the total number of housing units that are vacant. The second number is the number of the vacant units that are listed as seasonal, recreational.

- ▶ Bisbee - 34, 6
- ▶ Rocklake - 40, 14
- ▶ Egeland - 25, 17

The small Cities in Towner County have a substantial number of vacant homes. These homes range from homes that are in “move-in” condition to dilapidated homes.

**Recommendation:** We recommend that each City inventory the vacant homes in their community to determine:

- ▶ Ownership status
- ▶ Condition of the structure
- ▶ The owner’s future plans for the structure

With this information, the City can develop a plan for each vacant home. The plan for vacant homes can include:

- ▶ Demolition of dilapidated homes
- ▶ Rehabilitation of substandard homes
- ▶ Purchase/Rehab Program for home ownership
- ▶ Conversion to single family home rentals

### **3. Promote owner-occupied housing rehabilitation**

**Findings:** The affordability of the existing housing stock in the small Cities will be an attraction for some families that are seeking housing in the area. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities.

Our 2011 housing condition survey rated the single family homes in the small Cities. Our survey found the number of homes that need minor or major repairs in each City is as follows:

- ▶ Bisbee      38-minor repair, 29-major repair
- ▶ Rocklake    28-minor repair, 23 major repair
- ▶ Egeland     8-minor repair, 13 major repair

**Recommendation:** We recommend that the Cities work with area housing agencies to apply for funds to rehabilitate homes. Rural Development, the North Dakota Housing Finance Agency, the Federal Home Loan Bank, the Community Development Block Grant Program and Home funds are all potential funding sources.

With limited funds, it will be necessary to only rehabilitate homes that aren’t functionally obsolete or too dilapidated to rehabilitate.

#### **4. Acquire and demolish dilapidated structures**

**Findings:** Our housing condition survey identified the following number of dilapidated homes in each City:

- ▶ Bisbee 19 homes
- ▶ Rocklake 11 homes
- ▶ Egeland 6 homes

Dilapidated structures have been demolished in the small Cities over the past several years.

**Recommendation:** We recommend that the Cities continue to demolish severely dilapidated structures. Cities are enhanced when blighted and dilapidated structures are removed.

#### **5. Continue to maintain the City's infrastructure**

**Findings:** To maintain a healthy Community and a healthy housing stock, it is necessary to maintain the City's infrastructure including water, sewer, streets, parks, etc.

**Recommendation:** We recommend that the small Cities continue to maintain, update and improve their infrastructure to assure that households have access to services.

To be competitive with other Cities, to retain its population and to attract new households, a good infrastructure and public utilities are vital.

#### **6. Promote Commercial Development / Rehabilitation**

**Findings:** When our households are selecting a City to purchase a home in, they often determine if the City's commercial sector is sufficient to serve their daily needs.

**Recommendation:** We recommend that the Cities work with commercial property and business owners to rehabilitate their buildings. New businesses should also be encouraged to work in the small Cities.

**7. Create a plan and continue coordination among housing agencies**

**Findings:** The small Cities need staff resources to plan and implement the housing recommendations advanced in this Study. The City has access to the Dakota Prairie Community Action Agency, the North Central Planning Council and the Eastern Dakota Housing Alliance. The Cities also have access to the North Dakota Housing Finance Agency and the USDA Rural Development Office.

**Recommendation:** It is our recommendation that the Cities work with the housing agencies to address their housing needs. It will also be important for the Cities to look for opportunities to work cooperatively with other Towner County Cities to address housing issues.

**8. Other Recommendations:**

Rocklake has an eight-unit rental complex. This complex should be maintained and marketed as it is an asset to the community.

## **Agencies and Resources**

The following local and state agencies administer programs or provide funds for programs and projects in the City of Langdon.

### **Towner County Housing Authority**

808 6<sup>th</sup> Street  
Cando, ND 58324  
(701) 968-3932

### **Eastern Dakota Housing Alliance**

3233 South University Drive  
Fargo, ND 58104  
(701) 364-2833

### **Dakota Prairie Community Action Agency**

223 4<sup>th</sup> Street  
Devils Lake, ND 58301  
(701) 662-3099

### **North Central Planning Council**

Memorial Building  
P.O. Box 651  
Devils Lake, ND 58301  
(701) 662-8131

### **Ramsey County Housing Authority**

P.O. Box 691  
Devils Lake, ND 58301  
(701) 662-3099

### **North Dakota Housing Finance Agency**

2624 Vermont Avenue  
P.O. Box 1535  
Bismarck, ND 58502  
(701) 328-8080

### **USDA Rural Development**

Federal Building, Room 208  
220 East Rosser Avenue  
P.O. Box 1737  
Bismarck, ND 58502  
(701) 530-2037