

Observations

- Where we build matters
- People move because of family, occupation, recreation, dreams
- Neighborhood inter-connectivity is important; it can build independence for youth and strong community ties/identity
- Anywhere we've already build infrastructure, there's an opportunity for infill / re-use
- Some of product mix is demand driven (ex. a lifelong farmer doesn't want to see a neighbor out his kitchen window); sometimes demand drivers change (ex. farmer in Arizona who buys in to density/neighborhoods)
- Not enough done to promote existing neighborhoods
- High Cost of Free Parking (reference)
- Approx. 1% of for-sale market is available to buy low (10-15% below market)
- People from out of state are coming in and buying apartment/multi-family because rules and regs are better in ND than elsewhere
- Tenants rights/exploitation in manuf housing; REITs taking over small rentals which drives up rents
- Without good infrastructure in mobile home parks, EMS and law enforcement don't know where to go
- It's multiple little things that are adding to the time and cost of building
- We need to engage all in the workforce; economic developers are ready to get involved in housing
- Insurance as a factor in affordability – what does it take to make sure something is insurable?
- Greater affordability challenges are looming
- BND 2% infrastructure \$ is capped; cities are reaching the cap; will be a barrier to infrastructure
- Soft costs are making things not affordable – lead on this and be first in nation to solve housing
- Lower income workforce housing is important; affordability of rental is a challenge
- Workforce, housing and child care are top hurdles in the FMWF metro area.
- Align efforts and ideas with Regional Housing Commission
- When rehab cost exceeds typical value consideration you may need a public subsidy to cover the difference because you can't replace an existing housing unit with a new unit for anything near the same cost
- Thinking about the housing needs of people who work in the hospitality industry is important for every community's quality of life, and these jobs tend to have lower wages so housing affordability is a significant issue
- Chamber's legislative / policy agenda includes housing

- When first time homeownership is delayed, people’s expectation is higher; they don’t think of themselves as a “first time buyer”
- Need to balance street safety, costs with ease of parking and snow removal
- Businesses are seeking to be part of the solution
- North Dakota is developer-friendly; it comes down to the economics of what is possible
- Hopeful that the state will provide resources to help communities build affordable housing and subsidize housing costs for those in need
- Housing is a top priority on the Standing Rock reservation; there are many units in need of renovation and it is hard to get rehab dollars to complete necessary work
- There are a lot of young people interested in construction but it’s hard to find someone to apprentice with, especially for skilled trades
- There aren’t many smaller homes built on; often see 3-4 bedroom homes but, could use smaller units (0, 1, 2 bedroom) too
- There is a lot of household level distress which contributes to pretty significant overcrowding situations in housing (multigenerational caregiving / families within families, all staying in a place that is too small to truly house everyone)
- “Doubled Up” homelessness is significant for Native Americans; it is frustrating that different government programs have different definitions of homelessness and doubled-up often isn’t recognized
- For modular homes, the permanent foundation is the key to financing, plus land codes/ordinances that enable financing
- Think creatively about how to help get work done in construction deserts
- Need more options for more dense housing on reservations and in rural
- Affordable housing is essential for communities to be able to fill workforce needs – manufactured housing, new spec homes, renovations – need all of the above.
- All counties in our area are looking for help; people who want to take open jobs (ex teachers) can’t take the job because they can’t find a place to live
- People are stuck where they are because there aren’t any other housing options for them to move to.
- The only people who are building are farmers, or wealthier people perhaps moving from out of state; very few people think they can afford to put an addition on their home or do a major remodel so they don’t even look at doing something?
- The length of time it takes to get on a local builder’s schedule is a deterrent; if it’s a two-year wait, do you even look?
- Jobs, quality of life, child care, housing – these are the big drivers; of all of these issues it’s hardest to see a path forward for housing right now
- Recent Dept of Commerce needs assessment listed housing as the #1 priority across the state
- Way too many communities have “super commuters” – driving 1.5-3 hours to work because they can’t find a place to live (east, west, central – all over the state)
- Contract nursing costs are a risk/challenge for health care providers in rural communities; can’t recruit and fill roles without housing for nurses and health care staff

- Federal funding for housing isn't growing; the dollars we receive don't go as far; costs per person assisted are going up due in part to rising rents
- 3D printed homes are eligible for USDA financing; creative solutions can work.
- Public money seeds development; it has to be done really well, with an eye toward return on investment – can be a kick start so markets can work again
- We need to be more excited about revitalizing rundown properties – it can be a double win
- We care as much about retaining workers as recruiting them
- When industry looks to expand in western ND, housing is a limiting factor
- It's important to have options to rent so people can start out in your community, then give them options to own to help them decide to stay
- Costs are above where most people feel comfortable (even if they could "on paper" afford it – it feels like too much given other expenses)
- Construction labor is an issue – some communities it's worse in skilled trades and others in general construction
- Missing "next" housing; can't get into the market because people aren't moving out/moving on
- Can be hard to build a saleable product on a 50' frontage lot
- There are no "next step homes" for seniors – for many their next home is assisted living or a nursing home, when there could be a lot of other options if it was more available (including home mods)
- Williston rental market is tight (at 7% vacancy)
- Need price points that work for people in all occupations, all industries
- Accessing a lower interest rate is more important than the START (downpayment) funds for many
- Starting to see more construction-to-perm loans for single family in this region
- Need affordable housing for families with young kids; hard for them to buy a \$550,000 home
- We have run out of starter homes – people can't get out of apartments when they want to; need movement to be possible in the market
- To get at price points for owner-occupied homes <\$400,000, think about how to get to volume
- Selling existing lots at \$50-\$60,000/lot; when those run out it will be \$80,000/lot to replace them
- Cities worry about challenges that come with more density, like additional cars parked on streets which make street sweeping/plowing more difficult
- Healthy communities have a healthy housing inventory
- With thoughtful policies and programs, we can address housing issues without disrupting overall market function
- Some people still expect relocation assistance when coming to western ND; that is not really a reality anymore; how to help overcome that expectation
- Existing housing is more affordable than new – all the time – need movement within markets
- Single level housing with common wall between units does very well (patio homes); we need to make this type of development more possible/more feasible/more attractive
- Need programs for middle income households

Challenges / Red Tape

- Processes that are required to make zoning changes
- Excessive width of right-of-way / street paving expectations
- Lot coverage ratios don't accommodate single level - indoor/outdoor living options (ex covered patios, garages)
- Off street parking minimums applied across the board
- Blind adoption of International Building Code regulations
 - Engineered walls if >10' (adds \$10k)
 - Sprinklers if >4 units (adds \$10/s.f.)
- Can take a long time to work through zoning for infill projects
- Zoning variances being required for home accessibility modifications
- Accessory Dwelling units are a good idea but GSAs (secondary market financing criteria) and zoning can put up roadblocks
- Building more affordable homes in smaller markets - appraisal issues – no comps, doesn't meet buyer expectations; couldn't sell but could rent (\$2,400/mo)
- Flipping is one at a time – if you want to scale, you need to hire; but then there's a cost gap if you need to hire it out
- For every 7 new workers coming in to construction, 50 are retiring – labor costs will skyrocket
- Construction workforce pipeline – skilled trades (HVAC, plumbing, electrician, project managers) – labor is going to be a huge issue
- Culverts and infrastructure – delay in getting culverts can delay projects
- Cluster box unit mailbox costs are up 55% - need options to buy locally
- Per lot fees create high carrying costs – developer carries costs like meter fees way too early (ex. to access water)
- How to deal with school equity issue? Have to bring all schools up to the same standards as soon as you build a new one (1% lever)
- Requirement to add 2nd stairwell to reclaim a rundown mixed use building
- Hard to meet new buyer expectations
- Upcoming electrical code changes (ex. EV charging)
- All homes financed by HUD and USDA need to follow the 2021 Energy Code; may affect remodeling feasibility as it could increase costs by 30-40%
- Need to think about affordable housing for people who work in manufacturing; need to help people transition to more affordable housing by helping them while they're waiting for it to become available (ex. informal "cousin" program)
- Hard for people who don't have established credit to get a lease; and difficult to save up for security deposit and sometimes 1-2 months rent when first moving in

- Antiquated visa program requirements make them less effective than they could be (ex. when a person has to prove that they will “sleep in the same bed every night” it can be a barrier for people working construction, where they travel to jobsites for multiple days)
- Even if a borrower can meet the credit requirements to buy a home, there’s still some question as to whether or not they will be successful as a homeowner given the economic realities and pressures of their household budget (have they practiced budgeting / making payments)
- Many people with changing health needs don’t know how to go about making modifications to their home; people need companies to do the work but also advice and resources regarding what to do to improve their situation
- Multifamily development environment is very difficult right now (interest rates, rents)
- There are a lot of rules and regulations that add significant cost to housing – both new and renovations
- Seems to be a persistence in using apartment designs from the past, despite changes in the market and communities/population, which would likely respond positively to more variation in housing products.
- Workforce availability on reservations is a challenge for maintaining or renovating existing housing units and for building anything new
- ARPA funds are running out; those dollars have been helping to pay for some construction and general contracting
- You can’t be living with someone (doubled up homeless) and still apply for housing; you’re considered “housed” so not eligible
- Moving fee land into trust land takes a long time and counties are generally not supportive as it’s a loss of tax revenue; makes land exchange programs ineffective
- Fees charged by housing providers for housing applications for rentals can be really concerning and a barrier; fee is often per person on the application, plus need first month rent plus deposit
- Credit scores are a barrier (especially in Bismarck where they are used a lot) and they aren’t an accurate measure of good tenancy since most housing providers don’t report to credit bureaus (you could pay rent on time for 15 years but still have no credit history because rent payments weren’t reported)
- Requirements for double deposits (ex. if a person doesn’t have a clean background check) are a deal breaker for many people
- Eviction process is hard to navigate when you’re in it; it feels fast to renters and it’s hard to even find attorneys who can represent renters because so many private attorneys do work for housing providers so they have a “conflict of interest” due to retainer agreements
- Developers from larger communities may be willing to come to rural places but, the fees they want are not realistic, and the scale they want to develop isn’t either; it’s not practical to partner
- If local infrastructure isn’t adequate, a community can’t realistically even allow any new homes to be built because they don’t think they can service them appropriately
- BND requirement for 30% equity on multifamily projects is too high; economics are probably more realistic at 20%
- Public service in rural communities is primarily volunteer in nature; there aren’t a lot of paid staff so capacity is a very real constraint; many programs designed to help are too complicated/bureaucratic to be of practical use – need to keep things as streamlined/simple as possible if we want rural communities to benefit

- There aren't a lot of requirements to be a contractor in ND; sometimes puts homeowners at risk of being taken advantage of; how to balance training/continuing education and desire to bring more people into the labor force
- Absentee owners can make it harder to be proactive in addressing housing needs (properties get run down and by the time they come back to the community they aren't salvageable and need to be cleared)
- Infrastructure costs to add developable land is almost cost prohibitive; it can be hard for the public to understand infrastructure needs as it is largely invisible to them
- Costs of infrastructure on developable lots is prohibitive to local builders (ex. \$60-\$65,000/lot); even if you give the land away, the infrastructure investment is still \$50,000/lot
- It is difficult to get financing to build spec homes; need something to help manage perceived lender risk (ex construction loan guarantee fund)
- Multifamily financing is tough to come by; state financing is often income-limited
- Need someone to mitigate risk during transit for modular/manufacture home products
- Infrastructure hook-up fees mean that developers/builders have to carry high holding costs for long periods of time (ex. rural water district \$6,500 hookup fee to get on the list for service, which may not come for a couple years); need to think about housing development as an important part of community (like farming, business dev)
- Finding housing units that rent for what housing choice vouchers can pay is increasingly difficult in many communities
- Installing infrastructure is a challenge on isolated reservation land

Ideas from Participants

- Can ND re-write building codes and fire codes? Need to balance health/safety and cost.
- Look at zoning for pre-fab as a larger element of markets
- Can you adopt certain housing types that are “pre-approved” by cities (no extra zoning required)
- Establish a ND building code
- Home match service – match up single older adults with roommates; Adopt a “Golden Girls” model (i.e., roommates)
- Pre-allow manufactured housing developments
- Support cities to rethink approach to city and street design
- Look more into the Utah model to encourage starter homes, and pre-fab homes
- Update the Fargo Land Development Code to enable the “missing middle” of the housing market, and align with Fargo’s Growth Planning processes
- Build a ND-Specific Building Code
- Look at street widths and building code review across the metro area; re-think street design requirements wherever possible to help manage costs (ex. requirement to match 2 left turn lanes in a street reconstruction can add 2 lanes to a road project)
- Control government-to-government taxing, with responsibility to create more efficient infrastructure (ex. don’t allow assessments to other political subdivisions if certain design decisions / actions are taken)
- Make 203k (purchase with rehab needed) easier to do; perhaps create a BND/HFA version; increase max home price for programs like the Neighborhood Revitalization Initiative
- Add resources for housing rehab, perhaps through Fargo Core Neighborhood Plan
- Get all local political subdivisions (which equals all who control local infrastructure decisions) to work in alignment; establish guiding principles that support housing market. What we’re doing today is leading to non-economic outcomes.
- Look at how fees are assessed. Consider impact of assessing per unit v assessing per front footage so you don’t disincentivize density.
- Invest more in Neighborhood Response teams (moving to 24/7) to help business owners with issues they experience related to homelessness.
- Create assistance program that can fill the gap when someone really can’t afford what is available in the rental market.
- Make supportive services (including peer supports) available to help people maintain housing.
- Look into expanding the Job Service apprenticeship readiness program to more stakeholders.
- Discuss utilizing day labor opportunities to create more interest in construction work.
- Pursue multi-generational living options on reservations – embrace a new model for housing form on tribal lands (ex. German model – 3 story building, 3 units – 1 on each floor; total of 7 bedrooms, 5 toilets and 3 kitchens)

- Embrace new building practices, like 3D printing of whole homes or of home components – tackle infrastructure but also create start-up grants for someone to be a 3D print operator/business owner
- Expand downpayment assistance programs, especially those available on reservations, to open up movement within the housing market; a “turnkey to homeownership” push could help people move out of rental housing owned by tribal housing authority, which would then open up units to help alleviate the doubled-up homelessness/overcrowding
- Could you have an infrastructure program to build on very remote land on reservations (ex. a tribal member may own land, but it is far from infrastructure; how can we build a home effectively?)
- Explore legal agreements for leasehold mortgages on trust lands to enable financing of modular or manufactured homes (USDA effort).
- Share information on Job Service apprenticeship readiness program with others.
- Work with Department of Labor to examine century code changes to prevent predatory practices
- Could you centralize background checks so application fees could be paid once and used for anyone who is applying for housing
- To help facilitate UND Medical Student work on reservations, trying to create two homes per tribal nation for a rotating residency program (with housing provided)
- Can we create a benefit of paying rent as a measure of good credit, by requiring that rent payments are reported to credit bureaus
- Can we creatively backstop the appraisal gaps that exist in many communities (i.e., mitigate valuation risk)
- Create incentives for apartments in rural communities – mid-income (not just lower/moderate income); make sure they work for smaller scale projects, not just large.
- Invest in new ways of building and developing – like 3D printed homes/home components, land trusts.
- Update local ordinances to allow a range of housing options (ex. barn-d-miniums).
- Can we encourage local communities to embrace smaller lot sizes (ex. 75’x140’ instead of 150’x140’), to create more options for smaller homes or more compact development.
- Boost the individually-driven / DIY renovation market with creative incentives – get people investing in their homes, updating, keeping them up to date, which makes them more attractive to the next owner and a better community asset in the long run.
- Connect kids with career opportunities in construction/trades earlier – creative “career builder” activities to connect to apprentice opportunities, etc.
- Make the Housing Incentive Fund a more stable resource so communities know they can count on it (planning cycles for housing projects can be longer than HIF funding cycles, or HIF dollars can be gone by the time projects are ready to proceed).
- Allow communities of different sizes to show required “match” in different ways (i.e., not just cash match – smaller communities don’t have that resource available to them)
- Take both income and expenses into account when determining program eligibility; income alone sometimes doesn’t tell the whole story
- Create a Rural Community Land Trust, similar in concept to BND and the State Mill & Elevator.
- Use land trust model to buy/invest in mobile home parks.

- Build CTE centers in “next tier population” (i.e., more rural) communities; we need to invest in growing the local resource to support housing labor market needs. May need to think differently about funding model as the match will be harder to come up with in rural communities (fewer large employers).
- Make CTE centers available to adults (not just kids).
- Find ways to backstop the risk for builder holding time for new home types.
- Consider allowing Renaissance Zone projects (incl housing) to proceed even if work started before application.
- Provide a framework to help city attorneys think differently about blending public and private funding for projects.
- Increase downpayment assistance to more than the 3% it is at now for first-time-homebuyer.
- Consider increased income limits wherever you have the ability to do so; affordability goes higher up the income spectrum (when a program has higher income limit, the interest rate usually goes up too, which then knocks buyers out due to ratios).
- Leverage financing capacity to help smaller builders get more active in the market (tie to increased production).
- Make changes to how we bring new appraisers into the market.
- Make it possible to add more than 1 unit per lot (including accessory dwelling units, mobility-friendly homes).
- Increase Neighborhood Revitalization max home price limits to \$400,000 to better capture market need (many existing homes are dated, to the degree that they don’t even qualify for VA/FHA financing without home repairs).
- Offer one-time capital grants to public housing authorities to modernize rental housing stock that is available to lowest income renters (federal funds are not adequate to keep up).
- Create a guarantee program to backstop risk during transit for modular/manufactured homes.
- BND/HFA work together to finance stacked condo developments if secondary markets can’t/won’t.
- Tie incentives to the actual outcome you are seeking (ex., favorable financing that leads to increased production, not just mitigation of rate risk).
- Grow construction-trade pathways in CTE to make sure we are growing this labor force from within the local market.
- Package various “pathways to purchase” programs to help people move from apartments to owning, or from the home they’re into the home they seek.
- Create incentives to boost infill development at scale (like the old airport in Williston).
- Consider raising the home value limit for property tax exemptions to account for market realities.
- Modify local requirements to allow conditional use permits for additional housing unit to transfer with property transfer (today CUPs are non-transferrable).

Questions

- How to get at the insurance issues that are coming? (harder to get coverage, higher costs)?
- What does it take to incentivize land assembly that makes infill possible (more timely)?
- Can we find a way to mitigate holding costs of building as-of-yet “unproven” products?
- Can we create pathways that forego public hearings for certain zoning issues? Certain housing types?
- How do you balance profitability, affordability, safety, insurability and appraisability?
- What makes other markets harder to be a multifamily owner (ex. WA)?
- Can we increase the resources we make available for downpayment assistance? People need more money just to meet basic living expenses; downpayment is difficult.
- How to get more housing options in the middle so people of all different incomes (including people experiencing homelessness)? More housing will help open up more affordable units.
- How do we better balance added costs associated with energy efficiency and safety codes with overall housing cost?
- Can we consider options to help increase Habitat for Humanity’s impact on the area?
- Predatory practice and Discrimination are different things. Is there a way to centralize tracking of predatory practices, like tracking of discrimination issues has been centralized in Dept of Labor?
- How are you supposed to get a fresh start when the background check issues follow you (i.e., your background check will be marred even after you’ve completed treatment and are in recovery, or ended your term of incarceration and are living in the community)? How do you get access to housing?
- How will the Sentinel program affect housing demand (since ND is the last stop)?
- Sex offender housing options are almost non-existent; are there opportunities to examine state laws to remove barriers where appropriate?
- How do we think about housing our current workforce even before we recruit new?
- Can we encourage more contractors to take on the responsibilities of being a “general” contractor – to organize/coordinate the project (many homeowners don’t have the necessary experience and get scared off of doing the work)?
- Can we think of volume regionally to shrink supply change costs?
- Can we think creatively about how to leverage the power of the Bank of North Dakota as a unique resource to mitigate risk and spur housing markets?
- Can we create neighborhood approaches that make it easier to provide services to older adults or people with disabilities?
- Can state resources help replicate some of the things McKenzie County and others have done?
- Are there any options with septic regulations that would allow more housing units than today (ex. 1 unit / 1 acre if require septic)
- R-WISH 20% equity is not quite enough; can it move to about 25% to make projects work?
- Is there an opportunity to grow availability of downpayment assistance program for non-first-time-buyers?