PART 4 – HOUSING MARKET ANALYSIS

A. Housing

The 79 respondents ranking overall community development needs in the CDBG surveys rated affordable rental housing as the top priority (2.62 rating with 3 as the highest need). This need was also the top priority in 2005 (2.4). Affordable owner-occupied housing ranked as the seventh priority with a 2.16 rating. Respondents involved in housing indicated that the greatest need was for rental assistance (e.g., vouchers) in both 2005 and 2010. Moreover, nearly a third of the respondents in a statewide Community Action survey of clients indicated that affordable housing was a need. Slightly over a fifth of the respondents indicated that they had to rely on agency assistance for housing. Over half (55.5%) of the respondents lived in rental units, 10% lived with family or friends, and 4% were living in a shelter. Adequate and affordable housing appears to be a concern for low income households in Bismarck and in the state as a whole. Accordingly, it is important to examine the housing market in order to identify local needs so that a more effective housing strategy may be developed.

The 2000 Census reported that there were 24,217 housing units in Bismarck. This number represented an 18.4% increase in housing units between 1990 and 2000. The 2006-08 American Community Survey (US Census Bureau) reported that there were 27, 038 house units in Bismarck or an 11.6% increase over the 2000 Census. The overall growth rate appears to be similar to the past two decades.

According to the 2000 Census, 1,032, or 4.3% of all housing units were vacant, but by the time of the 2006-08 Community Survey, the housing vacancy rate had dropped to 3.1% or 841 units despite the fact that the housing stock had grown by more than 2,800 units. The increase in the number of housing units correlates with growth in population and employment; however, the low vacancy rate indicates that construction has not yet met demand. Bismarck's current homeownership rate of 63.3% (2006-08 Census) is about the same as it was in 2000, but this rate is slightly lower than the national average of 66%. Building activity (as measured by the number of building permits) showed an overall growth pattern in owner-occupied housing since 1990, but the number of permits for rental units has remained somewhat stable from year to year.

The next two tables present information about the number and type of housing units in the metro area for the past 30 years. It is important to consider housing needs for this area since migration is a common occurrence within a metro area. The first table compares this data numerically, while the second table presents the data in percentages. Bismarck and the surrounding area both gained the most housing during the 1970s. The number of housing units grew by over 56% during that time period. The predominant housing type throughout the metro area is owner-occupied housing. Bismarck experienced the most vacant units after the building boom of the 1970s and

1980s, and developers are still cautious about overdevelopment. The vacancy rates in the suburban area were more stable over the years, but were higher than the City's.

Housing Units by Occupancy Status: 1970 - 2000

		Metropolitan Statistical Area	Principal city of Bismarck, ND	Suburbs
Total Units Excluding Seasonal and Migrant Housing	**1970**	19,246	11,168	8,078
	1980	30,056	17,399	12,657
	1990	33,029	19,943	13,086
	2000	39,343	24,117	15,226
Occupied Units	**1970**	18,010	10,590	7,420
	1980	27,949	16,424	11,525
	1990	31,361	19,315	12,046
	2000	37,559	23,185	14,374
Owner Occupied	**1970**	12,207	6,541	5,666
	1980	19,450	10,249	9,201
	1990	21,050	11,729	9,321
	2000	26,292	14,689	11,603
Renter Occupied	**1970**	5,803	4,049	1,754
	1980	8,499	6,175	2,324
	1990	10,311	7,586	2,725
	2000	11,267	8,496	2,771
Vacant Units	**1970**	1,236	578	658
	1980	2,107	975	1,132
	1990	1,668	628	1,040
	2000	1,784	932	852

Source: US Census Bureau

This next table compares occupancy by percentages for the metro area. The homeownership rate for Bismarck is 63% which is significantly less than the rate of 80% in outlying areas. This discrepancy may help explain the higher demand for rental housing in Bismarck. The vacancy rate in Bismarck has fluctuated between 3.9% and 5.6% with the lowest rate occurring in 2000. The highest vacancy rates for Bismarck and the metro area occurred in 1980 after the building boom of the 1970s. The rental vacancy rate in Bismarck was 5.5% in 2000 and 1.1% for owner-occupied housing. More current data from the 2006-08 Community Survey indicated that the rental vacancy rate was 3.2%, and the overall vacancy rate was 3.1%. No current records of vacancy rates are available at the local level, but anecdotal evidence indicates that the vacancy rates for both rental and owner-occupied housing to be even lower in 2010. The housing vacancy rate in suburban areas was 5.6% in 2000--the lowest in 30 years. A vacancy rate of about 5% is considered a sign of a healthy market. It is likely that the current low vacancy rate is an outcome of population and job growth that occurred since 2000 and an indication that housing development has not kept pace.

Housing in the Metro Area, City of Bismarck, & Suburbs

		Bismarck Metropolitan Statistical Area	Principal city of Bismarck	Suburb*
Owner Occupied as percent of All Occupied Units	1970	67.8	61.8	76.4
	1980	69.6	62.4	79.8
	1990	67.1	60.7	77.4
	2000	70.0	63.4	80.7
Renter Occupied as percent of All Occupied Units	1970	32.2	38.2	23.6
	1980	30.4	37.6	20.2
	1990	32.9	39.3	22.6
	2000	30.0	36.6	19.3
Vacant Units as Percent of All Units	1970	6.4	5.2	8.1
	1980	7.0	5.6	8.9
	1990	5.1	3.1	7.9
	2000	4.5	3.9	5.6

Source: U.S. Census: 2000

The following table presents information on the number of housing units and vacancy rates from the US Census Bureau. The vacancy rate for all metro area housing increased from 4.5% in 2000 to 5.6% in 2006-08; however, the overall vacancy rate in Bismarck dropped to 3.1%. Demand for rental units is evident since the most recent vacancy rates for the metro area was 3.5% and 3.2% in Bismarck. Vacancy rates for owner-occupied housing are even lower.

Current Homeownership, Rental, and Overall Vacancy Rates

	METRO AREA		CITY	CITY	
Housing Occupancy	2006-08 Estimate	Percent	2006-08 Estimate	2000 Census	Percent
Total Housing units	44,762		27,038	24,217	
Occupied Housing Units	42,243	94.4%	26,197	23,185	95.7%
Vacant housing units	2,519	5.6%	841	1,032	4.3%
Owner-occupied units			16,578	14,689	63.3%
Renter-occupied units			9,619	8,496	36.6%
Homeowner vacancy rate			3.1%		1.1%
Rental vacancy rate		3.5%	3.2%		5.8%
Overall vacancy rate		5.6%	3.1%		4.3%

Age is one indicator of the condition of housing in a community since the older a home is, the more likely it is to be substandard. For instance, older housing is more likely to have lead based paint, need repairs, or need replacement of mechanical systems. The age of housing can also indicate when a community experienced significant growth. The next chart presents information on the age of housing constructed in Bismarck from the 2000 Census. The median construction date for both owner-occupied and rental housing was 1974. Only 6% of the owner occupied housing was constructed before 1940, but 9% of rental housing was that old. Over 62% of the owner-occupied housing and 64% of the rental housing was built after 1970. The local Building Inspection Division indicates the overall condition of housing is good in Bismarck because of previous code enforcement efforts. Substandard conditions are estimated to exist in about 4% to 5% of rental housing and be in about 3% to 4% of the owner-occupied housing. Thirty-five housing units were demolished between 2005-2009 (Inspections Division).

Year Housing Built and Tenure: 2000

	Number	Percent
TENURE BY YEAR STRUCTURE BUILT		
Owner-occupied housing units	**14,656**	**100.0**
Built 1999 to March 2000	235	1.6
Built 1995 to 1998	1,154	7.9
Built 1990 to 1994	1,169	8.0
Built 1980 to 1989	2,315	15.8
Built 1970 to 1979	4,285	29.2
Built 1960 to 1969	2,044	13.9
Built 1950 to 1959	2,061	14.1
Built 1940 to 1949	494	3.4
Built 1939 or earlier	899	6.1
Median	1974	(X)
Renter-occupied housing units	**8,487**	**100.0**
Built 1999 to March 2000	120	1.4
Built 1995 to 1998	751	8.8
Built 1990 to 1994	576	6.8
Built 1980 to 1989	1,220	14.4
Built 1970 to 1979	2,744	32.3
Built 1960 to 1969	1,013	11.9
Built 1950 to 1959	881	10.4
Built 1940 to 1949	416	4.9
Built 1939 or earlier	766	9.0
Median	1974	(X)

Source: U.S. Census Bureau, Census 2000 Summary File 3

The following two tables present more current data than the previous one. The data indicates that nearly 11% of the housing stock was built in the 200's, while less than 7% was constructed in 1939 or earlier. Over a quarter of the housing was constructed during the 197's. It is expected that by the end of the decade, the total number of new housing units constructed will be similar to the 1990's, but not as great as during the boom of the 1970s. The second table shows age of housing by percent and tenure. The development of owner-occupied and renter-occupied housing has somewhat consistent, although it appears that the development of rental units lagged behind in the last 30 years.

Age of Housing

Date of construction	No. of units	% of units
2005 or later	612	2.3%
2000-04	2276	8.4%
1990-99	3808	14.1%
1980-89	3538	13.1%
1970-79	7115	26.3%
1960-69	3414	12.6%
1950-59	3521	13.0%
1940-49	934	3.5%
1939 or earlier	1820	6.7%
Total	27038	100.0%

Source: 2006-08 American Community Survey, US Census

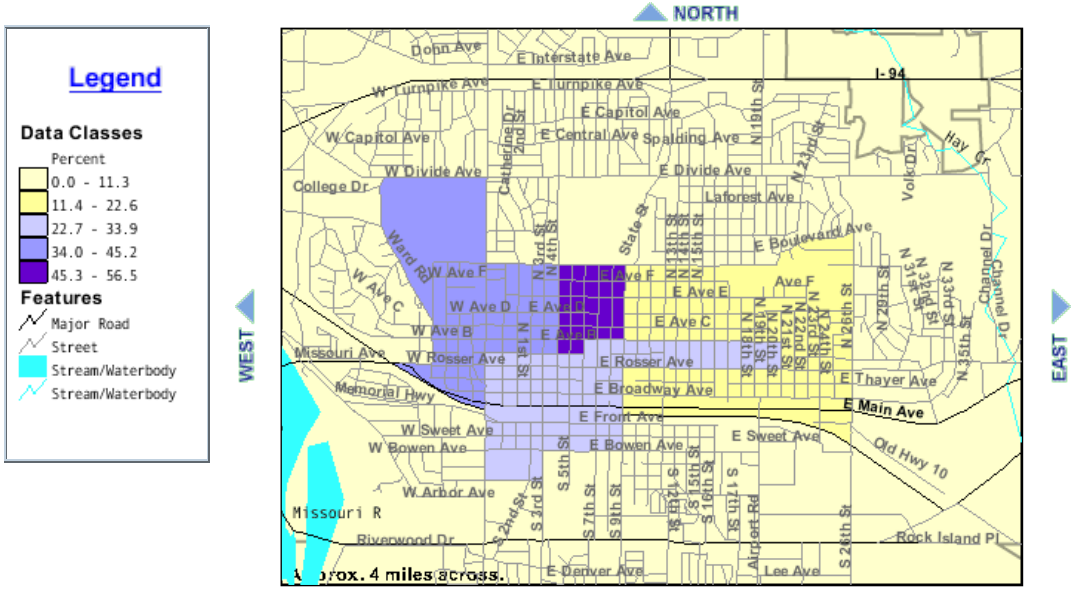
Age of Housing by Tenure

Year Constructed	Owner-occupied Housing	Renter-occupied Housing	All Housing
2000 or later	11.3%	10.3%	10.9%
1990 to 1999	14.3%	13.5%	14.0%
1980 to 1989	13.8%	12.0%	13.2%
1960 to 1979	35.9%	43.0%	38.5%
1940 to 1959	17.8%	14.0%	16.4%
1939 or earlier	6.8%	7.2%	6.9%

Source: 2006-08 American Community Survey, US Census

The following map illustrates the location of housing that was built before 1940. Most of the oldest housing also lies within the LMI area and was built around the downtown core of the city. If the City decides to pursue a neighborhood revitalization project, it will focus on this area.

PERCENT OF HOUSING UNITS BUILT BEFORE 1940: 2000 CENSUS



Source: U.S. Census Bureau, Census 2000 Summary File 3

Much can also be learned about a housing market by looking at the type of housing within a community. This data for Bismarck is presented in the succeeding two tables. Single family, detached housing comprises over 70% of owner occupied housing. The next highest category is manufactured housing which amounts to about 15% of the owner housing and is generally a more affordable option for many households. Multi-unit housing makes up only 8% of the owner-occupied housing. Rental housing consists primarily of apartment buildings of 5 to 49 units, while mobile homes make up only less than 4% of the rental market.

Type of Housing by Occupied Units

	2000		2006-08	
Type of housing	**Number**	**Percent**	**Number**	**Percent**
Total owner occupied units	**14,656**	**100.0**	**16.578**	**100.0**
1, detached	10,263	70.0	11,961	72.1
1, attached	1,044	7.1	1,116	6.73
2	294	2.0	330	2.0
3 or 4	199	1.4	198	1.2
5 or more	668	4.6	873	5.3
Mobile home	2,188	14.9	2100	12.7
Boat, RV, van, etc.	0	0.0	0	0.0
Type of housing	**Number**	**Percent**	**Number**	**Percent**
Renter occupied:	**8,487**	**100.0**	**9,619**	**100.0**
1, detached	909	10.7	686,	7.1
1, attached	260	3.1	550	5.7
2	875	10.3	945	9.8
3 or 4	717	8.4	1,085	11.3
5 to 9	1,492	17.6	1,465	15.2
10 to 19	1,500	17.9	1,516	15.8
20 to 49	1,662	19.6	2,287	23.8
50 or more	762	9.0	800	8.3
Mobile home	310	3.7	285	3.0
Boat, RV, van, etc.	0	0.0	0	0.0
Total housing units	**23,143**		26,197	

U.S. Census Bureau: 2000 and 2006-08 Community survey

The ensuing table illustrates housing problems by tenure. Housing problems are defined as lack of complete kitchen or bathroom facilities, overcrowding, and cost burdens. The information shows that 84% of the owner occupied and 64% of the rental housing had no problems. Cost burdens were a problem for over 4,600 households, while less than 600 had other problems.

Occupied Housing Units by Problem & Tenure, 2000

Type of housing	Lack complete kitchen/ plumbing facilities	Over-crowded: over 1.5 persons per room	Over-crowed: 1.01 - 1.5 per room	Cost Burden: 50%+ of income used for housing	Cost Burden: 30.1 to 49.9% income for hsng.	No income	No housing problems
Owner-Occupied Housing	30	19	80	710	1,445	35	12,325
Renter-Occupied Housing	135	70	225	1,260	1,220	115	5,465
Total Housing	**165**	**89**	**305**	**1,970**	**2,665**	**150**	**17,790**

Source: U.S. Census Bureau

The next table presents 2006-08 Census information on housing costs and the proportion of household income that is used for housing. Overall, nearly a quarter of the renters and 7% of the owners with the least income were considered cost burdened

Monthly Housing Costs as a Percentage of Household Income in the Past 12 Months

Income	Owner-occupied Housing	Renter-occupied Housing	All occupied Housing
Less than $20,000	8.8%	32.7%	1.1%
Less than 20% Housing Cost	70.0%	2.0%	2.8%
20 to 29% Housing Cost	1.6%	5.1%	2.8%
30% or More Housing Cost	6.6%	25.6%	13,6%
$20,000 to $34,999	15.2%	23.3%	18.2%
Less than 20% Housing Cost	3.7%	3.4%	3.6%
20 to 29% Housing Cost	5.4%	13.7%	8.4%
30% or More Housing. Cost	6.1%	6.3%	6.2%
$35,000 to $49,999	13.9%	14.8%	14.2%
Less than 20% Housing Cost	6.1%	9.2%	7,2%
20 to 29% Housing Cost	4.2%	4.7%	4.4%
30% or More Housing Cost	3.5%	0.9%	2.6%

Source: US Census Community Survey 2006-08

The following table projects growth in numbers of households by income levels. This information can be useful when evaluating the need for affordable housing. It includes data from the Bismarck, Mandan, the region, and the state. This additional data was incorporated due to potential population shifts within the region and the metro areas. The metro area and the region both show a significant increase in the extremely low income category, although there is projected growth in all income categories. Bismarck is expected to show a 17% increase in very low income households and a 16% increase in low income households over the 15 year period. These rates of growth are higher than those at the higher income levels, Growth in the number of lower income households will likely result in an increased demand for affordable housing, especially for rental units.

Household Projections by Annual Household Income Levels, 2000 and 2015

	Extremely Low: 0 to 30% of Median			Low: 31 to 50% of Median			Moderate: 51 to 80% of Median			Middle: 81 to 115% of Median			Upper: Above 115% of Median		
AREA	2000	2015	Change	2000	2015	Change	2000	2015	Change	2000	2015	Change	2000	2015	Change
Bismarck	3,747	4,399	17.4%	3,255	3,773	15.9%	4,102	4,553	11.0%	4,910	5,545	12.9%	3,812	4,357	14.3%
Mandan	1,241	1,750	41.0%	893	1,093	22.4%	1,410	1,654	17.3%	1,459	1,653	13.3%	766	903	17.9%
Region	9,342	11,470	22.8%	7,616	8,930	17.3%	9,227	10,024	8.6%	10,832	11,531	6.5%	7,408	8,051	8.7%
State	48,992	56,418	15.2%	41,324	46,113	11.6%	47,810	49,893	4.4%	47,549	49,208	3.5%	31,941	34,496	8.0%

Source: ND State Data Center; 2000 Census

The following table shows the number of LMI household by type and by tenure. It included data for both Bismarck and the region because of the potential of population movement from rural to urban areas. Bismarck can expect a 6.8% increase in LMI renters by 2015, while there will be an increase of 18.4% in LMI homeowners. Overall population growth in Bismarck is expected to grow by about one percent annually. About 60% of the LMI renters in the region live in Bismarck, while only about 40% of the LMI owners live within the city. These estimates may be considered low because of the job and

population growth that occurred over the past five years. The largest rental need appears to be for units for 2 to 4 people, followed by elderly households. However this table does not take into consideration the many single person households and the need for one bedroom units, SROs, and efficiencies. The need for rental housing for one to two person households is evident in the long waiting list at the Burleigh County Housing Authority and for special needs housing evidenced by the responses in the CDBG survey.

Housing Needs Summary for Bismarck and for Region VII (including Bismarck)

					Projections					
	Household Type	Household Income (% of MFI)	Census 2000		2005		2010		2015	
			City	Region VII	City	Region VII	City	Region VII	City	Region VII
Renter	Small related (2 to 4)	0 to 30%	526	869	535	897	551	927	562	946
		31 to 50%	730	1,205	743	1,244	764	1,286	780	1,312
		51 to 80%	1,273	2,105	1,295	2,169	1,333	2,242	1,360	2,288
	Large related (5 or more)	0 to 30%	51	84	52	87	53	90	54	92
		31 to 50%	85	140	86	145	89	149	91	153
		51 to 80%	170	280	173	289	178	299	181	305
	Elderly: age 65 plus	0 to 30%	815	1,345	829	1,388	853	1,435	871	1,464
		31 to 50%	509	841	518	868	533	897	544	915
		51 to 80%	331	547	337	564	346	583	354	595
TOTAL LMI RENTER HOUSEHOLDS			4,490	7,416	4,568	7,651	4,700	7,908	4,797	8,070
Bismarck percentage of regional rental need			60.5%		59.7%		59.4%		59.4%	
Owner-Occupied Household		0 to 30%	1,466	3,746	1,528	3,913	1,641	4,133	1,735	4,284
		31 to 50%	2,110	5,395	2,200	5,634	2,362	5,951	2,498	6,169
		51 to 80%	4,998	12,775	5,210	13,342	5,594	14,093	5,916	14,608
TOTAL LMI OWNER-OCCUPIED HOUSEHOLDS			8,574	21,916	8,938	22,889	9,597	24,177	10,149	25,061
Bismarck percentage of regional owner-occupied housing need			39.1%		39.0%		39.7%		40.5%	

Source: US Census and ND Data State Data Center; LMI=Low and moderate income

The State Data Center used Census information to develop housing projections from 2000 to 2015. It developed two housing demand models presented below. The first is based on past building trends, while the second uses projected demands based on population. During the past decade there was an actual increase of 20.6% in the number of housing units. The first housing demand model projects a 26% expansion in housing, while the second one predicts nearly 15% growth. It should be noted that the 2006-08 Census Community Survey estimated that there were 27,038 housing units in Bismarck. This number suggests that housing development in Bismarck is more closely following model 1. The number of building permits (3,873) issued since 2000 for Bismarck also supports that supposition.

Total Housing Units Predicted 1990 to 2015

	1990	2000	Percent change 1990 to 2000	2005	2010	2015	Percent change 2000 to 2015
Actual	20,038	24,162	20.6				
Model 1				26,208	28,400	30,591	26.6
Model 2				24,996	26,491	27,719	14.7

Source: ND State Data Center; US Census
Model 1: Based on building trends of past decade
Model 2: Based on projected demands

The following table compares Census data by age group from the most recent surveys. It is important to see which age groups are increasing and if there are trends which may impact housing demand in the next few years. It is also provides a way to confirm housing predictions and denote trends. The chart clearly demonstrates the need for all types of housing for a population that is aging. As expected, the number of persons aged 65 and over grew by more than 13% since 2000. The aging of the population is also shown in the increase in the median age. The group under the age of 20 decreased by about 4.5%, but the number of children under the age of 5 increased by almost 1% percent. This decrease is less than expected and may be reflected in the growth in the number of students as related in the school census. The number of persons aged 20 to 34 also showed a somewhat surprising increase (29% growth) when compared to housing need projections. The only age group to show a decline in all of the adult categories was for persons aged 35 to 44 (19% decline) which may be indicative of a number of trends related to community opportunities and outmigration in prior years.

Population by Age Group

Age Group	2006-08	% of total	2000	% of total
under 5	3,625		3,356	
5 to 9	3,300		3,431	
10 to 14	3,029		3,790	
15 to 19	4,294		4,308	
Subtotal	**14,248**	**23.8%**	**14,885**	**26.8%**
20 to 24	5,865		4,380	
25 to 34	9,293		7,339	
35 to 44	7,137		8,842	
45 to 54	8,626		7,815	
55 to 59	3,657		2,545	
60 to 64	2,487		2,084	
Subtotal	**37,065**	**61.8%**	**33,005**	**59.4%**
65-74	4,079		3,888	
75-84	3,293		2,631	
85+	1,286		1,123	
Subtotal	**8,658**	**14.4%**	**7,642**	**13.8%**
Total all age groups	**59,971**		**55,532**	
Median age	**36.1**		**36.5**	

Source: 2000 Census and 2006-08 Community Survey

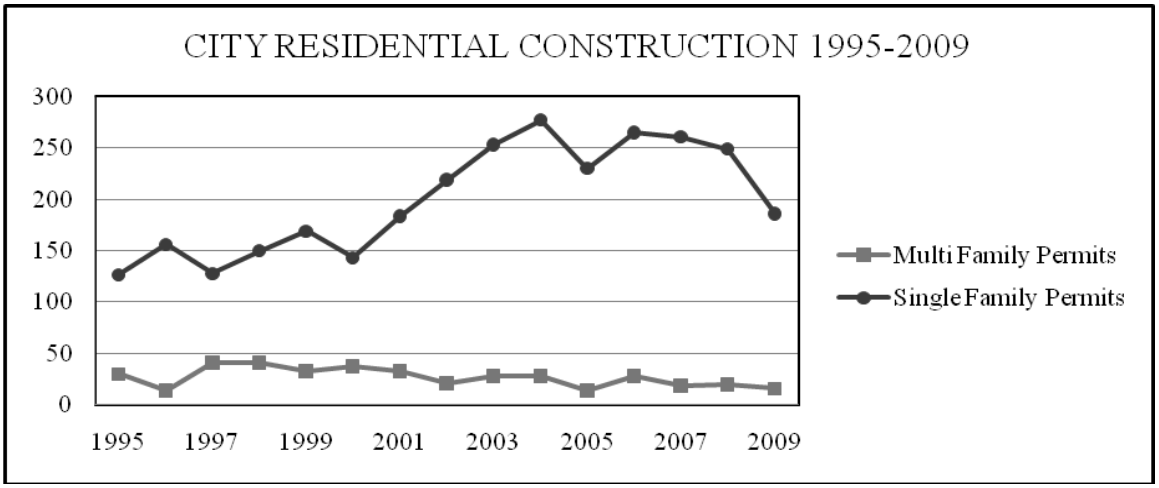
The following information concerns the number of building permits issued for the City of Bismarck for the past decade. Nearly 60% of the units were for single family housing. Only 27 permits were issued for multi-family units with 5 or more units in the past five years which was a time when Bismarck was experiencing population and employment growth.

Bismarck Building Permits: 2000-2009

Size of unit	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Single Family	143	184	219	253	277	230	265	261	249	186
Multi Family	37	33	21	28	28	14	28	19	20	16
Total Permits	180	217	231	281	305	244	293	280	269	202
Total units	**215**	**453**	**382**	**479**	**419**	**285**	**410**	**444**	**492**	**294**
Total housing units: 3,873 2,267 Single family units (58.5%) and 1,606 Multi-family units (41.5%)										

Source: Building Inspection Division, City of Bismarck

The following chart looks as residential permits over a 15 year period. It illustrates the relative stable and slow rate of multi-family development compared to single family development which was more volatile, but with higher growth.



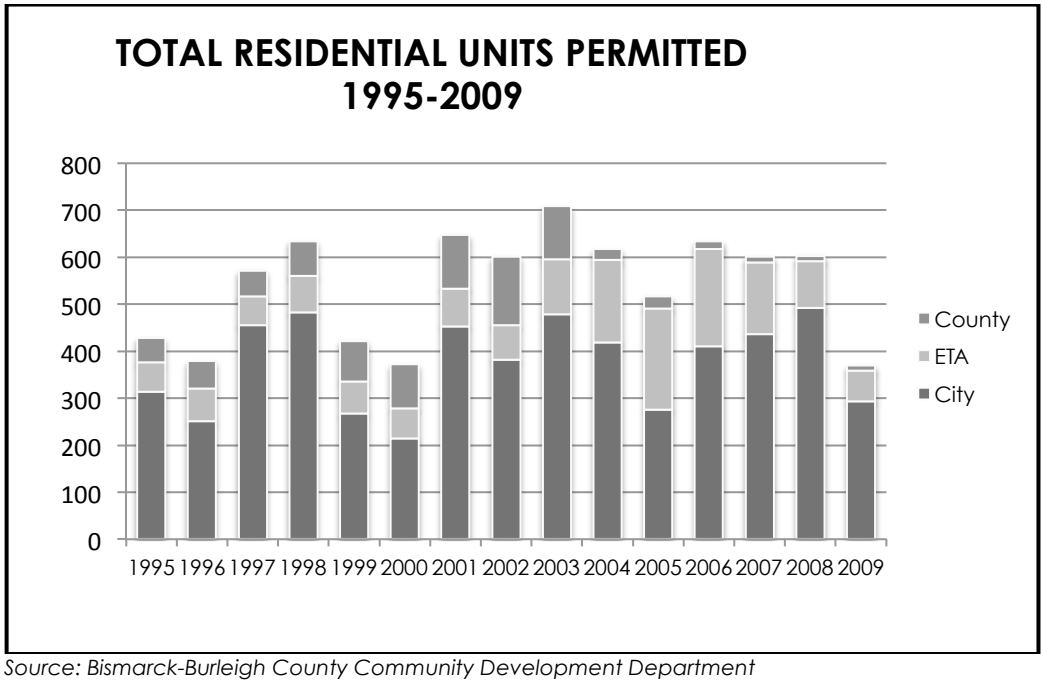
Source: Building Inspection Division, City of Bismarck

The next table and bar graph compare residential building permits for the City, the ETA, and the county for a 15 year period. For several years, the City's proportion of new housing permits within the County declined, but it started to rebound in the late 2000s. Many people opted to construct in a less urban area setting due to perceived lower costs (e.g., land, taxes, tax exemption) and because of personal preferences for a more rural environment. However from 2007 to 2009, building permits in the City once again accounted for approximately 3/4ths of all permits issued in the County. Over the 15 year period, about 70% of the residential permits were within the City of Bismarck.

CITY, ETA & COUNTY TOTAL RESIDENTIAL PERMITS 1995-2009

	City		ETA		County		Total
Year	No. Units	% of Total	No. Units	% of Total	No. Units	% of Total	No. Units
1995	314	73.4%	63	14.7%	51	11.9%	428
1996	251	66.2%	70	18.5%	58	15.3%	379
1997	456	79.9%	60	10.5%	55	9.6%	571
1998	483	76.2%	77	12.1%	74	11.7%	634
1999	264	63.6%	69	16.4%	86	20.4%	422
2000	215	57.8%	64	17.2%	93	25.0%	372
2001	453	70.0%	80	12.4%	114	17.6%	647
2002	382	63.6%	73	12.1%	146	24.3%	601
2003	479	67.7%	117	16.5%	112	15.8%	708
2004	419	67.9%	175	28.4%	23	3.7%	617
2005	276	53.5%	215	41.7%	25	4.8%	516
2006	410	64.7%	207	32.7%	17	2.7%	634
2007	437	72.7%	152	25.3%	12	2.0%	601
2008	492	81.6%	100	16.6%	11	1.8%	603
2009	294	79.5%	65	17.6%	11	3.0%	370
TOTAL	**5,625**	**70.5%**	**1,578**	**18.2%**	**886**	**11.3%**	**8,078**

Source: Bismarck-Burleigh County Community Development Department

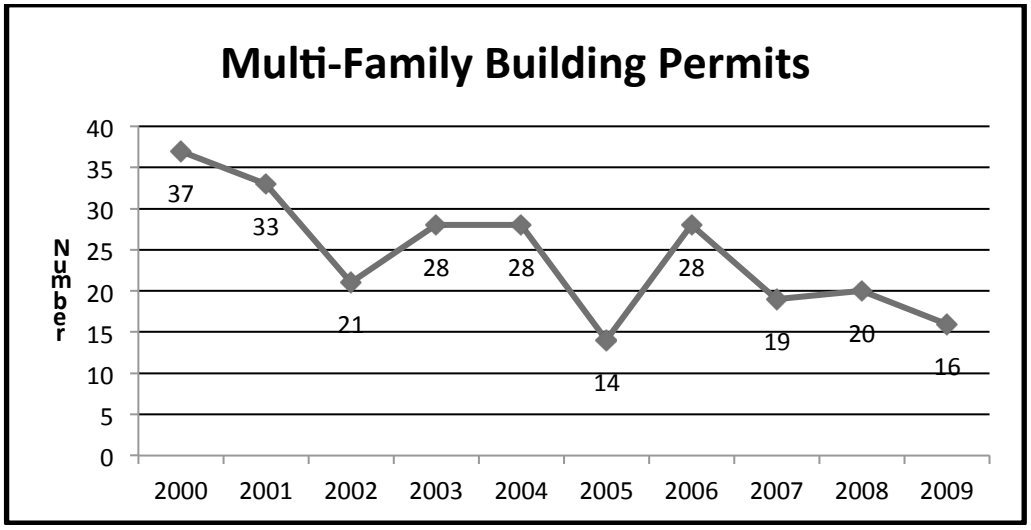


Source: Bismarck-Burleigh County Community Development Department

1. Rental Housing:

The Plan will now examine closely the housing concerns and costs by tenure starting with rental housing. A five percent vacancy rate is generally considered a sign of a healthy housing market. Census data indicates that the rental vacancy rate was 5.8% in 2000, but it had dropped to 3.2% in 2006-08. Anecdotal information and advertisements for rental vacancies all indicate that the vacancy rate had dropped even more by 2010 and may now be at 2.5% or lower depending upon the season. It also appears that there is a high demand for one bedroom apartments (estimated vacancy rate 2%). The CDBG survey confirms the high demand for one bedroom apartments and large family units.

As can be seen by the following table, the number of multi-family permits issued in the last three years has not yet responded to the increased demand for rental housing. In the past 10 years building permits for 1,606 units have been issued for multi-family buildings, while 2,267 permits were for single family dwellings.



Source: Bismarck-Burleigh County Community Development Department

The following table provides information on renters in Bismarck and the affordability of rent for a two bedroom unit (National Low Income Housing Coalition). The median renter household income is considerably lower than the median income of Bismarck ($46,800 for 1 person and $53,400 for 2 persons). Over one-third of all renters are unable to afford a two bedroom apartment at the Fair Market Value (FMR). The mean renter wage is $9.77 an hour and would enable a household to rent an apartment at $508 a month. The current FMR for a two bedroom unit is $558. Households earning the minimum wage or receiving SSI would not be able to afford an efficiency apartment (FMR=$429).

Renter Household Income and Affordability	
Est. median renter income	$30,797
Rent affordable at median inc.	$770
% renters unable to afford 2 bdrm.	35%
Est. mean renter wage	$9.77
Rent affordable at mean	$508
Rent affordable at min. wage	$377
Rent affordable on SSI*	$202
Average monthly SSI payment	$674

Source: National Low Income Housing Coalition

The next table looks at monthly housing costs as a percentage of total income for renters. HUD considers a household to be cost burdened if 30% or more of its income goes towards housing. It confirms that about 35% of renters are cost burdened (3,188 households), but it also shows that over a quarter of all renters are paying 35% or more of their income for housing. In the 2000 Census, there were 2,480 renters that were cost burdened. The 2006-08 Census Survey estimate indicated that the number of cost burdened renters had increased by 28.5%.

Amt of Income used for housing	# of Renters	% of Renters
Less than 15%	2,124	23.1%
10 to 19.9%	1,482	16.1%
20 to 24.9%	1,232	13.4%
25 to 29.9%	1,180	12.8%
30 to 34.9%	663	7.2%
35% or more	2,525	27.4%
Total	**9,206**	**100.0%**

Source: US Census 2006-08 American Community Survey

The next table projects the demand for rental units by age of the householder. It replicates population projections, so the need for rental housing is expected to decline 13% for households under age 35. Conversely, the demand for apartments by households aged 55 to 74 is expected to grow by 60%. An overall increase of 6.8% is expected. However, recent population and job growth may suggest that the predictions are somewhat inaccurate. As a result, demand in younger householders will likely stabilize or grow rather than decline. Demand by older households is expected to continue to grow.

Household Projections for Renter Housing Units By Age of Householder, 2005 to 2015

		Projections			
Age of Householder	**Census 2000**	**2005**	**2010**	**2015**	**Percent Change: 2000 - 2015**
Ages 15 to 34	3,757	3,641	3,430	3,265	-13.1
Ages 35 to 54	2,517	2,645	2,660	2,543	1.0
Ages 55 to 74	1,174	1,246	1,534	1,888	60.8
Age 75 and older	1,039		1,260	1,372	32.1
All ages	8,487	8,634	8,884	9,068	6.8

Source: ND State Data Center; 2000 Census

The CDBG survey requested participants who worked in housing or related fields to rate the rental housing needs in the community. The following table reveals their responses from both the 2005 and 2010 surveys. The highest ranking need and development option for both surveys was for additional rental assistance (e.g., vouchers). Supportive services and special needs housing were also highly rated needs in both years. The need for large family units was ranked much higher in 2010 than in 2005. The higher ranking for emergency assistance in 2010 may be related to changes in the local economy and increased awareness of the need to prevent homelessness. Code enforcement, overcrowding, hazard removal, and accessibility issues were lower ranked needs. Most respondents preferred nonprofit development of affordable housing over public or private sector development. The participants also ranked development of new units over rehab or preservation or existing units.

Rental Housing Needs

RENTAL HOUSING NEEDS			DEVELOPMENT OPTIONS		
	2010	2005		2010	2005
Rental assistance	2.68	2.64	Vouchers/rent assist.	2.44	2.68
Supportive services	2.60	2.51	Nonprofit development	2.41	2.18
Large families	2.55	2.24	Develop new units	2.35	2.35
Emergency assistance	2.48	2.21	Rehab existing units	2.30	2.22
Special needs	2.40	2.34	Preserve existing units	2.22	2.61
Small families	2.20	1.64	Accessibility	2.13	n/a
Security deposits	2.20	1.96	Local incentives	1.97	2.13
Repair program	2.13	1.79	Public sector develop/	1.97	2.00
Elderly housing (non-frail)	2.05	2.07	Remove hazards (LBP)	1.78	1.62
Other (non-disabled)	2.03	1.31	Private sector develop.	1.76	2.16
Fair Housing	1.98	1.87	Code enforcement	1.61	n/a
Tenant-landlord mediation	1.78	1.56	Partnerships	n/a	2.43
Code enforcement	1.70	n/a	Historic preservation	n/a	1.33
Overcrowding	1.67	1.51			
Accessibility	1.64	1.84			
Hazards (e.g., lead paint)	1.60	1.38			

Source: CDBG survey (41 respondents); rating based upon 0 = no need to 3 = high need

2. Owner-occupied housing

The next two tables will examine projections for owner-occupied housing. Out-migration of younger households will lead to a decreased number of first time homebuyers. All other categories of homebuyers will experience modest growth except that the number of elderly homebuyers is expected to increase by nearly 38% by 2015.

Homebuyer Projections by Buyer Type: 2005 to 2015

		Projections			
	Census 2000	2005	2010	2015	% Change 2000 - 2015
First-Time Homebuyer	3,292	3,243	3,056	2,908	-11.7
Low-Income Homebuyer	5,575	5,653	5,917	6,207	11.3
Moderate-Income Homebuyer	4,497	4,669	5,087	5,448	21.1
Elderly Homebuyer	2,402	2,658	3,038	3,308	37.7
Upscale Homebuyer	3,341	3,484	3,716	3,868	15.8

Source: ND State Data Center; 2000 Census

***Definitions**:*
First-Time Homebuyer: Householder Age 15 to 34 with Income between $25,000 and $75,000 in 2000
Low-Income Homebuyer: Householder Age 15 to 74 with Household Income Less Than $25,000 in 2000
Moderate-Income Homebuyer: Householder Age 35 to 74 with Income between $25,000-$50,000 in 2000
Elderly Homebuyer : Householder Age 75 and Older
Upscale Homebuyer: Householder Age 35 to 74 with Household Income of $75,000 or More in 2000

The next table projects the demand for owner occupied housing by age group. Again, the table closely follows population projections that show losses in the youngest age category and a substantial increase in demand by households aged 55 to 74. Both this table and the previous table indicate a need for more specialized housing to meet the needs of older households. The projections are based on a model which indicated a loss of population in the 15 to 34 year age group, but Census population estimates from the 2006-08 survey show population gains.

Household Projections for Owner-Occupied Housing Units

by Age of Householder, 2005 to 2015

		Projections			
Age of Householder	Census 2000	2005	2010	2015	% Change: 2000 - 2015
Ages 15 to 34	2,212	2,144	2,019	1,922	-13.1
Ages 35 to 54	6,960	7,315	7,357	7,032	1.0
Ages 55 to 74	4,017	4,262	5,250	6,460	60,8
Age 75 and older	1,467	1,557	1,779	1,936	32.0
All ages	14,656	15,278	16,405	17,350	18.4

Source: ND State Data Center; 2000 Census

The CDBG survey asked respondents that worked in the housing field to rate the most important needs of low and moderate income home owners and homebuyers. The respondents felt that weatherization was the most important need in both the 2010 and the 2005 surveys. Accessibility, new housing, and emergency rehab were all highly ranked needs in the 2010 survey. In both surveys the participants felt that homebuyer classes and downpayment/closing cost assistance were the principal needs for LMI homebuyers.

CDBG Survey: Rating of Homeowner and Homebuyer Needs

Homeowner			Homebuyer		
Need	**2010**	**2005**	**Need**	**2010**	**2005**
Weatherization	2.26	2.55	Homebuyer classes	2.35	2.18
Accessibility	2.22	1.95	Downpayment/closing cost	2.17	2.38
Produce new housing	2.04	2.30	Financial counseling	1.91	2.19
Emergency repairs	2.04	2.13	Fair Housing concerns	1.70	1.57
Debt counseling	1.91	1.93			
Major rehabilitation	1.87	2.30			
Fair Housing concerns	1.70	1.64			
Hazard removal	1.70	1.76			
Code enforcement	1.61	n/a			
Historic preservation	1.09	1.35			

Source: CDBG Surveys 2005 & 2010; Priority ratings 0 for no need to 3 for high need (23 respondents)

Another important part of the housing market analysis is to evaluate current conditions in terms of sales and costs. Sales of owner-occupied housing over a period of time may reflect local demand or economic stress in a community. As can be seen in the table below, housing prices have increased steadily since 2000. The average sales price has increased 65% since that time. Although this growth in value is not as high as many other areas, Bismarck has not seen the devaluation of housing that has occurred in many other communities. The number of houses sold per year has fluctuated with 2008 being the lowest year. Lower interest rates, homebuyer assistance programs, and increased population have all contributed to the increase in value.

Housing Sales: 2000 to 2009

Year	Homes Sold	Average Sales Price
2009	560	$173,554
2008	482	$178,192
2007	561	$177,803
2006	509	$161,263
2005	599	$147,903
2004	702	$125,874
2003	676	$119,347
2002	628	$105,749
2001	625	$103,646
2000	502	$104,893

Source: Bismarck Mandan Board of Realtors

The City Assessing Division also compiled information on home sales for 2009, and this information is presented since it includes the sale of houses that may not have been listed with a realtor. The average sales price for newly constructed homes was $204,936 (62 homes), while the average sales price for an existing home was $165,836 (based on 1062 homes). The average cost of a residential lot ranged from $40,000 to $45,000, and 106 lots were sold for residential development in 2009 (half that of the prior year).

Consultation with local realtors provided additional information about owner-occupied housing in Bismarck. The demand for housing has remained consistent with some fluctuations over the past decade. Lower interest rates have had a positive effect on the number of sales and the value of housing in the past decade, and it is hoped that this trend will continue for several more years. The current market is stronger than expected with a nationwide recession. The sale and development of new homes dipped in 2009, and the number of foreclosures increased over the past two years. The number of building permits for new housing dropped by 40% in 2009. However, the tax incentives for homebuyers had a positive impact on the sale of existing homes. Home sales remained high throughout the winter which is typically slow. Prices have continued to rise at a steady pace over the decade, but there has been a small decline in value over the past year. First-time homebuyers continue to be the largest segment of homebuyers. Many of these buyers have a need for education, as well as downpayment and closing cost assistance.

The housing market is expected to remain strong in the coming year, and sales appear to be keeping up or are slightly lower. Fairly priced, decent housing generally will be sold within about 30 days. Sales reflect both in and out migration about equally. The demand for existing homes will continue to be average or a little higher and that the vacancy rate will likely remain low. The demand for newly constructed homes will continue to be unpredictable for some time due to economic uncertainties as evidenced, by the decline of permits issued in 2009, although it appears that the number of building permits issued is slightly higher in 2010.

There is a shortage of homes priced affordably for starter homes. Because of this demand, homes in this modest price range have experienced the largest price increases. One-level and accessible homes are also scarce commodities in the local housing market. Overall, the condition of existing housing seems to be good to fair except for units in the lowest price categories. The number and selection of lots within the City are limited and tend to be more expensive than rural or suburban lots. The average price of single family lots sold in Bismarck last year was nearly $40,000 to $45,000. This is a notable increase percent since 2005. Construction costs for new housing have increased, and current costs are about $175 per square foot for average housing to $225 a square foot for higher end housing. The market in owner-occupied housing is expected to remain stable to strong in the next few years. Home ownership is becoming increasingly difficult for persons with lower incomes. The local Habitat for Humanity chapter received about 25 applicants for each home it constructs from referrals or inquiries. It would likely be inundated with applications if it did any additional marketing. The cost of lots in Bismarck has made it impossible for Habitat to develop housing without some kind of subsidy.

The Census Bureau also provides valuable data on monthly housing costs for homeowners in Bismarck. A quarter of the households with a mortgage were paying 30 % or more of their income for housing, while only 14% of the households without a mortgage were doing so. A total of about 3,500 households (21%)

were paying 30% or more of their income for housing. Moreover, about 15% were paying 35% or more of their income for housing.

Monthly Housing Costs as Percentage of Income for Owner-occupied Housing

	With a mortgage		Without a mortgage	
Amt. of Income Used for Housing	No. of Owner-occupied	Percent of Owner-occupied	Number of Owner-occupied	Percent of Owner-occupied
Less than 20%	4,164	39.2%	4,090	69.5%
20 to 24.9%	2,101	19.8%	734	12.5%
25 to 29.9%	1,707	16.1%	227	3.9%
30 to 34.9%	801	7.5%	286	4.9%
35% or more	1,855	17.5%	546	9.3%
Total	**10,628**	**100.0%**	**5,883**	**100.0%**

Source: US Census American Community Survey: 2006-08

There are only a few foreclosures in Bismarck at this time and the foreclosure rate has been much lower than other locations during the recession. However, the number of foreclosures has increased over the past two years. Information on subprime loans gathered for a recent NSP application indicated potential concerns. The majority of residents in Bismarck reside in the following two zip code areas: 58501 and 58504. There were 301 subprime loans totaling $25 million in these two areas. In the northern part, nearly 7% of the loans were considered seriously delinquent. The other area (south Bismarck) showed that 9.4% of the subprime loans were seriously delinquent. The average age of the loans was 24 months with an average interest rate of 8.87%. About two thirds of the loans had variable interest rates (average current rate: 9.13%). Current estimates indicate that at any one time there may be from 5 to 15 units of housing that has been abandoned due to foreclosure.

HUD data also pinpointed areas of potential concern by census tract and block group for the Neighborhood Stabilization Program. For instance, all block groups (1-4) in Census Tract 102 had a high percentage of households earning less than the low, moderate, and middle income (LMMI) limits. This ranged from a low of 68.3% in Block Group 1 to a high of 81.2% in Block Group 4. The Housing Mortgage Disclosure Act (HMDA) high cost loan rate was 27.6% for this census tract with the highest vacancy rate in the City (4.8%). The predicted probable foreclosure rate was 2.5%. The second area of concern includes both block groups in Census Tract 108. The LMMI percentage in these two block groups ranged from 82.4% to 83.2%. In addition, the high cost loan rate was 31.9% with a probable foreclosure rate of 3.0%. The vacancy rate was 1.9%. The third area of note was Census Tract 101 whose block groups ranged from 56% to 73.9% in LMMI households. The HMDA high cost loan rate for this block group was 20% with a predicted foreclosure rate of 1.5%. Portions of several other census tracts (103-1 through 4; 106-1 & 2; 107-2; and 109-2) had high percentages of LMMI population, but probable foreclosure rates and high cost loan rates were lower for a variety of reasons such as the inclusion of a higher income block groups in the census tract.

3. **Summary**:

The housing conditions and trends presented in this Plan are expected to continue over the next five years although in a less predictable pattern. Housing will be impacted by moderate growth in the overall population and jobs. There will be a steady demand for owner-occupied housing, but many low income or first time homebuyers could have a difficult time finding affordable housing if housing prices and/or interest rates rise. Additional homebuyer assistance programs may be needed. For owners, mortgage payments and higher utility costs could result in deferred maintenance and the increased likelihood of substandard conditions or excessive cost burdens. This may increase the need for financial counseling, emergency assistance, and housing rehabilitation. Some owner-occupied housing will be constructed outside of the City due to personal preferences, perceived lower costs, and greater diversity. Population projections and housing demand models indicate that there will be significant homebuyer demand from older households, particularly for those aged 55 to 74. Consideration must be given to the special housing needs of aging households, as well as for persons with physical disabilities. There are few affordable and accessible housing units in either the owner-occupied or rental markets. There has been no needs assessment or listing of accessible housing. Consultation with local realtors confirmed that there are few one level homes available.

The rental market has a vacancy rate that is relatively low (3.2%) according to 2006-08 Census data, and local information indicates that it is even lower at the present time. According to the 2000 Census the rental vacancy rate was considered to be healthier at 5.8%. The construction of new units has not met demand, so rents have continued to increase over the past five years and apartments affordable to LMI households have become increasingly scarce. According to Census data over a third of all renters in Bismarck were cost burdened.

No significant change in vacancy rates is expected in the next couple of years due to the slow growth in new units and the lack of interest in the development of new rental housing. Limited Low Income Housing Tax credits (LIHTC) have resulted in a more competitive application process at the state level. As a result, several LIHTC projects proposed for Bismarck in the past couple of years did not receive tax credits despite local support that would have included HOME funds. The cost of land has made the development of affordable housing difficult in Bismarck, and incentives and tax credits will be essential for this development in the future. In the meantime, many lower income households will find affordable housing increasingly difficult to find and will likely end up in substandard housing, become cost burdened and potentially homeless. Ideally, the demand for rental units could act as an incentive for further development, but the reality in Bismarck for the immediate future will be low vacancy rates and escalating rents.

There appears to be a great need for one bedroom apartments and units for large families. Consultation with the Burleigh County Housing Authority confirmed this demand. A majority of this demand for one bedroom units may be coming from LMI households who may also be elderly or disabled.

Population projections indicate that there will be growth throughout all income segments of the population, but LMI households are expected to increase by about 1,600. LMI housing needs are projected to increase by 307 renters and 1,575 homeowners. However, the projection model may have underrepresented the need of LMI renters versus that of homeowners. Homeownership may be beyond the financial capacity of many low and very low income households, so rental demand is likely to grow more than the 6.8% predicted by the projection model, particularly if development of new units is depressed. Renters may have an increasingly difficult time finding adequate housing at an affordable cost because of growing demand. Low income households that qualify for rental assistance will have an increasingly difficult time finding affordable units. Additional rental assistance or development options will have to be considered over the next five years. More attention must also be given in the rental market to the needs of households aged 55 to 74 which are expected to grow by 60% by 2015 and to the accessibility of rental units.

In addition, many older neighborhoods in Bismarck are beginning to show signs of transition. In these neighborhoods, there are scattered signs of deterioration in housing quality, and some owner-occupied housing has been converted to rental property. Many of these neighborhoods are also located in an LMI area. In the next five years, the option of housing preservation and neighborhood revitalization will need to be explored. Current estimates of dilapidated and substandard housing are somewhat low, but excessive cost burdens may be an indicator that more emphasis will be needed on housing rehabilitation and code enforcement.

The following chart presents an overall summary of the housing market information for Bismarck

Housing Market Analysis Chart (HUD)

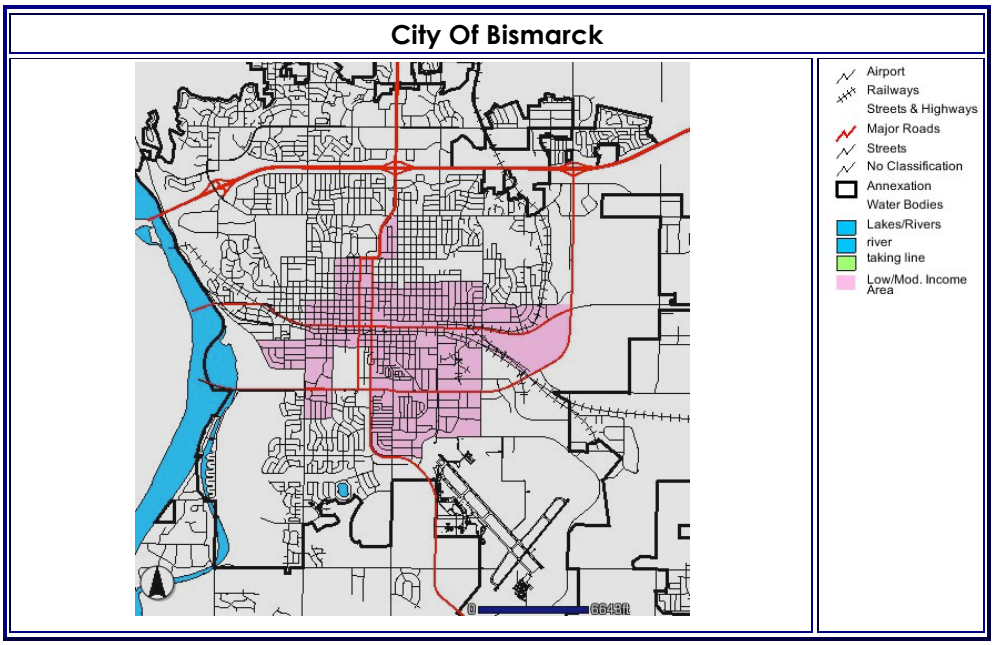
Housing Stock Inventory	Vacancy Rate	0 & 1 Bedroom	2 Bedrooms	3+ Bedrooms	Total	Substandard Units
Affordability Mismatch						
Occupied Units: Renter		3213	4699	1702	9614	355
Occupied Units: Owner		273	3186	13124	16583	460
Vacant Units: For Rent	3.2%	82	139	97	318	12
Vacant Units: For Sale	3.0%	20	178	325	523	15
Total Units Occupied & Vacant		**3588**	**8202**	**15248**	**27038**	**842**
Rents: Applicable FMRs (in $s)		454	565	884		
Rent Affordable at 30% of 50% of MFI (in $s)		454	565	884		
Public Housing Units						
Occupied Units		180	57	70	307	0
Vacant Units		1	4	8	13	0
Total Units Occupied & Vacant		181	61	78	320	0
Rehabilitation needs		$350,000	$750,000	$350,000	$1,450,000	0

Source: 2006-08 Community Survey, US Census and Burleigh County Housing Authority

B. Areas of Low and Moderate Income Concentration & Minority Population

It is also essential to look at the areas in which a majority of residents are low and moderate (LMI) persons since these are the areas which generally will have an increased need for housing and community development activities. An LMI area is defined as a block group(s) in which a majority (greater than 50%) of the population is low and moderate income. The map below depicts the LMI areas in Bismarck. The LMI block groups are contiguous and encompass the original town site, central business district, and some of the oldest neighborhoods. The southern portion includes newer housing, many apartments, public housing, subsidized housing, and manufactured housing. It also includes major retail and service businesses, medical centers, government offices, and human service agencies. The LMI area in Bismarck has remained relatively the same since the last Census with few changes in boundaries.

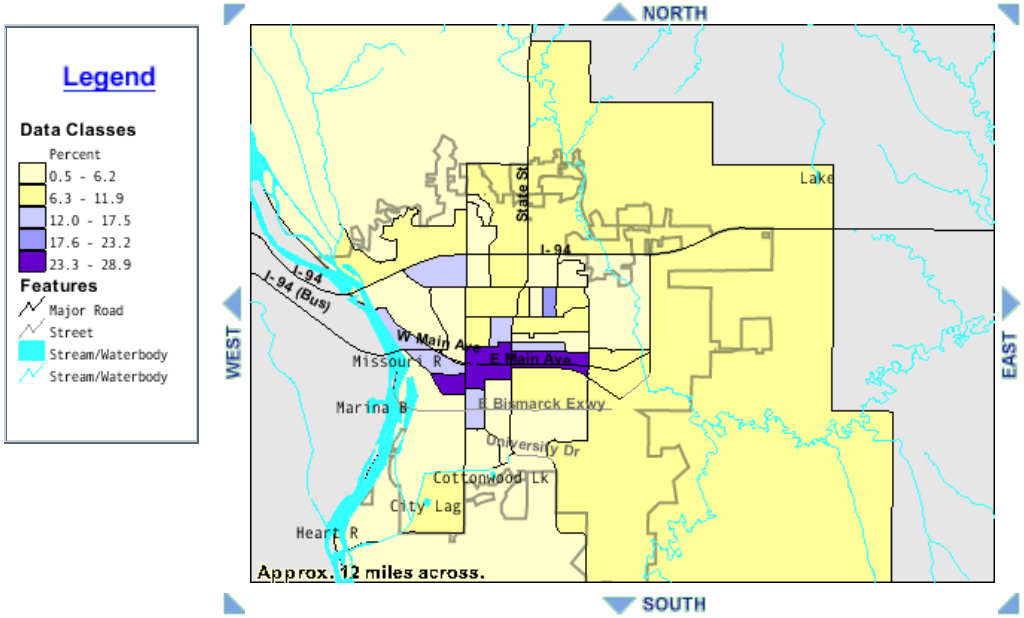
LOW & MODERATE INCOME AREAS



SOURCES: City of Bismarck, Burleigh County

The following map presents the percent of persons living below the poverty level by block group. It serves as an interesting comparison to the previous map which depicted LMI areas. It confirms that many households living in the LMI area are also living below the poverty level (up to 20% - 28% of all households). The comparison also shows that the borders of the two areas are very similar.

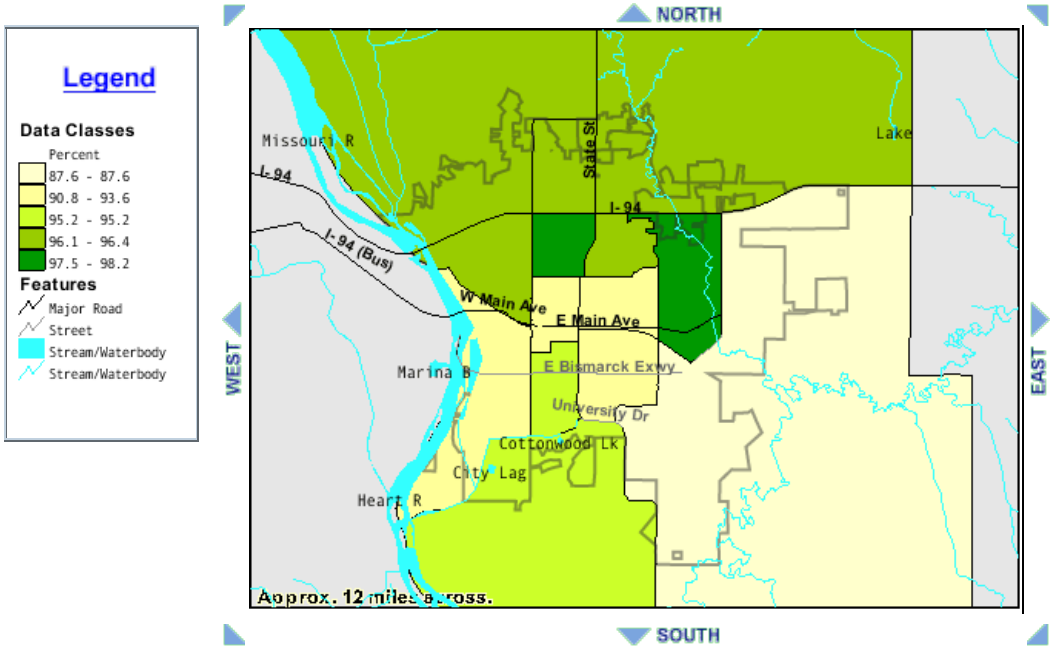
PERCENT OF PERSONS BELOW THE POVERTY LEVEL BY BLOCK GROUP



Source: U.S. Census Bureau, Census 2000 Summary File 3, Matrix P87.

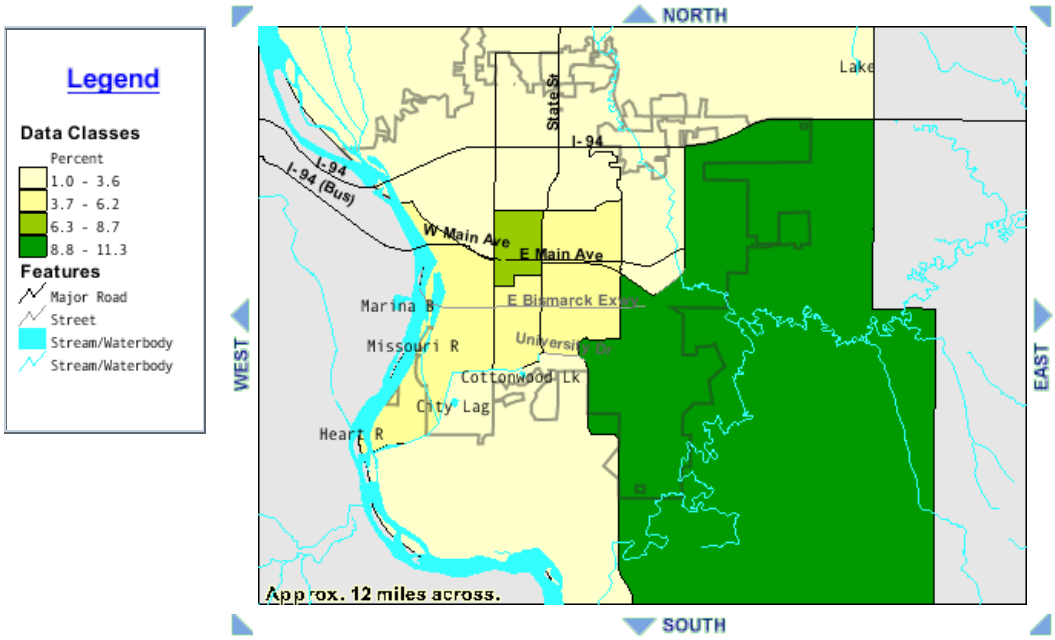
The Consolidated Plan must also identify whether or not there are any areas of minority concentration. Some cities define minority concentration as a census tract area in which at least half of the population is composed of one or more minority groups, while others define it as an area in which the minority population is 20 percentage points greater than the overall minority percentage in the jurisdiction. If these commonly used definitions are applied to Bismarck, there are no areas of minority concentration. A further examination of minority percentages by census tract will be conducted in the following maps. The following map shows the percentage of white persons who are white alone by census tract. There is one area in the southeast portion of the city that shows a minority population of about 12%. This area is largely non-residential, has a low population, and a portion lies outside City boundaries. It also includes United Tribes Technical College (UTTC).

PERCENT OF PERSONS WHO ARE WHITE ALONE: 2000



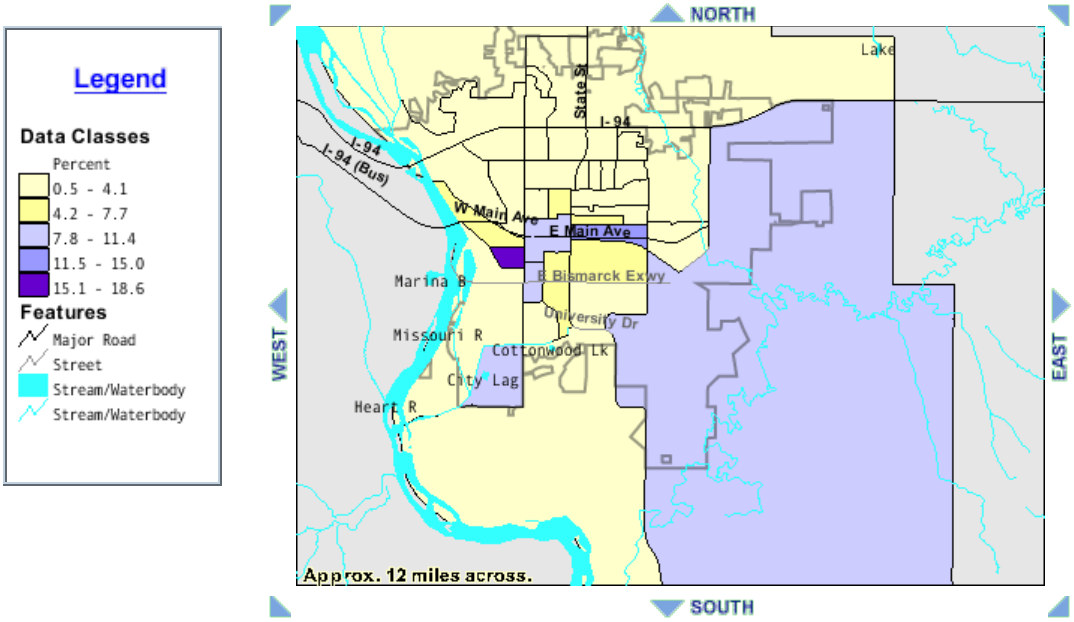
Native Americans comprise the largest minority group in the City, so the next map views Native American population by census tract. Again, the highest percentage is in the census tract that includes the southeast part of the city. Approximately half of the census tract is outside of the city limits and includes UTTC.

PERCENT OF PERSONS WHO ARE AMERICAN INDIAN & ALASKA NATIVE ALONE OR IN COMBINATION WITH ONE OR MORE OTHER RACES BY CENSUS TRACT 2000



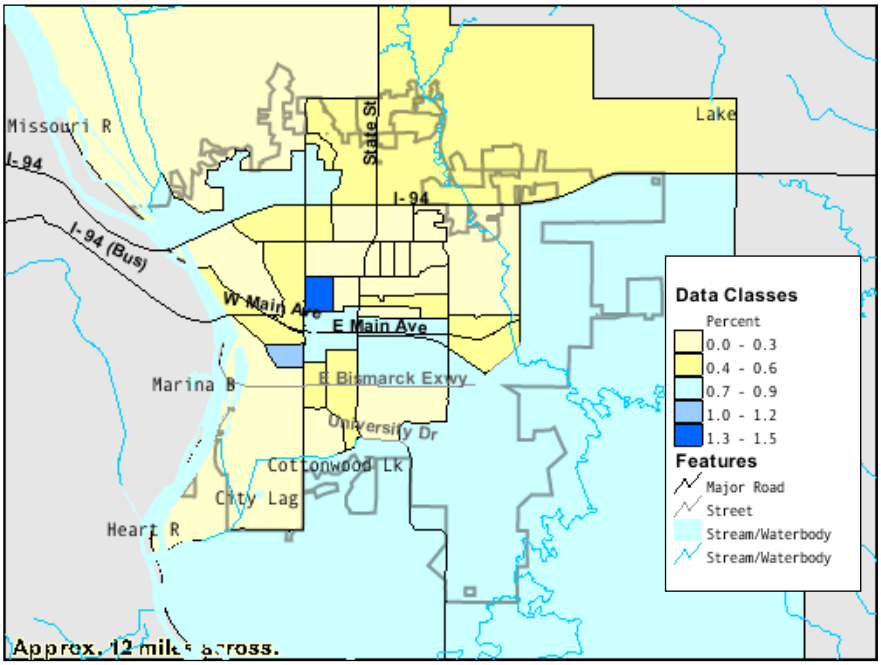
The subsequent map depicts Native American population by block group and it imparts additional information. There is one block group in which the population ranges from 15% to 18.6%. This particular block area consists largely of assisted housing for families managed by the local housing authority. Many of its tenants are students at United Tribes Technical College since it does not have sufficient family housing on campus. This area and other areas with a higher percentage (7% to 15%) are encompassed within the LMI area.

PERCENT OF PERSONS WHO ARE AMERICAN INDIAN & ALASKA NATIVE ALONE OR IN COMBINATION WITH ONE OR MORE OTHER RACES BY BLOCK GROUP



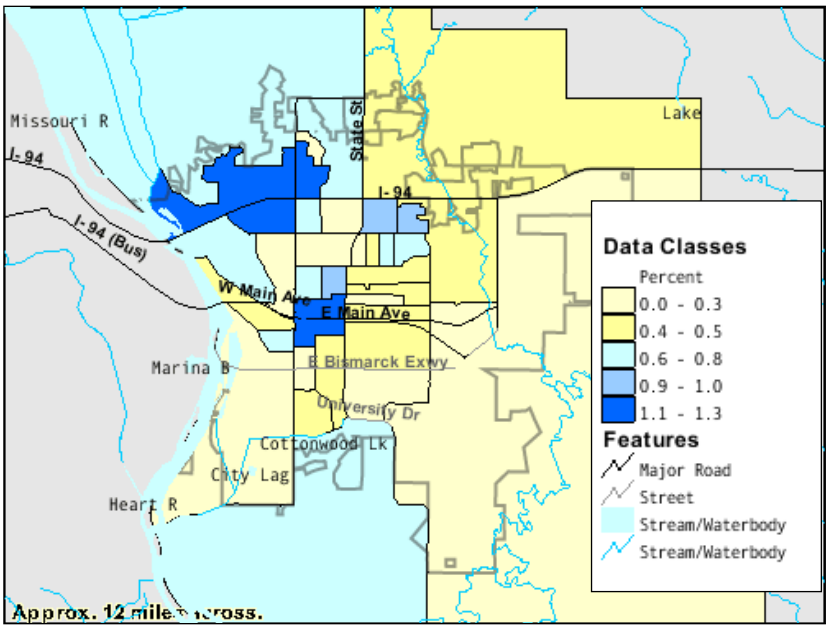
The next three maps examine whether or not there are any other concentrations of minority or ethnic groups by block group within the City. The first map shows a low percentage of Black persons throughout the City. The second map shows where Asians live in Bismarck. Again, it is a small percentage but the largest percentages live either in the LMI area close to downtown or in a newly developed part of the northwest Bismarck. The third map looks at the Hispanic or Latino population. The largest concentration (2% to 3%) lives in the same block group in which there is also a concentration of Native Americans and a number of subsidized housing units for families.

Percent of Persons Who Are Black or African American Alone Or in Combination with One or More Other Races: 2000



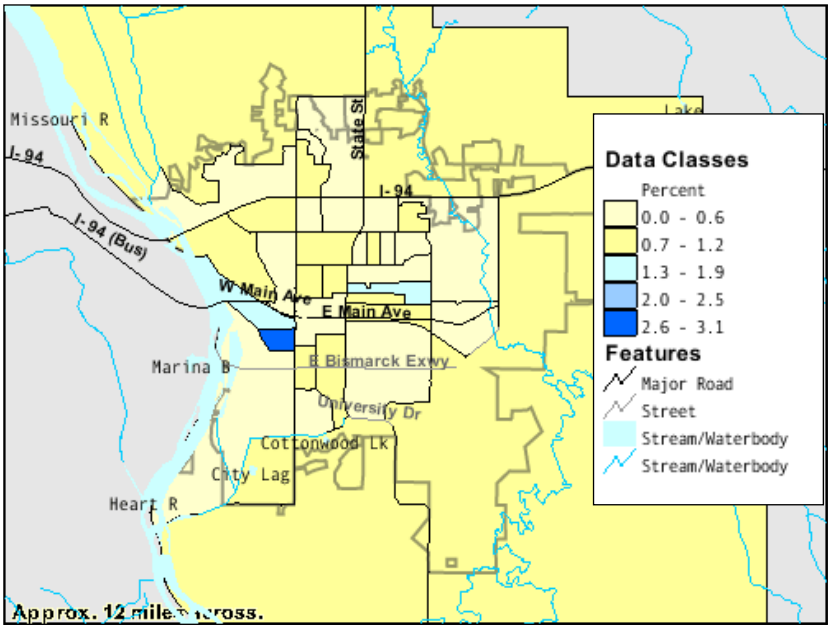
Source: U.S. Census Bureau, Census 2000 Summary File 1, Matrices P1,

Percent of Persons Who Are Asian or Alone or In Combination With One or More Other Races: 2000



Source: US Census Bureau, Census Summary File 1

Percent of Persons Who Are Hispanic or Latino (of any race): 2000



Source: U.S. Census Bureau, Census 2000 Summary File 1, Matrices P1, P8.

No one Census Tract in the City of Bismarck meets the definition of having a high concentration of minority residents. However, a closer examination of block group information indicated that there was a higher than average percentage of minorities (Native American and Hispanic) in one block group. This is a relatively small area which consists largely of primarily subsidized housing. It is also part of the LMI area, as is the other block groups in which Native Americans comprise a somewhat larger

percentage of the population than in the City as a whole. This information is an important start for the evaluation of population trends and planning new programs and activities. It will be essential for the City to consider this data when planning housing activities, neighborhood revitalization, and client/public outreach.

C. Public Housing & Assisted Housing

1. Public Housing

   0/1bedroom: 181 units (2 vacant)
   2 bedroom: 25 units (0 vacant)
   3+ bedroom: 76 units (1 vacant)
   TOTAL: 282 units (3 vacancies)
   Waiting list: 314

   Thirty-six units of obsolete public housing units were demolished over the past five years. Two units were sold to tenants. The Housing Authority proposes to demolish 18 units of obsolete rental housing e.g., (not accessible), but it will be replaced by construction of new rental housing. The new units will consist of one bedroom units (up to 24 units), SROs or supportive housing for disabled persons. No units have been classified as "troubled" by HUD. The Housing Authority has active tenant associations. One concern of the 504 assessment was that the administrative office needs accessibility improvements (e.g., change the height of ramp railings). The Housing Authority is developing plans to make these improvements.

2. Inventory of Other Assisted Housing Owned or Managed by the local Housing Authority
   - Vouchers: baseline is for 1059 units, but funding/rent levels will only allow for 966 (note there were 1041baseline units in 2005 with 973 actual). The waiting list consists of 762 households (229 in 2005), and the Housing Authority will probably close the waiting list sometime soon. The waiting list indicates high demand for 1 bedroom apartments. This may indicate a higher demand by elderly/disabled households, particularly for accessible units. Another concern is that the Fair Market Rents (FMR) issued by HUD have not kept pace with actual rent increases caused by high demand. The Housing Authority has repeatedly used rent exceptions.
   - 48 units for disabled/all occupied (majority are HOME funded)
   - Washington Court (96 units: 16 vacant; Section 236): owned by Community Homes. This housing was built in the 1960's and is not accessible (multi-level with steps). It is not economically feasible to make it accessible, but the nonprofit owner owns a number of other units that are accessible.
   - 40 vouchers under the Shelter Plus Care Program

- The Terrace: 40 basic care units for frail elderly (also mentioned in special needs housing), The current waiting list is down to about 25 (45 five years ago), and the waiting time is still about a year.

3. Housing Authority Programs
   - Homeownership program: Although this program remains an option for tenants residing in scattered site public housing, escalating property values have resulted in pricing the housing out of reach of these households.
   - Self-reliance program: referrals are made to other agencies

4. Inventory of Other Assisted Housing:
   Patterson Place: 96 units of housing for elderly and disabled households
   Heritage Apts/20 units tax credit (includes some special needs housing)
   Special needs housing will be reported in section E (supportive housing) below.
   Tax credit projects: total of 609 units; of these units, 84 family units were constructed in the past 5 years. Tax credits for a couple of the oldest projects will likely expire in the next 5 years. There have been no new LIHTC projects in several years. Abut 80% of the tax credit units are for families, and the remainder would be for elderly households.

D. Inventory of Housing & Services for Homeless Persons

1. Facilities/Housing
   Abused Adult Resource Center (AARC) provides services and housing for victims of domestic violence and rape. Its emergency shelter, Pam's House, has 38 beds for abused women and their children. In January of 2010, AARC opened a new transitional facility which provides 25 beds. Plans are underway to construct a 9 unit supportive housing facility for single women with HOME and Neighborhood Stabilization Program (NSP) funds. It provides case management of Shelter Plus Care tenants (Housing Authority

   Ruth Meiers Hospitality House's (RMHH) main building incorporates offices, a men's emergency shelter with 18 individual beds, and 7 transitional beds for men. In addition RMHH manages Horizons, a permanent supportive housing with 25 units (SRO) for men. A shelter for women and their children provides 26 beds (8 rooms). Its Permanent Supportive Housing program provides case management and housing for 8 to 9 persons. RMHH also operates a single point of entry program which provides assistance to all homeless persons during nighttime, weekends, and holidays. Individuals are allowed to spend the night at the main shelter, while families receive vouchers for motels. An emergency plan was recently developed for the winter or other extreme conditions.

Dacotah Foundation provides housing and supportive services for persons with severe mental illness (SMI). Arbor House has up to 12 beds that may be used for emergency shelter or transitional housing. Discovery House has eight apartments, of which four can be used as transitional housing and the other half of the house provides 10 crisis beds. Shanish House offers 8 units for permanent supportive housing, while Custer House offers 6 units of permanent supportive housing in a congregate setting. Lewis & Clark provides housing and services for six people in bedroom apartments. Dacotah House provides housing for 5 people. All housing may be used be single men or women. West Central Human Services Center provides case management services and referrals.

Youthworks (YW) has 14 beds of transitional housing used for young people aged 18 to 21. These units are for young people aged 18-21. Some are being released from the State Youth Correctional Facility or foster care system, while others have mental health and/or addiction problems. Moreover, YW has 3 transitional apartments for young parents or young expectant mothers. It also has 5 beds for juveniles that have no where else to go because of legal concerns.

Welcome House is a new nonprofit that was organized in the past 5 years to provide emergency housing/assistance for homeless families since other family emergency shelters had closed or terminated. It currently provides emergency housing assistance with motel vouchers (80 to 100 persons annually) and intensive case management to about 10 households at any one time.

The Burleigh County Housing Authority has 40 vouchers for Shelter Plus Care for disabled and homeless families or individuals for use in Bismarck.

The local Community Action Program (CAP) manages the statewide HOPWA program for persons with AIDS and Shelter Plus Care (regionally) for disabled and homeless individuals or families. In addition, the CAP uses HOME funds award by the City for Tenant Based Rental Assistance (TBRA) for homeless households and HOME security deposit funds for households who are in danger of homelessness. The CAP provides supportive services and case management for the 4 to 8 households receiving TBRA.

Centre, Inc. moved a transitional facility for persons newly released from prison to an adjacent community since it needed a larger facility.

Several local shelters and nonprofits (e.g., Aid, Salvation Army) provide motel vouchers for homeless persons if there are no other alternatives, security deposits, and first months rent assistance.

2. Related Services

Prevention: Burleigh County Social Services offers services such as emergency financial assistance, counseling, childcare assistance, and information/referral to eligible persons. They also coordinate access to mainstream resources such as Medicaid, food Stamps (EBT), and Temporary Assistance to Needy Families (TANF). Energy Share of ND is a cooperative effort between state Community Action Agencies (CAA) and utility companies. It helps prevent homelessness by providing emergency assistance to prevent turn-off heat or electricity. CAA also provides eligible households with assistance with the first month or past due rent, mortgage assistance, utilities, security & utility deposits, utility disconnect, food, medical needs, transportation, and housing counseling. The staff from the local Community Action Program (CAP) also has training on the landlord/tenant laws and provides general information to renters as a way to prevent evictions. Legal Assistance of North Dakota also provides legal help to low income tenants in danger of eviction.

Salvation Army (local office) provides emergency services, including a food pantry, rent assistance, furniture/clothing, overnight stays, rent deposit assistance, medications, and transportation.

The HOPWA program (administered by CAP) also offers short-term rent, mortgage, and utility payments to people living with HIV/AIDS to prevent homelessness.

Aid, Inc. offers direct or financial assistance to the working poor, such as deposits, utilities, food, shelter, gas, clothing/household items, and other unique needs.

Abused Adult Resource Center arranges for Protection Orders so that victims of domestic violence may remain in their own homes.

Information and Counseling: West Central Human Service Center provides case management to help people who are seriously mentally ill and/or chemically dependent. Case aide services and supportive living services are also available. Its 24-hour Crisis Help Line provides information, referrals, and support. Abused Adult Resource Center also operates a crisis line for victims of domestic violence, while Youthworks has one for youth. In addition, there is a statewide 211 phone line that provides crisis counseling, information, and referrals.

Education, Advocacy & Awareness: The Missouri Valley Coalition for Homeless People promotes public education through such events as Hunger and Homeless Awareness

week and regular presentations to community groups. They also promote collaboration among member organizations that provide services to homeless persons. Fair Housing of the Dakotas assists persons who may be victims of housing discrimination and sponsors classes on Fair Housing that are open to the public. The Project for Assistance in Transition from Homelessness (PATH) coordinator briefs various civic organizations about homelessness. The Educational Program for Homeless Children and Youth (state and local school district) works on a point-in-time survey and helps implement the annual Hunger and Homeless Awareness week by educating students about homelessness. The local school district employs professional staff to work with students and their families who are homeless. Local organizations also work to educate landlords about programs that assist households facing eviction for inability to pay rent or who face the loss of utilities.

Outreach: Outreach to people who are homeless and living on the streets is somewhat limited since Bismarck is a relatively small city and services are generally well-publicized. Service providers reach people who are living on the streets by visiting places where the unsheltered congregate such as soup kitchens. Youthworks does street outreach to runaway and homeless youth. Trained street workers under the supervision of a social worker engage homeless youth in the afternoons, evenings, and weekends in a non-threatening way. Local police regularly bring persons living on the streets to shelters or other service providers and to Ruth Meiers during evenings and weekends. Ruth Meiers Hospitality House does outreach through its Stone Soup Kitchen. West Central Human Service Center, United Way and other service providers have worked together to develop and distribute a user-friendly Emergency Services directory. The regional PATH Coordinator based at the Human Service Center provides key outreach service with a focus on homeless persons who have a serious mental illness (SMI) and/or substance abuse. The Coordinator does this by visiting other service providers, shelters, gathering places, and hospitals. Outreach is also done via 24 hour crisis lines, advertising, information brochures in public spaces and gathering places, providing information to law enforcement, and presentations to agencies and the general public. Outreach to Native Americans is done primarily through PATH and Community Action.

Supportive Services: Youthworks provides case management for youth ages 18 to 21 who are homeless. It serves runaway, homeless and at-risk youth and their families with crisis intervention, family mediation, counseling, after-school programming, food, tutoring, educational planning, street outreach, and transportation assistance. It also provides Emancipation/Life Skills training for youth who are homeless or leaving alternative care systems or home. It is now implementing a demonstration program by increasing services for juvenile offenders returning to the community after release from residential confinement. This program will serve 55 to 60 youth by providing immediate access to treatment upon release.

Abused Adult Resource Center (AARC) serves victims of domestic violence and their children with assessment, case management, educational services, victim advocacy, job training, job related transportation, food, legal assistance, limited childcare, clothing, meals/food, and referrals. AARC provides job training at its Seeds Of Hope Thrift Store which also provides professional clothing to job applicants.

Ruth Meiers Hospitality House offers case management, counseling, job readiness training, and counseling, and educational services. It also provides very limited health at its main shelter, a soup kitchen, furniture/household items, a food pantry, and job related transportation.

The Salvation Army provides case management services, educational services, food, clothing, assistance with medications, and resource referrals.

The local CAP has a Self-Reliance Program with one-on-one mentoring and other training to help homeless persons to make the transition to permanent employment and living arrangements. CAA also offers budget and money management counseling and a food pantry.

West Central Human Services Center has staff that provides case management services for persons who are homeless. This includes counseling, referrals, assistance with applications, and one-time emergency funding assistance. The Center provides mental health services, substance abuse treatment (outpatient), disability services, and aging services.

Substance Abuse Treatment: The North Dakota State Hospital provides inpatient treatment, while short-term residential treatment is available at local hospitals or Heartview Foundation. West Central Human Service Center provides outpatient treatment. Ruth Meiers Hospitality House has an addiction counselor to provide services to patients who are homeless or at-risk of homelessness. Pride, Inc. manages Heritage Recovery Center in conjunction with West Central. This facility offers long term, supervised residential care for up to 10 individuals with long histories of chemical dependence.

Mental Health Treatment: This may be obtained through West Central Human Service Center which provides a comprehensive array of services for mental health, developmental disabilities, social services, addiction counseling, vocational rehabilitation, and emergencies. Short-term psychiatric hospitalization may be provided in the local psychiatric units, while longer term care is provided at the ND State Hospital. The PATH coordinator and other case managers coordinate access to services. Dacotah

Foundation offers many supportive services to the mentally ill, including housing, transportation, social rehabilitation, training, work experience, and medication monitoring.

AIDS-related treatment is administered locally by the Public Health Department (Ryan White CARE funds). The Public Health Department provides specialized health care and case management services. HOPWA funds provide emergency and housing assistance through the local Community Action Program.

Education: The ND Department of Public Instruction in cooperation with the Bismarck School District has established programs for youth who are homeless through its Educational Program for Homeless Children and Youth. This program funds local educational agencies and shelters to help provide services to homeless children and youth. There are also programs for adults, such as GED classes, English as a second language, basic skills, and computer classes. The School District also has a caseworker who provides a variety of services to help homeless children & their families to help assure ongoing education. Youthworks provides programs for its clientele such as tutoring, job coaching and college preparation. Ruth Meiers Hospitality House offers individualized tutoring, literacy training, and other educational activities.

Employment Assistance is provided primarily through Job Service North Dakota at its local office and at local shelters. Resources include such items as unemployment insurance, veterans' services, job listings, classes, etc. ND Vocational Rehabilitation assists eligible individuals with disabilities to either obtain or maintain employment. Ruth Meiers also provides job readiness training, educational counseling, and job related transportation. Abused Adult Resource Center (AARC) has just hired an employment advocate for its clients.

Childcare referrals are offered by Burleigh County Social Services. AARC offers clients assistance with childcare.

Food: Most of the shelters provide food to clients, and many also have food panties. The Bismarck Food Pantry provides a 5 to 7 day supply of food for those in temporary crisis. Other nonprofits with food pantries include: the Salvation Army, Aid, Inc., and Community Action Program. Other groups that provide free meals include the Salvation Army, several local churches, Soup Café, Ruth Meiers, and one public school. The Community Action Program has the Backpack for Kids Program which provides food on weekends and holidays for school children who are homeless or are precarious housed.

Transportation: ND Association for the Disabled provides assistance with medications and help with transportation costs associated with medical appointments. Several agencies provide transportation assistance via public transportation. A limited amount of no cost vouchers are donated by the public transit system.

Healthcare: Burleigh County Social Services offer many programs that help eligible people with health care costs. The Bismarck/Burleigh Public Health Department also provides medical care. Bridging the Dental Gap is a new dental clinic for low-income, homeless, and uninsured men, women, and children. Transportation is provided for veterans who need medical services at the VA Hospital in Fargo. VA also has maintains a small satellite clinic in Bismarck.

Coordination: The member organizations of the Missouri Valley Coalition for Homeless persons have worked together with the State of North Dakota to set up the local HMIS system to provide progress tracking for homeless persons. They also organized an effort to develop a 10 year plan to end long term homelessness and are instrumental to its implementation. The Coalition plans on obtaining its 501(c)(3) designation so that it may continue to grow and expand its role in the community. The Coalition has a small fund that it uses to provide emergency assistance to homeless clients of its member organizations. There is also an Interfaith Fund (local churches) that provides emergency assistance to households that are homeless.

E. Inventory of Supportive Housing for Non-Homeless Persons with Special Needs

Bismarck has a number of disabled individuals with a wide range of needs, and many are lower income households with both affordable housing and supportive service needs. Many also have more than one disability. For instance a person may have both a mental illness and an addiction problem, while another may be developmentally and physically disabled. There is a growing need for more accessibility in both rental and owner-occupied housing. A number of local organizations are dedicated to trying to meet the needs of persons with disabilities by providing specialized housing and services. Transportation needs are handled by the Bis-Man Transit System which is operated by a local nonprofit. It has both a door to door system (24 hour notice) and a fixed route system. The Dakota center for Independent Living serves as a major resource for persons with disabilities. This organization provides counseling, independent living skills, peer support, referrals, assessments to improve accessibility, and other informative services for persons suffering from cognitive, mental, physical, or other disabilities. Fair Housing of the Dakotas and Legal Aid provide assistance regarding possible discrimination. Vocational Rehabilitation provides assistance with training and employment. There are many other nonprofit and government agencies which offer support services.

1. Elderly with Special Needs

A number of facilities provide a wide range of care from congregate housing to skilled nursing care. The local housing authority constructed and now manages the Terrace, a 40 unit basic care facility for elderly persons. The occupancy is mixed income (low income and regular pay), but the Housing Authority is currently converting the units to all LMI due to local demand. There are 25 persons on the waiting list. Other facilities which may include independent living to skilled nursing care include: Edgewood Vista (mixed use including dementia care), Missouri Slope Lutheran Care Center/Marillac Manor, St. Vincents, Primrose Retirement Communities, Valley View, the Waterford, Baptist Home & Apartments, and St. Vincent's Care Center. Most offer a range of housing and supportive care options for private pay persons, but there are few basic care or assisted living units available for low income persons. There currently is a statewide moratorium on the creation of additional basic care or skilled nursing beds facilities for low income elderly due to the lack of funding and unused beds in other areas of the state. As a result, many seniors are forced to move to other communities in order to received skilled nursing or assisted living care since the waiting lists for beds in Bismarck are quite long. Pride, Inc. and Support Systems, Inc. provide in-home services to help seniors age in place. These services include: relief to care givers, shopping, transportation, money management, recreation, meal preparation, light housekeeping and personal care. The Burleigh County Senior Program provides a variety of services to assist elderly, including meals, limited healthcare, information, referrals, social activities, and outreach. Local agencies and churches provide many other services to help seniors age in place. These include accessibility consultations, transportation, home health care, championship, employment/job assistance, outreach, etc. The State of North Dakota has recently initiated a demonstration program (Northland PACE) in Burleigh County that provides comprehensive services to seniors (including medical) with the intent to keep senior out of nursing home facilities for as long as possible. Community Options, Inc. current provides residential support services to 92 elderly persons to help keep them in their homes.

Transportation is provided through the Bis-Man Transit Authority, while meals may be obtained through the Burleigh County Senior Citizens program or a local medical facility. There are several in home health care providers, and the local churches have worked to provided limited medical assistance with a visiting nurse program. The Burleigh County Senior Program also provides counseling, foods, limited medical care, and social opportunities. Emergency housing rehab and housing accessibility can be provided through the City programs funded with CDBG monies. Great Plains Rehab and Dakota Center for Independent Living offer consultations on accessibility.

2. Persons with Severe Mental Illness

Housing and supportive services for the seriously mentally ill are provided primarily by Dacotah Foundation and West Central Human Services Center. Both work the State

Psychiatric Hospital to coordinate persons newly released into the community. West Central Human Services provides case management and counseling. Dacotah Foundation provides supportive services and housing at the following facilities (note: some are also used for the homeless):

- Custer House: congregate living with 6 beds
- Discovery House: transitional living: 4 semi-independent apartments for transitional and 4 apartments for crisis services/homeless persons
- Dacotah Home: a duplex which accommodates 5 persons (semi-independent)
- Sahnish: long term residence with supportive services (8 units)
- Lewis & Clark: a duplex which accommodates 6 persons with a mental illness (semi-independent living)
- Arbor Transitional Living Home provides shelter and services to 11 persons for up to 18 months

Dacotah Foundation also provides transportation, an educational and social rehabilitation center that serves 200 persons, and operates a thrift store where mentally ill individuals undergo training and develop work experience. Dacotah Learning Center: training and social rehab center that serves approximately 200 people

Pride, Inc. manages Manchester House, an 8 bed licensed residential treatment center of children 13 and under who are diagnosed with emotional illness. Residents typically stay 6 to 8 months, but many stay longer due to the lack of foster care. The facility maintains a waiting list and must work to refer children to other facilities. Pride offers case aide service for persons living in their own apartments (from 1 hour per week to 24 hours/day). Pride Industries also provides employment services.

Support Services, Inc. provides mental health technician services for 10 SMI individuals.

3. Persons with Developmental Disabilities;

Housing and services for persons with developmental disabilities are provided by five primary organizations: Enable, H.I.T., Pride, Community Options, Inc. and Support Services, Inc.:

Enable, Inc. has the following facilities:

- 3 ICF/MR (Intermediate Care) group homes for 20 adults, of which some are physically disabled
- 3 duplexes that provide housing to 12 adults
- Independent living support for up to 85 adults to help them stay in their own apartments. Clients have a wide range of living skills.
- Provides day services for 50 disabled individuals (any type)

H.I.T., Incorporated has the following facilities:

- ICF housing with 7 beds for children ages to 5 to 18
- ICF/MR Group Home for up to 76 adults
- Independent living support for 33 adults

Pride, Inc. provides the following housing:

- 7 Transitional Living Group Homes that serve 62 adults
- One independent living apartment building which houses 8 people
- Independent living support for up to 96 adults who receive supportive services to help them stay in their own homes
- Provide day services to 50 disabled clients
- Employment for 50 clients

Community Options, Inc. provides the following services:

- Residential support services for 50 adult clients, day services for 94 adult clients, employment support for 96 adult clients,

Support Services, Inc. provides the following services:

- Family support services for 25 families, individualized support living arrangements for 20 persons; respite services for 5 children private pay/services to remain independent for 10 adults; qualified service provider to 7 adults who may be disabled

Burleigh County Housing Authority (BCHA)has partnered with local nonprofits and for profit organizations serving developmentally disabled persons who also have physical disability. BCHA provides property management and the nonprofits and West Central Human Service Center provide supportive services to tenants in 46 units of newly constructed and accessible housing.

The organizations provide service coordination, case management, Independent Supportive Living Arrangements, youth mentorship, day programs, job training, family support, and other services to help clients live as independently as possible. Arc of Bismarck offers advocacy, employment training in its thrift store, and assistance to families.

In the next few years, some of the residential facilities will need minor to moderate rehabilitation and accessibility improvements. The developmentally disabled population is expected to increase modestly, and there will be a growing need for facilities that will serve adults with more severe or dual disabilities. Moreover, there will be an increased

need to adapt existing facilities for an aging population. 6 1-bedroom units (duplex and 4-plex); and one group home to accommodate 6 individuals—will likely be built in Mandan. All agencies mention the need for more space for day programs and the shortage of accessible units in the community.

4. Alcohol/Drug Addiction

   Pride, Inc. manages Heritage Recovery Center in cooperation with West Central Human Services. This facility offers long term, supervised residential care for up to 10 individuals with long histories of chemical dependence. There is a waiting list for this facility since it is the only one of its type within the city. Heartview Foundation provides outpatient counseling and limited residential treatment. Teen Challenge located in an adjacent community provides longer residential treatment. Local hospitals provide limited inpatient care. The County Correctional facility provides de-tox services as need. The State Hospital also provides residential treatment in Jamestown.

5. Persons with Physical Disabilities

   Pride, Inc. provides homemaker, home health and personal attendant care for people who require intermittent care to remain in their own home (e.g. brain injury, age, disability). Enable, Community Support and Support Services provide similar support services. The City, in cooperation with Community Action, offers a program to improve accessibility for lower income households who live in owner-occupied or rental housing. The Dakota Center for Independent Living provides counseling, independent living skills, peer support, referrals, assessments to improve accessibility, and other information services. Other public and private organizations provide in-home health care or home help services. Transportation may be obtained through Bis-Man Transit. Respondents in the CDBG survey indicated that more housing for persons with physical limitations should be developed. A study that identifies existing accessible and adaptable housing and that projects future need would also be useful.

6. Former convicts often live in Bismarck for the first few months after their release form the State's penal institutions that are located nearby. They often need education, employment and addiction counseling to help them integrate back into society. Centre, Inc. moved its transitional facility to a neighboring community (Mandan) in order to expand. Bismarck Transition Center provides transitional services in a structured environment. Although aftercare is provided from both facilities, housing in Bismarck is a concern. Landlords are reluctant to rent to a convicted felon, and there are affordability issues. These two issues could result in increased homelessness. A third of the homeless respondents in the most recent point-in-time surveys indicated that they had a criminal record and about a fifth indicated that they were a parolee or probationer. Current projections indicate that there will be a need for more such specialized housing in the

community, and the State is currently securing funding and exploring local options for this purpose.

7. Persons with AIDS: There are no supportive housing facilities designated solely for persons with AIDS and their families. However, the local Community Action Program offers assistance on a statewide basis through the HOPWA program. The local Public Health Department provides health care services (Ryan White Program).

8. Youth: Another special needs population which is growing in Bismarck is that of unsupported youth. This includes young persons under the age of 18 who are living on their own, and youth aged 18 to 21 that were newly released from the nearby correctional institution, emancipated from foster care, or who have mental illness and addiction problems. Many are reluctant to seek assistance due to prior negative experiences. Youthworks provides counseling, intervention, summer and after school activities, court related short term stays for minors, emergency assistance, and emergency/transitional housing for youth from 18 to 21. Charles Hall Youth Services provides residential care for up to 27 youth under 18 that are referred through the courts/social service. Many of its young residents are Native American, so it has specialized programs to address their needs.

F. Barriers to Affordable Housing

Both formal city statues and informal policies can serve as barriers to affordable housing. For instance, restrictions on the placement of pre-fabricated homes or the requirement to use copper plumbing instead of less expensive plastic are good examples. Other obstacles may be in zoning requirements, such as set back and lot size requirements. The City of Bismarck placed a moratorium on new development several years ago so that it could come up with a more comprehensive way to deal with growth in fringe areas. As a result, growth is occurring in a more constructed and consistent manner. However, rural areas in the state were concerned about a city's jurisdictional reach, so they successfully initiated legislative change that provided for joint jurisdictional authority in the 2 to 4 mile area. The change is a short-term compromise, and additional legislative changes may occur after more intensive examination of the issues occurs. This modification occurred about the same time as development in the ETA started to slow, so there have been no apparent impacts. In the middle 2000s, much housing construction has occurred outside of city limits. The County also provides property tax breaks for purchasers of new housing, while the City does not. However, this trend has slowed, and more housing development is occurring within the City. Lots in Bismarck are more expensive, and a nonprofit like Habitat for Humanity would be unable to construct affordable homes without a subsidy. Another area of concern is for existing housing. The code makes little distinction between new construction and the different levels of rehabilitation in existing housing. There are few

opportunities for in-fill development since there are few suitable vacant lots in developed areas. The downtown area might see more development of housing except that railroad noise (e.g., train whistles) discourages development and the use of federal assistance is limited due to environmental concerns about noise. A vote for a quiet rail zone was defeated, although there are efforts to revive it again, but this time to include only the downtown. The Renaissance Zone provides tax incentives for property owners wanting to make improvements in their homes or in rental property, but this is available in only one small section of the community.

The City does not use housing revenue bonds for multi-family dwellings. However, the local Housing Authority has this capacity and uses it on a limited basis to develop affordable housing for LMI households. The City has the capacity to use tax increment financing as a way to encourage affordable housing, particularly in existing downtown neighborhoods, but a recent law suit is curtailing its use. The City has worked with local developers of affordable, owner-occupied housing and initiated changes which permitted less expensive infrastructure requirements.

Most City fees are reasonable, and there are no impact fees. The City of Bismarck also has a single permit application process for housing development and provides for "fast track" permitting and approval of housing and other developments. The Zoning Administrator/Building Official has authority to modify parking requirements based on occupancy for uses not mentioned in the ordinance and in unique situations. Parking requirements can be waived for elderly housing (but not for family). Zoning ordinances and land use requirements permit manufactured housing in all residential districts and zoning classifications for which similar site built housing is permitted. Most infrastructure costs in new areas are paid for through special assessments.

The ND Housing Finance Agency offers several programs to assist first time homebuyers with downpayment and closing costs when they purchase a home, but additional subsidies may be needed for lower income households or households with fixed incomes or members with a disability. In addition, many nonprofits and the City lack funding or sufficient expertise to implement large affordable housing projects on their own. In such instances, partnerships and technical assistance are needed. In addition, recent population growth and demand for housing have both caused the escalation of land prices. A construction boom in the past few years has also resulted in higher special assessment costs. These cost factors have inhibited the development of affordable housing.

Household income may also affect impact housing affordability. The overall LMI percentage for Bismarck is 38% which is a little lower than the other urban areas in the state, but those cities have higher student populations. Households with the lowest income generally have the most problems in terms of cost burdens and substandard conditions. The median renter income is about $30,000 in Bismarck which is $1,500 to $2,000 lower than the other urban areas in the state, so affordability issues are likely larger for renter households. In addition, many potential LMI homebuyers may not have sufficient resources to purchase a home (e.g., downpayment and closing costs) or must overcome

credit problems. State programs are helpful to many LMI homebuyers, but escalating property values and an increase in interest rates could negatively impact most LMI homebuyers.

The cost of land and development can also impact the development of affordable housing. The City's recent population and housing growth has increased demand for housing, and the prices for land and construction have grown accordingly. This has made the development of affordable housing increasingly difficult. For a couple of years, tax credit developers were not submitting applications for housing in Bismarck due to these costs. It also makes development difficult for nonprofits, like Habitat for Humanity, to construct housing in Bismarck.

HUD form 27300 (regulatory barriers) has been included in the appendix.

Part 5 – STRATEGIC PLAN

The Appendix contains several tables that list the City's priorities and goals for housing, homeless needs, and non-housing activities such as infrastructure, public services, and economic development. Recommendations for priorities were developed as a result of a process that surveyed local social service agencies, housing providers, agencies serving homeless persons, government offices, lenders, economic development agencies, educational and health care providers, and a variety of other interested agencies and individuals. The following table presents survey results for overall community development needs in Bismarck from both 2010 and 2005. Other results from the survey are presented throughout the Consolidated Plan.

Overall Community Development Needs in Bismarck

	Priority Ranking	
	2010	2005
Rental housing	2.62	2.40
Homeless housing	2.60	2.35
Homeless services	2.39	n/a
Support for agencies	2.38	2.37
Accessibility	2.38	2.08
Special needs housing	2.34	2.32
Economic development	2.17	2.37
Housing-owners/buyers	2.16	2.33
Improve public facilities	2.01	2.29
Infrastructure	1.64	1.65
Slum & blight	1.32	1.43
No. of respondents	74	85

Source: CDBG surveys

This information was supplemented with interviews, data from other local assessments, and public comments. The results were used to develop an overall strategic plan for meeting housing and community development needs. In addition, a priority rating was assigned to a wide range of possible activities. Any activity must have received a high or medium rating to receive CDBG funds. Applications for other types of covered HUD funds are required to have a high, medium, or low priority in order to be considered consistent with the Consolidated Plan. No proposed activity with a priority need level of "no need" will be able to receive HUD funds from the City without City Commission approval of an amendment to the Plan. Agencies wishing to apply for other HUD funds to be used within the City are required to contact the City for a certification of consistency with the Plan. However, no activity with a priority need rating of "no need" will receive this certification without approval of an amendment to the Plan.

A. Geographic Targeting

The City of Bismarck will endeavor to invest a majority of its CDBG funds in the next five years on activities located in its low and moderate income (LMI) areas. This area was presented in earlier sections of the Plan.

B. Affordable Housing

The CDBG survey was the key element in the development of priorities and objectives for affordable housing in the community. The respondents in the overall community need part of the survey ranked affordable rental housing as the number one need. About two- thirds of the participants ranked rental housing as a high priority (3). For this reason, activities associated with affordable rental housing will have the highest priority for CDBG and HOME funding.

The rental portion of the survey was sent to only housing providers, housing developers, human service agencies, and others with an interest in rental housing. The respondents to this part of the survey (see table below) ranked rental vouchers as the top need. This was closely followed by the need for supportive services, large family units, and emergency assistance. Further consultation with the Burleigh County Housing Authority indicated that the longest wait for assistance was for one bedroom housing.

Medium ranked rental needs included special needs housing, security deposit assistance, rehabilitation, elderly housing, and Fair Housing. Overcrowding, special hazards, and code enforcement were among the lowest ranked needs. If population growth continues over the next few years, the demand for rental housing may result in a shortage of affordable apartments, higher rents, and substandard housings. It is for these reasons that the City will

consider the development and preservation of affordable rental housing as a top priority. In addition, a code enforcement program for rental housing will also be under considered as a way to help preserve and ensure the safeness of rental housing.

RENTAL HOUSING NEEDS - 2010	
Rental assistance	2.68
Supportive services	2.60
Large families	2.55
Emergency assistance	2.48
Special needs	2.40
Small families	2.20
Security deposits	2.20
Repair program	2.13
Elderly housing (non-frail)	2.05
Other (non-disabled)	2.03
Fair Housing	1.98
Tenant-landlord mediation	1.78
Code enforcement	1.70
Overcrowding	1.67
Accessibility	1.64
Hazards (e.g., lead paint)	1.60

Source: CDBG survey

People involved with housing were also asked what should be done to develop affordable rental housing (see appendix). The top rated approach was for additional vouchers. This was followed by the development of more units, with a preference for nonprofit development. New construction and rehab of existing rental units were both highly rated. Census data confirmed these needs, but also revealed cost burdens for very low income and low income households, especially the elderly.

The CDBG survey also measured affordability needs in owner-occupied housing. Affordable ownership was ranked seventh of eleven items in the overall needs section of the survey. When participants were queried about home owner needs, they ranked weatherization as the top need, but this was closely followed by accessibility. Other top items were production of more housing, emergency repairs, and debt counseling. The lowest ranked needs were for code enforcement and historic preservation. Although code enforcement was a lower ranked item, the need for this activity may become more pressing as limited choices and high costs may result in low income renters living in substandard units.

The highest homebuyer needs were homebuyer education and downpayment and closing cost assistance. The recent low interest rates hve enabled many more renters to become owners; however, higher interest rates or demand will make homeownership more difficult for

LMI households. For these reasons, the City will consider implementing homebuyer assistance or education programs in partnership with other agencies.

Substandard, owner-occupied housing is also a concern, particularly in the older, low-income neighborhoods. Although much of the housing is basically sound, there may be increased deterioration, conversion to rental housing, or cost burdened owners (e.g., elderly, high utilities). The City may consider a comprehensive neighborhood revitalization program, but limited CDBG funding, high construction costs, lead based paint and other hazards have made this an unlikely solution. The aging of the population in Bismarck also points to a strong need for accessibility assistance for both homeowners and renters. Emergency rehab assistance is also vital to many low income and very low income homeowners who do not have resources to deal with emergencies such as a failed furnace.

Lead based paint (LBP) was generally among the lowest ranked housing needs in the survey. This may indicate the lack of knowledge about the harm that lead based paint may pose to young children. The State Health Department will be increasing its public education campaign. LBP regulations also have increased the cost of rehabilitation of older homes by average of $1,000 to $5,000 depending upon the amount and location of the LBP.

Discrimination, Fair Housing, tenant/landlord disputes and counseling were generally ranked as lower concerns than many other housing issues in both the rental and ownership categories. However, these concerns still acquired an overall medium rating and may be a very pressing need for minority households, households with limited incomes, or those with a family member with a disability. Consultations with Fair Housing of the Dakotas, Legal Assistance, and the ND Department of Labor indicated the need for more outreach and education, particularly in new areas (e.g., homebuyers, persons with disabilities, college students, & school children). Fair Housing of the Dakotas has indicated the many of their calls concern tenant/landlord disputes. This concern is also relevant to the agencies working with special need households and homeless persons.

The housing market analysis and Census data were also evaluated to help define housing needs in Bismarck. This review revealed growing affordability issues for LMI households, expected population growth in households 55+, and growth in the numbers of LMI households, lack of certain size rental units, and lack of accessible housing.

The primary obstacles in meeting housing needs will be the lack of resources. Federal funds are insufficient, and programs are often highly competitive. It also seems evident that funding cuts may occur in Federal programs over the next few years. The State offers some funding, but its programs have limited funds and are often competitive. For instance, the Low Income Housing Tax Credit (LIHTC) Program has become much more competitive since

there is now a sizeable shortage of rental housing in cities impacted by energy development. Attitudes about LMI families can also negatively impact choices about activities or funding. Sometimes, needs go unmet because people in need are unaware of programs, get tired of waiting, or are reluctant to apply. The Community Action statewide survey of clients indicated that fees, ineligibility, inadequate transportation, and lack of information are all barriers for clients needing assistance with basic needs. As a result, it becomes important to publicize and explain programs and make referrals. The uncertainties about population growth and demand may also negatively affect the development of housing due to the perceived risks. Finally, certain City statutes and policies may sometimes negatively impact the development of affordable housing. All of the following objectives are predicated on whether or not financial assistance is available.

1. Objectives and goals for Affordable Housing

   - Work with private or nonprofit developers to preserve affordable rental housing. Funds would be used for rehab of existing rental units. CDBG and HOME funds, bonds, grants, and tax credits are possible sources of funding. This activity would likely benefit low and very low income households. It is expected that an average of 5 to 10 units could be assisted annually.

   - Work with private or nonprofit developers to develop new rental housing opportunities for families and elderly households. This effort will help address shortages in affordable housing due to population growth, aging of the population, and lack of development. It is hoped that an average of 10 or 15 new units will be created annually. The demolition of obsolete Public Housing may provide a location for some of these new units. Possible sources of financing include CDBG, HOME, bonds, grants, and tax credits. Beneficiaries are likely to be households at 60% or less of the median income. CDBG funds may be used only for site improvements for new construction.

   - Provide home ownership opportunities for LMI households. An estimated 1 to 2 LMI households will be assisted each year from a variety of resources. The City works cooperatively with the Burleigh County Housing Authority, ND Housing Finance Agency, Habitat for Humanity, and CommunityWorks ND on ways to accomplish this objective. More effort and resources may be placed in this category if increases in interest rates and property values make homeownership more difficult for LMI households. Beneficiaries are likely to be households earning between 50 and 80% of the area median income.

- Increase awareness of Fair Housing laws at both the Federal and State level. The City will work with Fair Housing of the Dakotas by providing CDBG public service funds to sponsor training and outreach activities annually. This will help assure that housing opportunities are available to all residents.

- Provide technical assistance and support to non-profit organizations to help develop affordable housing for LMI households (e.g., do environmental reviews) as needed.

- Study the feasibility of establishing a neighborhood revitalization area as a way to develop/preserve affordable housing within the next 5 years. This area would likely be located in the LMI designated area or incorporate the downtown area. As part of this effort, the City will consider a "Quiet Rail Zone" in downtown as a way to reduce noise so that it becomes more feasible to create housing downtown. A neighborhood revitalization program is dependent on the City and its partners securing additional funds since the level of CDBG funding would be too small to subsidize such a program.

- Use CDBG funds for emergency rehabilitation of homes owned by LMI households. The City ended its regular rehabilitation program several years ago due to a reduced CDBG allocation and high construction costs. This change resulted in a more cost effective program and an increased number of beneficiaries who are low income, disabled, or elderly. Accomplishments will be impacted by the amount of grant monies and local construction costs. At this time, it is estimated that 15 to 25 households will be assisted annually with emergency repairs such as furnace replacement. The majority of program beneficiaries are likely to be households earning from 30% to 60% of the median income.

- Continue to work with the Burleigh County Housing Authority in the development of new units and the rehabilitation of existing rental units. The City will probably use HOME and CDBG funds for this purpose. Plans include the construction of 12 units (one-bedrooms) of new housing. This will help meet the need for one bedroom units which are generally unprofitable for private developers. In addition, the City is likely to invest CDBG or HOME funds in existing properties to prevent deterioration and correct moderate deficiencies in housing owned or managed by the Housing Authority.

C. Homelessness

The CDBG survey and consultations with local service providers all pointed to very significant needs within the community. The City hopes be an active partner in meeting these needs,

but does not propose to develop a completely new or separate strategy. Instead, it will use the local 10 Year Plan to End Long-Term Homelessness, Continuum of Care Plan, and input from local services providers as the basis for the development of objectives and goals in the Consolidated Plan.

The City has a history of supporting the efforts of local shelters and service providers and will continue to place a high priority on assisting persons who are homeless. About 60 beds of both emergency and transitional housing were lost in the Bismarck-Mandan community during the middle of the decade. Local shelters and service providers intensified efforts to meet the gap. For instance, a new nonprofit was organized and is now providing emergency shelter (motels), emergency assistance, and case management to homeless families. Ruth Meiers Hospitality House opened a new shelter for homeless women and their families. AARC recently opened a transitional housing facility for victims of domestic violence and is currently working on a small permanent supportive housing facility. Although new alternatives were initiated, the options were insufficient to meet the increasing number of individuals and families who were homeless. The Point in Time surveys over the past five years indicate that the number of homeless persons has more than doubled since 2005. Part of this increase may be contributable to improvements in methodology or to the economy. Children have averaged more than one-third of all homeless persons in Bismarck since 2005. Moreover, homeless children in Bismarck comprised 47% of all homeless children within the State during the 2010 survey. Housing is at full capacity most of the time. Families, couples, and single women (non-domestic violence victims) have the most difficulty in securing shelter.

When queried about needs in the CDBG survey, service providers ranked emergency shelter for families as the highest need (2.84 out of 3 possible points). They also ranked permanent supportive housing as the greatest need for individuals who are homeless (2.79). However, all forms of housing were highly ranked needs for both families and individuals (2.6 or greater). The respondents in the CDBG survey were also asked to rank the need for services. Case management was ranked the highest service need for both individuals and families who were homeless. Housing placement, job skills, and life skills were also highly ranked. Mental health care was highly ranked for individuals, as was parenting skills and child care for families. The participants also indicated that persons with mental illness had the most unmet needs. Persons who had been just released from institutions or those with substance abuse or a dual-diagnosis were also top concerns. All participants in the CDBG survey were asked to rate overall needs in the community. Housing and services for homeless persons were ranked second and third, respectively. The City will give high consideration to these prioritized needs.

RANKING OF NEED FOR HOMELESS HOUSING & SERVICES

Housing	Families	Individuals
Emergency Shelter	2.84	2.61
Transitional Housing	2.68	2.63
Permanent Housing	2.68	2.55
Perm. Supportive Housing	2.73	2.79
Services	**Families**	**Individuals**
Case Management	2.64	2.73
Housing Placement	2.56	2.56
Job Skills	2.39	2.38
Life Skills	2.53	2.43
Mental Health Care	2.53	2.68
Substance Abuse Treat.	2.50	2.54
Child Care	2.58	n/a
Parenting Skills	2.61	n/a
Persons with Most Unmet Needs	**Families**	**Individuals**
Substance Abusers	2.42	2.35
Dually-Diagnosed	2.39	2.44
HIV/AIDS	1.48	1.56
Serious Mentally Ill	2.55	2.71
Veterans	1.82	1.82
Victims of Dom. Violence	2.41	2.31
Youth	n/a	2.21
Released from Institution	n/a	2.44

- *Source: 2010 Community Development Survey*
- *Note: ranking based upon 0=no need to 3=high need*
- *Other responses for unmet need: men with children; families with teenage boys; youth*

The 10 Year Plan to End Long Term Homelessness also provides noteworthy goals for the community that can be incorporated into this Consolidated Plan. The 10 Year Plan included families in its definition of chronic or long-term homelessness. Participants developed 35 goals in the areas of housing, services, and prevention. Many of the uncompleted goals and ongoing efforts will be included with the City's Consolidated Plan because of the unprecedented involvement and community support for the effort. After its completion, University of Mary students in cooperation with the local homeless coalition wrote a successful foundation grant to fund a position to help implement the plan and staff the Missouri Valley Coalition for the Homeless.

One of the first goals was to create short term or interim housing—this is only partially completed. Another goal was to establish a single-point-of-entry and 24/7 drop-in center for anyone experiencing homelessness or at risk of homelessness. This goal was implemented by the Ruth Meiers Hospitality House (RMHH) with financial support from United Way and the City. Individuals are allowed to stay at RMHH's main shelter through the night and receive

food and other necessities. Families are given hotel vouchers. The families and individuals are also given referrals to obtain further assistance at other agencies after the night or weekend has passed. Additional support may be needed to keep it operational. The local Coalition worked with community agencies to develop a crisis response plan for extreme weather conditions. Most of the efforts have focused on housing, so many of the service and prevention goals have yet to be addressed. The City will give also assign a high priority to the goals contained in the 10 Year Plan when making funding decisions and setting goals.

The City will encourage the coordination of the support services described previously and that maximize the use and coordination of mainstream resources. The City will also support efforts to coordinate discharge planning from institutions, correctional facilities, and the foster care system. It will also encourage outreach, prevention and efforts that address the special cultural needs of Native Americans who may be homeless. The City will continue its partnership role in the implementation of the10 Year Plan to End Long Term Homelessness as a way to promote coordination of community efforts. Finally, the City will encourage local agencies to increase their efforts to prevent homelessness by strengthening those services described previously in inventory section and are those included in the 10 Year Plans.

Assistance will not be targeted to any specific geographic area, although most of the existing shelters and the majority of the service providers are located in or near the LMI target area. Challenges in meeting needs include: lack of funding; changes in federal programs; highly competitive funding programs; inadequate coordination; limited management capacity; lack of training; staff turnover; lack of affordable permanent housing; too few Section 8 vouchers; insufficient supportive services; client resistance; and negative attitudes within the community. Moreover, the City's financial support of these activities may be substantially reduced if there are future reductions in HUD funding.

Objectives for Providing Assistance to Homeless Persons

- Provide support and technical assistance on an annual basis to the local non-profits applying for funding to the Emergency Shelter Grant Program through the State or other HUD applications. ESG provides needed operational support and rehab assistance to local providers.

- Provide financial support to at least one shelter or housing provider each year through federal grant programs, such as CDBG, for facility improvements or development of more housing. Equal priority will be given to health and safety concerns and expansion of facilities/housing. Additional preferences will be given to projects that meet the needs identified in the CDBG survey (e.g., type of housing &

underserved populations) and which meets a goal of the10 Year Plan (e.g., families with children). It is hoped that 25 additional beds or housing units will be created over the next five years and that at least one facility a year will be assisted with renovation.

- Provide operational support each year to at least one agency that serves people who are homeless or potentially homeless. Financial assistance will focus on supportive services that promote self sufficiency (e.g., job training, case management, life skills training), address cultural differences, or implement outreach/prevention (e.g., security deposits, financial counseling). Preference will be given to agencies that propose innovative activities or that meet objectives listed in the 10 Year Plan.

- Maintain membership in the Missouri Valley Coalition for Homeless Persons in order to facilitate communication, the Continuum of Care process, and the implementation of the 10 Year Plan to End Long Term Homelessness.

- Encourage Coalition development by supporting its efforts to obtain a 501(c)(3) designation, adequate staffing, emergency assistance fund (e.g., CDBG funding) and additional local funding/support.

- Explore ways to develop more housing options for specific subpopulations in cooperation with local non-profit agencies, shelters, and the Burleigh County Housing Authority. These subpopulations include substance abusers, seriously mentally ill, dually diagnosed, person newly released from institutions or correctional facilities, and youth. It is hoped that up to 10 additional units of permanent supportive housing or transitional housing can be developed within the next five years. Possible federal funding sources include CDBG, HOME, Section 811 and other HUD homeless assistance programs.

- Work to create more affordable housing (see affordable housing and special needs sections). This could also include items such as securing additional vouchers or other types of rental assistance and through the construction or rehabilitation of rental housing.

- Use CDBG or HOME funds for emergency assistance to prevent homelessness (e.g., rent/security deposits, motel rooms). Such funds would assist 10 to 20 households annually until other housing is developed or other funds secured.

- Continue the City's partnership with Community Action to prevent homelessness. A portion of the City's HOME allocation from the State will be used for security deposits and for a tenant based rental assistance program (TBRA). Community Action will provide supportive services to promote self sufficiency for families receiving this assistance. TBRA activities will assist 5 to 8 low income households annually, while security deposit assistance could help 20 to 35 low income households annually.

- Work with the State and local agencies to provide additional housing for prisoners upon their release. Funding is likely to be provided by federal and state sources rather than HUD.

- Try to provide capacity building through technical assistance to agencies receiving CDBG or other federal monies if there are funding concerns or staff turnovers.

- Give preference for CDBG/HOME funding to Low Income Housing Tax Credit developers that set-aside unit(s) for homeless persons or persons with special needs. This could create an additional 1 to 3 units.

D. Special Needs

The 74 participants in the 2010 CDBG survey of community needs placed special needs housing as the fifth greatest need in the community (2.34). The 39 representatives from human service and housing agencies that work with the special needs population were asked to rank community need for certain categories of housing. They responded that the highest need was for housing for persons with a mental illness. However, the highest percentage (66.7%) of participants supported the development of new housing for frail elderly (see table below). Perhaps the rationale behind the high support for developing more housing for frail elderly was because many elderly persons are forced to relocate outside of the community due to the shortage of basic care, assisted living, and skilled nursing care facilities in Bismarck. Housing for persons with physical disabilities was one of the highest ranked priorities in both 2010 and 2005. The need for additional efforts in accessible housing is demonstrated by the waiting lists for the CDBG housing accessibility program. In the beginning days of this program, it took over a year to spend the funds. Now, there is a waiting list for this assistance and funds are generally spent within six months.

Support for development of new housing for persons with developmentally disabilities was nearly 20% less in 2010 largely because of recent housing development. The local Housing Authority, local nonprofits, the City, and the State have worked cooperatively to address this housing need in the past 10-15 years, and 48 units have been constructed. Supportive

services were an integral part of this housing. The nonprofit service providers felt that very few new units were needed in the next five years, but that the most pressing need was for additional accessible units since their clientele was aging or had physical disabilities. Some of this need may be met by adapting current facilities. The need for supportive services was a primary concern of respondents who completed the rental housing portion of the survey (ranked second after vouchers) All categories except for housing for persons with HIV/AIDS were ranked at least an average of 2 (medium need). The low rating for HIV/AIDS housing may because of the low numbers of persons with HIV/AIDS within the community and the belief that the HOPWA program is meeting the needs.

Special Needs Housing for Non-Homeless Persons

	Priority Ranking		Support Development of New Housing	
Category	**2010**	**2005**	**2010**	**2005**
Severe mental illness	2.44	2.43	56.4%	59.4%
Frail Elderly	2.41	2.44	66.7%	50.0%
Physically disabled	2.36	2.48	61.5%	68.8%
Persons with dual diagnosis	2.19	2.59	46.2%	65.6%
Persons with addictions	2.14	2.29	51.3%	53.1%
Developmentally disabled	2.08	2.29	41.0%	59.4%
Elderly	2.08	2.19	46.2%	46.9%
Persons with HIV/AIDS	1.46	1.35	25.6%	18.8%

Source: CDBG surveys
39 Respondents in 2010 and 32 in 2005
Ranking based on 0=no need to 3=high need

In addition, a statewide needs assessment for long term care of the elderly indicated that the number of persons over 50 with functional limitations was expected to grow by 30% by 2010; while population projections show a marked growth in the number of people age 55 and older in Bismarck through 2015. Further consultation with Dacotah Foundation and Pride, Inc. delineated the growing need for supportive housing for persons with serious mental illness (SMI) or dual diagnosis. Interviews with persons involved with corrections also brought out the need to develop specialized housing and treatment for prisoners leaving the state correctional system. There is only one supportive housing facility for persons with substance abuse problems, and its waiting list is growing.

The greatest obstacles to the development of more special needs housing will be the lack of funding for housing and the supportive services that are needed. Negative community or neighborhood attitudes could also jeopardize projects in the development phase. Successful completion of objectives will require forming long-term partnerships between local and state

government, human service agencies, and housing providers. No specific geographic area has been targeted for this housing since a number of factors must be considered, such as availability of property, cost, and proximity to services.

Objectives for Special Needs Housing

- Provide technical assistance and support to assist in the development of housing for persons with severe mental illness, chemical dependency or both. The City will actively work with Dacotah Foundation, Pride, the Human Service Center, Burleigh County Housing Authority, and other local agencies to develop such housing (and to help with the provision of supportive services for the short term).. It is hoped that 5 units will be developed in the next five years. This goal is also listed as part of the homeless strategy. CDBG funding could also be used for initial supportive service costs.

- Use CDBG funds to make existing housing more accessible for occupants who may be elderly or physically disabled.

    1. Continue partnership with Community Action Program (CAP) and Dakota Center for Independent Living to improve accessibility in housing owned or rented by LMI households with a disabled member. Accessibility improvements will be made to 6 to 8 homes annually depending upon the level of CDBG support. This ongoing program has a waiting list for assistance. Beneficiaries are likely to be low to moderate income.

    2. Provide CDBG funds for existing special needs housing that may require accessibility improvements. It is hoped that up to 5 units could be improved over the five year period.

    3. Utilize housing rehab emergency funds if the housing accessibility funds are depleted before the end of a program year.

- Support new housing options for frail elderly/elderly households:

    1. Use CDBG public services funds for activities that will provide new or increased services to the LMI elderly who wish to age in place.

    2. Give preference to any LIHTC application for elderly housing that will provide congregate services. The numerical goal has been included with the affordable housing section.

3. When and if possible use CDBG or HOME funds to create or preserve frail elderly housing (up to 40 units in five years time).

- Provide CDBG or HOME financial support for nonprofit owners of existing supportive housing that needs rehabilitation, weatherization, or accessibility improvements. It is anticipated that 20 to 25 units of housing will be assisted over the five year period.

E. Non-Housing Community Development Plan

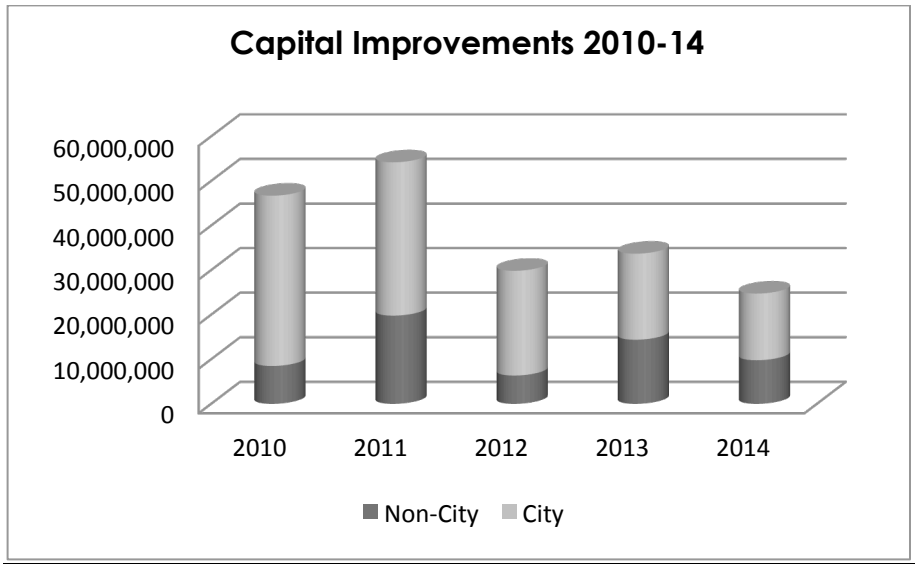
Participants in the CDBG survey rated overall community needs, as well as specific types of CDBG eligible activities in their area of expertise (see appendix). Their responses and further consultation with local agencies were used to develop priority ratings and development objectives for the Plan. This section will be divided into several categories which will first present long term objectives, describe community needs by category, and then list short-term goals.

1. Long-Term Community Development Objectives
   - Conserve and expand the housing stock through activities that principally benefit low and moderate income (LMI) persons
   - Eliminate slum and blight
   - Support the creation or improvement of facilities which primarily benefit LMI households, the elderly, persons with disabilities, and the homeless
   - Support activities that provide essential services to LMI and homeless persons
   - Provide a decent and safe living environment and promote a rational use of land resources
   - Adhere to grant objectives and provide sound administration
   - Alleviate economic and physical distress, encourage private investment, and promote community revitalization, particularly in the LMI areas

2. Infrastructure/Capital Improvements

   The City of Bismarck has developed a Capital Improvements Plan for 2010 – 2014. The Plan prioritizes and schedules projects based on need and the financial capabilities of the City. It serves as the source for this portion of the Consolidated Plan. The projected budget is highest in the first and second years due to major improvements to the airport, streets, and water treatment plant. The replacement of water and sewer lines is scheduled if reliability or safety issues arise. The City will use a variety of resources to fund improvements including: federal and state programs, local revenue, sales tax, tapping fees, bonds, and special assessments. Non-City funds will pay for

approximately 31% of the Capital Improvement activities over the five year period. The total budget is slightly over $130 million for the next 10 years. The following graph illustrates the range of projected expenditures and the source of revenue for the next five years.



Respondents in the CDBG survey ranked infrastructure improvements as a medium priority (1.7) in the overall community need section. Their responses indicated that the following were the top needs: energy conservation, interim/emergency assistance, removal of architectural barriers, and flood/drain improvements. The lowest ranked needs were historic preservation, fire station/equipment, and privately owned facilities. Interim assistance and flood/drain improvements likely scored higher due to unexpected river flooding in 2009. The City generally does not use CDBG entitlement funds for capital improvements, but survey participants ranked it as a medium priority. Accordingly, infrastructure projects in LMI areas will warrant special consideration in the next five years if no other resources are available to assist LMI persons. In addition, the City will likely use CDBG funds for its ongoing program to make sidewalks accessible on a citywide basis or for other accessibility improvements. The City will also place a medium priority on other types of improvements in the LMI areas.

Infrastructure/Public Facilities

Category	Priority ranking 2010	2005
Energy conservation	2.00	2.08
Interim assistance/emergencies	1.93	1.89
Removal of archit. barriers	1.90	2.05
Flood/drain improvements	1.86	1.62
Planning	1.79	1.74
Transportation	1.77	2.05
Sidewalk, curb & gutter	1.76	1.71
Removal of slum & blight	1.72	1.85
Code enforcement	1.72	1.84
Street improvements	1.72	1.74
Parks/recreation/trees	1.72	1.62
Parking	1.72	1.34
Removal of hazards	1.68	1.68
Water	1.62	1.68
Sewer	1.59	1.66
Solid waste disposal	1.52	1.76
Historic preservation	1.45	1.37
Fire station/equipment	1.24	1.61
Privately owned utilities	1.14	1.11
No. of respondents	*30*	*40*

Source: CDBG surveys

3. Economic Development

The City of Bismarck has opted not to use CDBG funds for economic development because Federal regulations tend to be burdensome in terms of time, cost, and reporting. Instead, the City uses funds generated from a City sales tax (Vision Fund) and leveraged non-local money to recruit industries or help existing ones to expand. The Vision Fund disburses about $1.5 million annually. The City works closely with the Bismarck-Mandan Development Corporation to promote economic development within its jurisdiction.

Economic development is essential to the continued growth of the City. Respondents in the overall need section of the CDBG survey rated economic development as the seventh highest need (2.18). Representatives of economic development or business assistance agencies ranked job training as the highest need and at a higher level than in 2005. Downtown revitalization and building acquisition/rehab were also seen as important needs.

Economic Development/Job Creation

Category	Priority Ranking 2010	2005
Job training	2.57	2.25
Downtown revitalization	2.07	2.63
Bldg. acquisition/constr./rehab	2.07	1,63
Rehab of property	2.00	1.75
Develop/expand infrastructure	1.87	1.88
Technical assistance	1.79	2.00
Micro-enterprise assistance	1.79	1.75
Direct financial assistance	1.71	1,38
Acquisition/disposition of land	1.64	1.38
Source: CDBG surveys		
No. of respondents	15	9

4. Public Facility Needs

Participants in the CDBG survey rated improvements to community facilities as a medium need (2.0). The following four facilities were ranked as those with the greatest need: homeless shelters (2.52); abused or neglected children (2.28); mental health (2.21) and transportation (2.19). Lower ranked facilities included: fire station/equipment; neighborhood centers; historic preservation; parking; and parks/recreation. Other facilities that provide essential services to many low income persons received a medium priority rating. Many of these facilities are also located in LMI area and downtown area, and CDBG assistance will contribute to its revitalization. Although parks and recreation were ranked lower, these activities will receive a medium priority due to the potential positive impact in LMI areas or to specific LMI segments of the population (e.g., youth at risk). Most of the 2010 rankings are similar to ones from 2005, except that transportation was ranked higher in 2010 than in 2005. This was somewhat surprising since the metro area's public transportation system was started in the last five years. The majority of CDBG funds awarded for public facilities will go to activities serving priority populations and those facilities requiring rehab assistance to assure health and safety.

Public Facilities (Construction/Rehab Activities)

Category	Priority Ranking 2010	2005
Homeless shelters/housing	2.52	2.57
Abused/neglected children	2.28	2.47
Mental health	2.21	n/a
Transportation	2.19	1.82
Substance abuse	2.13	2.19
Medical/dental care	2.06	2.19
Persons with disabilities	2.05	2.00
Youth Centers	2.03	2.11
Child care	1.95	2.18
Neighborhood centers	1.72	1.27
Accessibility improvements	1.61	1.82
Infrastructure	1.57	1.63
Senior Center	1.56	1.43
Parks & recreation	1.36	1.14
Parking	1.31	1.14
Fire Station/equipment	1.12	1.41
Historic preservation	1.01	1.14
Respondents in survey	68	65

Source: CDBG surveys

5. Public Service Needs

Up to 15% of the CDBG entitlement funds will be set aside to fund local non-profits organizations or agencies that serve low and moderate (LMI) persons. The City may provide limited assistance if the particular service is included as a priority in the Consolidated Plan. Assistance is limited to a new service or an expansion of an existing service. CDBG funds can not be used to substitute for other government funding. The need for public services was ranked by 68 persons who worked in the government or nonprofit sectors. The highest ranking service need was for treatment of mental illness. This was closely followed by services for homeless persons and abused/neglected children. .The lowest ranked needs were for services related to lead based paint hazards, recreation and capacity building. The rankings were strikingly similar to those in the 2005 survey and may indicate pervasiveness of common concerns. The City will use the rankings in making decisions about funding public services in the next five years.

Public Services (Operational Support)

Category	Priority Ranking 2010	2005
Mental illness	2.50	2.51
Homelessness	2.49	2.44
Abused/neglected children	2.43	2.47
Medical/dental care	2.39	2.38
Domestic violence	2.39	2.24
Persons with disabilities	2.36	2.27
Substance abuse	2.34	2.38
Food assistance	2.27	2.18
Transportation	2.15	2.08
Youth	2.11	2.32
Fair Housing	2.07	1.89
Job training	2.04	2.15
Child care	2.00	2.09
Legal assistance	1.96	1.8
Seniors	1.88	1.99
Crime prevention	1.83	1.87
Capacity building	1.64	2.04
Recreation	1.43	1.33
LBP hazards	1.24	1.31
Source: CDBG surveys		
Number of respondents	68	78

6. Accessibility

Improvements which permit persons with disabilities to participate more fully have traditionally been a key element in the City's CDBG program. The CDBG survey measured its importance in several different areas. It ranked as a medium priority in the overall community needs section (2.38). It rated lower in the rental housing, infrastructure, and public facilities (almost 2.0), but ranked somewhat higher in rental housing development. Although improvements have been initiated over the past few years, accessibility remains a concern in housing, infrastructure, facilities, shelters, and services. Accessibility improvements in LMI areas, housing, or to essential facilities will continue to receive consideration.

7. Historic Preservation

Participants in the CDBG survey ranked historic preservation as a low priority in the facility and housing sections. However, historic preservation may be an essential tool in downtown revitalization efforts. In addition, it must be addressed if federal funds are used to make improvements to a historic structure. Therefore, it will be given consideration for funding if circumstances warrant.

8. Other Community Development Needs

   Planning and code enforcement are integral parts of any strategy to improve low income areas and to remove slum/blight, and there are few other resources to fund these types of activities. The CDBG survey indicated that all three were ranked as a medium need. Code enforcement for rental housing was written in as a need by several survey respondents. Energy conservation was the highest ranked need.

9. Short-Term Goals for Community Development

   The primary obstacle in meeting community development needs will be the lack of resources. Federal funds are insufficient, and programs are often highly competitive. It is likely funding cuts will occur in Federal programs over the next few years and programs may be eliminated. The State offers some funding, but its programs have limited funds and are often competitive. Attitudes about assisting LMI families or homeless persons can also negatively impact choices about activities or funding. Sometimes, needs go unmet because of lack of information or reluctance to apply. Community outreach is necessary to publicize and explain programs and make referrals. All of the community development goals are based on the availability of funding and a stable CDBG program.

   The City developed the following short-term goals for community development after giving consideration to the CDBG survey, agency comments, and citizen input:

   - To use CDBG entitlement monies for at least two public service activities annually. At least one of the public service activities funded must benefit homeless persons. The amount of the allocation will depend upon need, the actual applications submitted, and the CDBG budget. These monies will provide operational support for agencies that provide essential services to LMI households. The City will work to develop an efficient, non-duplicative funding process. The City will follow priorities that received high rankings in the CDBG survey such as: mental illness, abused/neglected children, homelessness, substance abuse and medical/dental care. In addition, Fair Housing activities provide an essential service and will receive a higher ranking. Priority will also be given to any services meeting goals set in the 10 Year Plan to End Long-Term Homelessness.

   - To allocate CDBG funds to improve or expand from one to three public facilities annually. Priority will be given to facilities identified in the CDBG survey as those with the greatest needs and that provide essential services to LMI persons. The majority of the beneficiaries will be LMI, disabled, or homeless.

- To use CDBG funds for slum and blight removal as a way to encourage revitalization, primarily in a LMI area. Activities may include the amelioration of severely deteriorated conditions, removal of structures not suitable for rehabilitation, and code enforcement. It will not be an ongoing part of the CDBG program, but will be used on an as needed basis.

- To only use CDBG funds for infrastructure/capital improvements that would alleviate health and safety concerns for LMI households, ease their financial burdens, or improve accessibility. Examples of such projects include the replacement of unreliable water/sewer lines in a LMI neighborhood (once in the 5 year period) or accessibility improvements to sidewalks (10 per year).

- To fund at least one project a year within a LMI neighborhood. Funded activities would include elimination of slum and blight or improvements to infrastructure, housing, or public facilities. Activities proposed for downtown would need to comply with the overall downtown redevelopment plan

- To fund at lease one project a year that will improve accessibility or services for people with disabilities.

- To use CDBG funds for economic development only if other local funds are insufficient to meet needs and if it will create a significant impact through the creation of LMI jobs. If such a decision is made, the City will collaborate with the Bismarck -Mandan Development Association.

F. Barriers to Affordable Housing

The City will work to form partnerships with non-profits and private developers as a way to pursue more options for affordable housing. For instance, the City will continue its cooperative venture with Habitat for Humanity in order to provide more homeownership opportunities for LMI families since financial assistance is needed to enable Habitat to develop housing in Bismarck. It will also promote the efforts of other non-profits that provide special needs housing with financial support when feasible and technical assistance. It will continue its partnership with the Burleigh County Housing Authority to develop rental housing options for persons with disabilities. The City will also work with CommunityWorks North Dakota and the ND Housing Finance Agency to provide opportunities for LMI homebuyers or rehab assistance for LMI homeowners. Internally, the City may consider the following options:

- Property tax exemption for eligible buyers of newly constructed housing

- Review current zoning regulations to pinpoint concerns that may impede the development of affordable housing. Two concerns already noted included the requirement for a minimum size for the mail floor of a house (e.g., 900 s.f.) and whether the requirements for single family zoning may conflict with other laws (e.g., number of unrelated persons that can live in a single family dwelling may impede the development of group homes).
- Consider implementing a Quiet Rail Zone in the downtown (LMI) area to encourage housing development.
- Promote the use of existing incentives (Renaissance Zone & CORE Program) as tools for the development of housing in downtown.
- Continue to work with affordable housing developers on ways to encourage housing. This includes a review of city fees, identification of land suitable for housing development, infrastructure requirements, etc.

G. Lead Based Paint Hazard Reduction

The City will work to implement the following activities to address lead-based paint concerns:

- Encourage sub-recipients involved in housing to send staff and maintenance personnel to training
- Cooperate with the State Health Department to establish a listing of qualified contractors. This may help address the current shortage of qualified contractors to bid on jobs with lead paint hazards
- Publicize and do outreach on available training for contractors, maintenance workers, etc.
- Work with the local public health department to evaluate testing results and to help determine local needs;
- Provide information on lead-based paint hazards to all recipients of rehab or home ownership assistance and inform them of available testing
- Follow lead based paint regulations in housing activities that involve renovation
- Cooperate with the State Health Department on outreach and public education efforts

H. Anti-Poverty Strategy

The City of Bismarck will support programs which promote self-sufficiency and offer opportunities for residents to move from poverty to self-reliance. These programs, coupled with increased economic opportunities, will serve as the foundation for the anti-poverty

strategy. This strategy also recognizes that it is essential to identify needs and gaps in the community and to combine resources whenever possible to achieve efficiency. The strategy will also encourage programs for people who have special needs or are homeless. The following paragraphs describe the type of local activities that can help to break the poverty cycle.

A good paying job is the key for most households to escape poverty. State and local economic development efforts have only partially achieved this goal. The City provides $1.5 million a year through the Vision Fund and the Bismarck-Mandan Development Association for economic development activities. The Vision fund is funded with sales tax revenue, and it is intended to provide assistance to businesses that desire to expand or locate in the Bismarck region. The primary purpose is to encourage regional development by creating new jobs, expanding the tax base, increasing capital investment, and expanding the financial base. The demand for the Vision Fund is expected to grow in the next five years. BMDA also uses State programs which offer an array of other financing tools. Although the number of households that will benefit is unknown at this time, these efforts will help reduce the number of unemployed or underemployed persons.

The City will continue to stress homeownership as a way for low income persons to escape poverty by supporting homebuyer assistance activities. The Burleigh County Housing Authority provides counseling and financial incentives to low income tenants in order to enable them to purchase scattered site public housing (1 to 2 families a year). The City will continue its partnership with Habitat for Humanity to promote homeownership through construction of affordable homes. It is anticipated that one or two new homes for low income households will be completed annually. All participants in these programs must complete a homeownership training program. Homeownership assists the working poor to make a transition from poverty since the homeowner will build equity, receive tax breaks, develop sound credit, and learn home maintenance. The City will partner with these agencies and the ND Housing Finance Agency to promote homeownership for LMI households. In addition, the assistance a LMI homeowner may receive from the City's emergency rehab program will improve financial stability for the homeowners that are assisted.

The Burleigh County Housing Authority manages a Family Self-sufficiency program that is aimed at providing tenants in public housing with referrals for case management services to better their existence. This program coordinates a variety of services provided by other agencies in order to help tenants develop a strategy to escape poverty. About ten households a year participate in this program. The Burleigh County Housing Authority is also implementing policies that do not penalize its tenants who are working. The Community Action Program has a self reliance program that helps low income clients identify barriers, meet basic needs, develop job seeking skills, and set goals. This region-wide program has an

estimated 60 active clients annually, and another 60 persons who partially complete the program. Community Action has other programs that assist the working poor during emergency situations. Community Action and the City are partners in a TBRA program in which the City provides HOME funds for rental assistance and CAP provides case management services for the homeless or potentially homeless clients.

Several local agencies that work with special needs and homeless persons offer a number of activities that will help their clients become more self reliant. For instance, several agencies that serve disabled adults or persons with SMI provide job training, sheltered workshops, counseling, and work experience. AARC provides retail training at its Seeds of Hope store for about 40 homeless women a year. In addition, clients can also obtain professional clothing from both AARC and Community Action when they are ready to seek employment or start work. RMHH provides counseling, educational opportunities, and job seeking resources to its homeless clients. The Mental Health Association and Dacotah Foundation also provide training and on the job experience for their clients. Job Services provides assistance in finding employment and training on job seeking. This training can be obtained at their office, but they also do outreach at local shelters. The City will continue to support such activities via the use of CDBG funds to renovate such facilities, improve accessibility, and pay operational expenses, such as the purchase of computer equipment or operational support and case management.

I. Monitoring

The City of Bismarck will monitor its progress in implementing the Consolidated Plan in a number of ways. First, all applicants which apply to the City for HUD funds will be required to provide a complete description of a proposed project, its budget, anticipated accomplishments, organizational information, and project beneficiaries. The City will use this information to determine eligibility and consistency with the Consolidated Plan. Staff will interview applicants in order to obtain further information if needed, and proposals will be reviewed by several staff members familiar with HUD grant programs.

The City will maintain complete and accurate records and require all subrecipients of direct HUD funding from the City to do the same. The subrecipients will be monitored on an ongoing basis by program staff to verify compliance with Federal requirements and program objectives. Monitoring will include checking on progress and compliance with specific program areas such as beneficiaries and recordkeeping. Subrecipients will be expected to provide progress reports with requests for payment. Staff will provide technical assistance to assure timely implementation, compliance, and accurate recordkeeping. The level of technical assistance will increase for new subrecipients or when there are staff turnovers. As

applicable, the City will communicate informally with subrecipients and other agencies that provide housing or services to check on progress and organizational changes. Staff will conduct on-site inspections, and subrecipients will be required to submit annual and completion reports. Subrecipients that are having problems will be required to submit more frequent and detailed information. If an organization is in noncompliance, the City will require corrective action. Such action may include de-obligation of funds, repayment of grant funds, or denial of further funding for serious violation.

J. Institutional Structure

1. Description of the Local Institutional Structure

In a smaller community like Bismarck, public and private agencies and city government can work closely together to solve problems and plan for the future without a formal structure. There is less bureaucracy and red tape, and the involved parties tend to know each other from prior joint endeavors. The City will be a partner in cooperative efforts, but will not command how others operate. Because of the close working relationship between the various parties, there already exists a pattern of cooperation. An example of this cooperation are the planning sessions between the Burleigh County Housing Authority, nonprofits, the Human Service Center, and the City to identify needs for supportive housing for developmentally disabled persons. Another example of the effectiveness of this structure is the successful effort among local health and service agencies to open a dental clinic for low income and homeless persons. Agencies serving homeless persons were able to come together and address community needs in a 10 year plan endeavor.

The City has been able to utilize this informal institutional structure in the past to implement local activities to benefit its citizens. The City will continue to work to identify and include new players within this structure. The following is a partial description of participants in this local institutional structure:

- The Bismarck-Burleigh County Public Health Department provides a wide range of health services for the public, low income persons, persons with AID/HIV, and the homeless. This includes testing, limited treatment, education, information, and referrals. Bridging the Dental Gap provides dental services to low income and homeless persons. The State Health Department is also an active partner with these agencies.
- City/County offices: the City and County share several departments (e.g., planning, health, inspections) and an office building. This encourages communication and helps contain costs.

- Burleigh County Social Services provides financial assistance and a variety of services to low income clients.
- Bismarck-Mandan Development Association is the lead economic development organization for the metro area. Other development agencies include SBA, SBDC, and the Chamber of Commerce.
- Burleigh County Housing Authority manages the voucher program, public housing, and other assisted housing projects. It cooperates with Community Homes, a local nonprofit, on the development of housing for low income households.
- Habitat for Humanity, Community Action, and CommunityWorks are local groups that work with the City on a variety of affordable housing activities that benefit LMI households.
- The primary organizations providing services to the homeless include: Abused Adult Resource Center, Ruth Meiers Hospitality House, Welcome House, Salvation Army, West Central Human Service Center, the local school district, and Youth Works. The Missouri Valley Coalition for Homeless Persons is the local networking organization that promotes public awareness, coordinates activities, and provides services to its members (e.g., emergency assistance fund, information sharing).
- Community Action Program provides a variety of services to low income households throughout the region. They provide housing rehab, homebuyer assistance, emergency assistance, self-sufficiency, weatherization, and accessibility improvements for disabled households.
- Financial institutions are important partners in local efforts to develop innovative financing and support for housing projects, homebuyer assistance, and other community activities.
- Faith based organizations also have a significant role providing services to LMI households and homeless persons, so the City will continue to do outreach and provide funding to such organizations as Habitat for Humanity, Charles Hall Youth Services, Salvation Army, Lutheran Social Services, etc.
- West Central Human Service Center provides services on a regional basis in the following areas: vocational rehabilitation, mental health, and aging. Dacotah Foundation provides housing and support services to persons with a serious mental illness.
- Public or private non-profit organizations which provide a variety of essential services in the community are also a vital part of the structure. H.I.T., Enable and Pride provide housing and support services to developmentally disabled persons. ARC of Bismarck provides advocacy and job training. Dakota Center for Independent Living offers services and advocacy to persons with disabilities. Burleigh County Senior Program provides a variety of services to seniors. Aid, Inc. provides emergency services to the working poor. The Bismarck Food Pantry and other local agencies provide emergency

food, while Ruth Meiers Hospitality House provides meals at its Stone Soup Kitchen. Youthworks and Charles Hall Youth Services offer housing and services to at risk youth.

- There are a number of State agencies which provide grant funds and other types of assistance. These include the State Housing Finance Agency, Division of Community Services/Department of Commerce, State Health Department, and the Bank of North Dakota.
- Organizations like BMDA and the Chamber of Commerce provide a link to the private sector and are the originators of most local economic development activities.

2. Overcoming Gaps

The above organizations bring knowledge, funding, and ability to the process. A smaller community, like Bismarck, has the advantage of familiarity since people are readily aware of other programs and staff. At times, there may be insufficient coordination since each agency must report to a different authority. There may also be turf problems or duplication of services. These agencies have different perspectives and goals, but all have a common concern for the residents of Bismarck. Overcoming gaps will require acknowledgement of a common interest, and ongoing communication between all those involved. The City can play an important role and encourage communication by providing adequate information, making referrals, participating at meetings, and engaging in discussion.

The Community Action Agency surveyed its low income clients on what they felt were the greatest barriers in obtaining services. The results indicated that they felt the greatest barriers were the following: couldn't afford costs, ineligibility, inadequate transportation, or disabilities. A United Way Needs Assessment cited cost, lack of childcare, and transportation as barriers. There are a number of ways that agencies can overcome barriers. The City's public bus system is relatively new, but it is important to continue this service and to evaluate its usefulness to the LMI clients who may most need its services. The Continuum of Care process provides a forum for local agencies to communicate, identify gaps in services, and prioritize local needs. The Missouri Valley Coalition for Homeless Persons coordinates the local COC process. Its regular meetings also provide an opportunity to share information between members on a bi-monthly basis and to coordinate activities. The United Way Agency is beginning a process in which it will identify a pressing community need, study the problem, and then find local solutions. The Chamber of Commerce leadership class will continue to study urgent local issues on an annual basis. The Community Action Agency survey indicated that the need for food was the top concern of their low income clients. Accordingly, local agencies are working together to meet this need without duplications. It will be vital for the City to be involved in or aware of all such activities in order to better coordinate the implementation of its Plan.

The City and County share an office building and have several combined departments. This gives them an opportunity to work together in a more cost efficient manner. It is hoped that this joint effort will lead to other cooperative ventures and improved communications.

The City will continue to share information, make referrals, attend relevant local meetings, and promote educational and training opportunities as a way to overcome gaps. In addition, it will conduct periodic outreach to identify new players or upcoming changes. The Consolidated Plan process will continue to encourage public and organizational input on an annual basis.

3. Organization of the Burleigh County Housing Authority: The Burleigh County Commissioners appoint board members to the Housing Authority. The Board of the Burleigh County Housing Authority has full authority to set conditions and policies for the Housing Authority. The County has no oversight authority. Since the Housing Authority is a countywide entity, the City has no oversight authority either. The Board makes decisions on procurement, contracts, expenditures, hiring, and all other administrative matters. Neither the City nor County has review authority for proposed demolition or disposition. However, the Housing Authority must consult with the City if an action in Bismarck requires an environmental review or requires a permit.

4. Burleigh County Housing Authority 5 Year Plan: HUD has not designated the Burleigh County Housing Authority (BCHA) as "troubled". The City has awarded CDBG and HOME Program funds to the BCHA for renovation and modernization of many of its elderly and family rental units in the past ten years. This renovation has resulted in housing units that are in good condition, but which may need some minor to moderate rehab in the next five years. However, several older units are functionally obsolete in design and can not be made accessible. BCHA will likely demolish these units and construct replacement housing on the sites.

   BCHA's 5 Year Plan presents an overview of goals for the Housing Authority from 2010 to 2014 and its Annual Plan also describes the yearly activities that will be implemented to achieve the goals. The City of Bismarck was given draft copies to review to determine consistency with the Consolidated Plan. The City and Housing Authority anticipate a continuation of their joint efforts to both create and maintain affordable rental units in Bismarck. This partnership is evidenced in the both entities' five year plans. For instance, the City and BCHA are working with the state and HUD to use HOME, Public Housing Capital Assistance, and NSP funds to construct a 12 unit (1

bedroom) apartment building. A summary of the Housing Authority's Plan are included in the appendix, but its major goals include the following:

- Apply for additional rental vouchers if available
- Leverage private or other public funds to create more housing opportunities
- Acquire or build units or other developments
- Concentrate on efforts to improve management (shorten lease-up time)
- Demolish or dispose of obsolete public housing and provide replacement vouchers
- Convert public housing to vouchers

The most notable of its goals of over the next five years include:

- Construction of 16 new one bedroom family units
- Construction of 16 new units of affordable housing for elderly, disabled, and homeless households (will apply for HOME funds).
- Demolition of 17 units of obsolete public housing (2 bedroom) with replacement vouchers
- Continue program to assist tenants to purchase their single family rental house (1 per year)
- Pursue funding for a Low Income Housing Tax credits for new units
- Provide Transitional Living Facility to a community service provider that will help up to 32 individuals
- Cooperate with PACE program o provide additional senior care services that will enable elderly tenant to age in place
- Will raise $1million from non-HUD funding sources for its projects
- Achieve a utilization rate of 98% In its Housing choice Voucher Program and 100% for special needs vouchers

In 2010 BCHA will use the monies from the Public Housing Capital Fund Program for a mixed funding project that will construct a 12 unit (1-bedroom) apartment building. Other project financing will include NSP and HOME. BCHA has also applied for 2010 CDBG funds to install a security system at Tatley Place. BCHA will also consider demolition of obsolete public housing units and pursue funding for replacement units.

5. Public Housing Resident Initiatives: Tenants in both elderly and family housing have advisory councils. Each council holds monthly meetings, and the Housing Authority Board meets with the councils at least once a year. In addition, council members are actively involved in the development of the Housing Authority's Five Year plan and assist with public hearings. One tenant also serves as a member of the Board of

Directors. The Housing Authority administers a non-HUD sponsored self-sufficiency program which is open to any of its tenants. Approximately 20 new households a year opt to participate in the program. Self-sufficiency program coordinates client services with many other local agencies serving LMI households. Several of these tenants may also participate in a program that provides training and counseling to promote homeownership. Although one to two tenants a year are able to purchase scattered site public housing units through a BCHA program, escalating property values has placed this activity on hold for most tenants. The City has no oversight authority over the Housing Authority, but it will encourage the maintenance of these initiatives by maintaining communication, and working on joint activities.

PART 6 - ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING

This analysis is an updated plan for the City of Bismarck. Cities receiving Community Development Block Grant (CDBG) funds from the US Department of Housing and Urban Development (HUD) are required to affirmatively further fair housing. An analysis of Impediments to fair housing helps a city to meet that requirement by identifying fair housing concerns. This information is used to develop recommendations to help overcome the identified barriers. Moreover, non-discrimination in housing is an essential foundation of a community, and fair housing law helps guarantee that residents will be able to live where they want and can afford.

A. Fair Housing Laws and Enforcement

At the Federal level, there are three main laws that provide protection: the Fair Housing Act, the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973. The Fair Housing Act is designed to affirmatively further access to housing and prohibits discrimination in housing-related transactions based on race, color, national origin, religion, gender, familial status and/or disability. Disability is defined as any mental or physical impairment that significantly limits one or more major life activities. The Americans with Disabilities Act promotes access to public spaces, programs and events for people with disabilities. Section 504 furthers the access of persons with disabilities to any program or activity receiving Federal financial assistance, including housing projects and programs.

The ND Housing Discrimination Act is a state law that is substantially equivalent to the Federal Fair Housing Act. In addition to prohibiting discrimination in housing because of a person's race, color, national origin, religion, sex, familial status (presence of children under age 18, being pregnant or securing custody of a minor), or disability, the ND Housing Discrimination Act also provides protection based on age (40 years of age or over), status with regard to public assistance (receipt of public assistance) and status with respect to marriage (marital status).

Fair Housing of the Dakotas is the primary agency providing fair housing outreach and education in Bismarck and throughout the states of North and South Dakota. Fair housing enforcement is handled through the ND Department of Labor's Human Rights Division, although Fair Housing of the Dakotas and Legal Services of North Dakota provide information and assistance to persons with complaints.

A person may choose to file a fair housing complaint through HUD's Fair Housing and Equal Opportunity office or the ND Department of Labor's Human Rights Division. Because the ND Fair Housing Discrimination Act (NDCC 14-02.5) is substantially equivalent to the Federal Fair Housing Act, the State was able to enter into a work-sharing agreement with HUD in 2000. This means that claims filed with either HUD or the ND Department of Labor are considered to be dually-filed and will be investigated by the ND Department of Labor with HUD accepting the State's investigative findings.

B. Complaints and Fair Housing Inquiries

Fair Housing of the Dakotas tracks the number of inquiry calls received by each major North Dakota city, as well as the number of those calls that contain allegations of housing discrimination. If an allegation is investigated and found to have merit, Fair Housing of the Dakotas will assist the person in pursuing their

rights, including advocacy and assistance with a complaint. If evidence of discrimination is not found, information is provided to the client, but not advocacy. The following table presents information on the calls received for a five year period. It should be noticed that only about 8% of the calls concerned fair housing. Many calls were about tenant-landlord issues. In 2008, the most common fair housing concerns expressed by residents in Bismarck were related to discrimination on the basis of disability (10), race (7), color (3), familial status (3) and gender (3).

Fair Housing of the Dakotas: Bismarck Calls

	2004	2005	2006	2007	2008	5-Year Total	Average Per Year
Call Received	414	411	455	399	389	2068	413.6
Calls with Fair Housing Concerns	32	36	35	32	27	162	32.4
Complaints Forwarded to the ND Dept of Labor	4	15	6	5	8	38	7.6

Source: Fair Housing of the Dakotas, March 2009

At the point where a complaint is forward to the North Dakota Department of Labor, Fair Housing of the Dakotas tracks the total number of complaints referred, the total allegations in the complaints referred and the protected class status of the complaints on a statewide basis. Based on the below statewide information, approximately 28% of all complaints forwarded to the ND Department of Labor in the 5-year period were housing discrimination complaints in Bismarck. From this data, it may be assumed that the majority of those complaints from Bismarck dealt with discrimination based on disability.

STATEWIDE COMPLAINTS

	2004	2005	2006	2007	2008	Total	Average Per Year
Complaints Filed with ND Dept of Labor	20	29	27	35	23	134	26.8
Total Allegations in Complaints Referred	32	33	38	39	33	175	35
Protected Class Status of Complaints							
Race	8	2	4	2	2	18	3.6
Color	1	0	1	0	0	2	0.4
Religion	0	0	2	0	3	5	1.0
Sex	4	1	4	2	1	12	2.4
National Origin	1	1	3	0	4	9	1.8
Disability	7	19	16	23	12	77	15.4
Familial Status	7	6	5	8	8	26	5.2
Age (40+)	1	1	0	0	0	2	0.4
Marital Status	0	1	0	0	0	1	0.2
Public Assistance Status	3	2	1	4	3	13	2.6
Retaliation	0	0	2	0	0	2	0.4

Source: Fair Housing of the Dakotas, March 2009

Information on fair housing complaints was also obtained from the ND Department of Labor. Between July 1, 2005 and March 31, 2009, a total of 193 housing complaints were filed and 191 housing complaints closed statewide. Of the complaints closed, the majority dealt with discrimination on the basis of disability (113), familial status (37), race (35), and status with regard to public assistance (22). Of the 191 complaints closed, 86 (45%) involved residents with a Burleigh County address.

Although information on the number of calls made and the number of complaints filed provide useful information about the types of discrimination occurring within the community, it does not provide a complete picture. For instance, the number of complaints filed is likely limited by people's ability to recognize discrimination and their willingness to pursue the complaint process. An identification of the potential impediments in an individual community is needed in order to develop a plan to overcome such barriers.

C. Identification of Impediments and Recommendations

1. Lack of knowledge of fair housing laws

Although there are educational and outreach efforts in place within the community, it appears that there continues to be a lack of knowledge about laws, discriminatory practices and enforcement procedures. The residents of Bismarck are served by several organizations and agencies that provide education, information, or enforcement, including Fair Housing of the Dakotas, the ND Labor Department, Legal Services of ND, and HUD. Professional organizations (realtor and apartment associations) may also provide training and information.

It is often assumed that providers of housing are knowledgeable about fair housing laws and discrimination practices or that a discriminatory act is intentional. This is not always the case. Fair Housing of the Dakotas provides counseling and education to both tenants and landlords to help them solve their housing problems and answer their housing questions.

Most of the local efforts have focused on renter education and outreach, while little has been done for homebuyers or homeowners due to limited resources. As a result, much less is known about possible discrimination in these areas. It is also important to expand educational efforts to a greater number of persons, including students, homebuyers, people with disabilities, etc.

If a person seeking housing is aware of fair housing laws, they will be better able to recognize discrimination when it occurs. If a housing provider is more knowledgeable of fair housing laws, it is less likely that they will use discriminatory practices. Accordingly, increasing knowledge is an important step in overcoming impediments.

***Recommendation**: Continue to support fair housing education and outreach*

- Provide financial support for education and outreach to Fair Housing of the Dakotas and encourage expansion of this effort.
- Approach the Human Relations Committee about ways to provide information about fair housing to Bismarck residents.
- Provide links to Fair Housing of the Dakotas, the ND Department of Labor and HUD on the City's website.

2. Housing Accessibility for Persons with Disabilities

As a protected class, people with disabilities are unique in that they are the only group that can be discriminated against solely by the design of the housing unit. Under North Dakota and Federal fair housing laws, it is illegal to discriminate on the basis of disability. The Fair Housing Act requires housing providers to make reasonable accommodations for persons with disabilities. The American's with Disabilities Act (ADA) also includes requirements that improve accessibility for persons with disabilities. A reasonable accommodation is a change, adaptation or modification to a policy, program, service, or workplace which will allow a qualified person with a disability to participate fully in a program, take advantage of a service, or perform a job. Reasonable accommodations may include those actions which are necessary for the person with a disability to use and enjoy a dwelling,

including public and common use spaces. In some cases, simply treating persons with disabilities exactly the same as others may not ensure that they have an equal opportunity. For example, a tenant with mobility impairment who has difficulty walking is provided a reasonable accommodation by being given an assigned accessible parking space in front of the entrance to his/her unit.
Information from Fair Housing of the Dakotas and the ND Department of Labor indicated that the majority of housing complaints in the State and in Bismarck involved discrimination against persons with disabilities and the lack of reasonable accommodation. According to 2000 Census data, renters in Bismarck with self care limitations generally have a higher incidence of housing problems if they earn 30% or less of the median income. Three-fourths of all such households (renters & owners) had a housing problem. Nearly half of households with an income of 31 to 50% of the median also had housing problems. Overall, nearly half of renter households had a housing problem regardless of income. The average monthly SSI payment for someone living in Bismarck is $674. A person with this income could only afford rent of $202 a month (e.g., no more than 30% of income for housing). The fair market rent for a one bedroom apartment is double that amount ($454).
Respondents in a 2010 CDBG survey ranked special needs housing as a moderately high need in Bismarck (2.34 out of a 3.0 possible points). Respondents also indicated that the greatest need was for housing for persons with a severe mental illness, the frail elderly, and persons with physical disabilities. About 60% or the respondents felt that there was a need to develop additional housing.
The demand for accessible and affordable housing of all kinds will only increase as baby boomers continue to age over the next couple of decades. As Bismarck's population ages and develop the disabilities that often occur with aging process, the housing needs of these residents will also change. Smaller homes, as well as homes that more fully accommodate living on a single floor, are needed to allow residents to continue to live independently.
Discrimination, lack of reasonable accommodations, and an insufficient quantity of decent housing that is both affordable and accessible are all barriers to persons with disabilities that are living in Bismarck. It is often difficult or economically infeasible to modify older housing. There is also a shortage of most types of special needs housing, but new special needs housing generally requires a construction subsidy, tax credit and/or rental assistance to make it feasible for the developer and affordable for tenants who may only be receiving SSI for income. It is often challenging to obtain government assistance for the supportive services that many residents of special needs housing require.

Recommendation: *Support housing for residents with disabilities*

- Continue to support educational efforts that include people with disabilities and inform housing providers of their rights and responsibilities under fair housing laws and ADA
- Encourage/support the development of additional housing for residents with disabilities, including supportive housing
- Continue to use CDBG funds to improve accessibility in both owner-occupied and rental housing occupied by low and moderate income households.
- Investigate "visitability" standards to be used in the construction of new owner-occupied housing as one way to meet housing needs of aging residents

- Continue to support the preservation of existing special needs housing
- Consider using CDBG funds for a portion of the initial supportive service cost in new special needs housing

3. Housing Problems and Affordability Concerns

Although the cost of housing in Bismarck is relatively low compared to other cities in the nation, not all groups benefit. Many of the housing units that are for sale are priced beyond the means of lower-income families. In addition, while rental housing is generally less expensive, the majority of multi-family housing within the community is market rate and often beyond the means of many low-income households. This is especially true for larger families that are in need of three and four-bedroom units, who find themselves in a highly competitive market and for disabled households who may need affordable and accessible housing. Most of the new rental housing development within the community is of market rate units. Although this type of housing benefits the community, care must be taken to ensure that the housing market does not shift to the point where lower income families cannot afford to find or maintain housing.

2000 Census data provides unmistakable evidence that the households earning the least income were more often cost burdened (e.g., paying more than 30% of income for housing). Over three-fourths of both renters and owners earning less 30% or less of the median income were considered to be cost burdened. Moreover, over half of these households were paying more than 50% of their income for rent. Elderly and other (disabled, single, etc.) households in this income category were the most likely to be cost burdened. Over half of all renter and owner households earning from 30 to 50% of the median income were also considered cost burdened. Minority households in those income categories appeared to have the same percentage of housing problems as White households except for Black and Asian households that had higher percentages. However, the number (4 for each) was too small to be conclusive. Housing costs is also a concern for almost a third of the female headed households (with children) who are living at the poverty level.

Since 2000, the City of Bismarck has had sizeable growth in population (10%) and in employment (20%). Construction of new housing has not kept up with the demand, particularly affordable housing for renters and for homebuyers. Developers were reluctant to do Low Income Housing Tax Credit (LIHTC) rental projects due to development costs for a few years, and more recent the LIHTC applications were unsuccessful. Moreover, funding for affordable housing has been reduced and is more competitive.

The City has assisted the local housing authority with the development of special needs housing and is using HOME funds for tenant based rental assistance, but these efforts were insufficient in meeting the demand for affordable rental housing. Current rental vacancy rates are estimated to be from 2 to 3 percent. The high demand has resulted in increased rents and escalating home values. As a result, low income households are having a more difficult time finding adequate and affordable housing. Moreover, the higher rents have also resulted in fewer vouchers being available through the

Burleigh County Housing Authority, and its homeownership program is on hold since the value of housing has escalated past the point of affordability.

The rental housing market is tight especially for low income tenants who need affordable rents. Without incentives for owners to improve or maintain these properties, it appears that there may be a lack of ongoing maintenance of these rental properties. There is also a concern that tenants do not complain about the lack of maintenance because they fear their rent will be increased or their lease will not be renewed.

***Recommendation**: Support development and preservation of affordable housing*

- Work with City Building Inspections Division staff to determine whether or not there is a problem with deferred maintenance of rental properties and if so, develop a strategy to address this issue (e.g., inspection program of existing rental units)
- Continue to encourage affordable housing projects through such means as endorsement of LIHTC projects and allocation of CDBG and HOME fund.
- Consider continued allocation of HOME and CDBG funds for tenant based rental assistance, security deposits, and emergency housing assistance.
- Study ways to encourage a mix of market rate and low-moderate income rental units and incentives to encourage developers to set aside a portion of their projects as affordable housing.
- Continue to assist the housing authority, nonprofits, and for profit developers to develop or preserve affordable rental housing for low and moderate income households.
- Explore ways to address tenant-landlord conflicts.

4. Local government barriers to fair housing

The City has no existing fair housing complaints or negative compliance reviews alleging discrimination filed against it by federal or state government entities. When asked, the City has endorsed all applications for federally assisted housing and issued certifications of compliance with the Consolidated Plan as needed. Building requirements are identical for all housing, including publically assisted units. The City has adopted model building codes. A review of housing data for the CDBG program indicated that minority households in housing activities benefitted at a similar rate as their composition of the population as a whole (3.4% to 8% for the past 3 years). When the beneficiaries of all CDBG projects were totaled, minority households benefitted at a higher percentage level (12% to 20% for the past 3 years).

Zoning regulations were reviewed to determine whether or not Bismarck encourages the development and maintenance of affordable housing. Although the development regulations generally support the development of affordable housing, several potential barriers were identified. Under the definition of single family dwelling, the zoning ordinance currently requires that the minimum main floor living space be 900 square feet. This provision of the zoning ordinance should be eliminated or the square footage number reduced so that the City does not discourage the development of more affordable single family dwellings.

Zoning regulations were also reviewed to determine whether or not any provisions that may not comply with fair housing laws. Bismarck's zoning ordinance defines family as, "one or more persons related by blood, adoption, marriage, or foster care of children, living and cooking together as a single housekeeping unit; or, a number of persons, but not exceeding four, living together as a single housekeeping unit, though not related by blood adoption, marriage or foster care for children." As written, this provision in is violation of Section 25-16-14(2) of the North Dakota Century Code, which states that a licensed group home serving six or fewer developmentally disabled persons must be considered a permitted use in a single-family or equivalent density zone. The definition of family should be modified to bring it into compliance with State law.

The City of Bismarck's Building Code incorporates other codes by reference, except those portions specifically deleted, modified or amended (appendix chapters are not adopted unless specified): 2006 International Building Code (IBC); 2006 International Residential Code (IRC) (including appendices E & J); 2006 International Mechanical Code (IMC); 2006 International Fuel Gas Code (IFGC); Wiring Standards of North Dakota; and North Dakota State Plumbing Code (including appendix H). The City Code also includes language that subsequent editions or revisions of these codes shall be considered adopted and in full force and effect upon the adoption by the State of North Dakota and/or the City of Bismarck.

***Recommendation**:* The City will work to update zoning regulations to prevent barriers to affordable or special needs housing in the following areas*:*

- Reduce or eliminate the square footage requirement for a single family dwelling
- Update the definition of family (e.g., for group homes) to bring it into compliance with North Dakota Century Code requirements for group homes.

5. Public Transportation

The availability of public transportation plays a role in expanding the supply of affordable housing to groups in need and others protected under fair housing laws. At issue is the ease with which individuals can travel from home to work or services if he/she lives in a lower income area or in assisted housing. If public transportation does not provide access to employment centers or services, a neighborhood becomes inaccessible to persons without a dependable means of transportation, especially very low income residents, persons with disabilities and the elderly.

A fixed route system has operated in Bismarck since May 2004; however, the 2010 CDBG Survey indicated that transportation was somewhat a greater concern now that it was in 2005. Additional analysis will be required to determine exactly what the specific issues are and whether they are related to the fixed route system or if some other issues are present.

Recommendation:

- Help determine whether or not the perception about the lack of adequate public transportation is accurate. Review information and work with service providers to determine what the specific issues are and whether they are related to the fixed route system (routes, hours of operation and/or accessibility concerns among others) or if some other issues are present.

6. Homogeneous Nature of Community (?)

Although the diversity of Bismarck is increasing, the community is still very homogenous (94.8% White in 2000 census). Racial and ethnic minorities living in Bismarck tend to live in certain neighborhoods, particularly in those with the highest concentrations of rental housing. These perceived divisions may create a perception that there is a lack of sensitivity or awareness by the majority white population.

***Recommendations**:*

- Encourage the Human Relations Committee to conduct public forums or studies that will help promote cultural diversity and better understanding among all citizens in Bismarck.
- Examine the need for testing to better identify potential barriers to fair housing.

7. Homelessness

A review of data from point-in-time surveys from the past five years indicates that minorities comprised 43% to 61% of the homeless persons counted in the region. CDBG beneficiary data appears to confirm this data and presents information from one year's time rather than just one day. Welcome House provides emergency shelter and services to families that are homeless. In the last two years minority clients have comprised 55% and 67% of total number served. Ruth Meiers Hospitality House serves both individuals and families, and minority clients comprised about 40 to 45% of their clientele. Abused Adult Resource Center provides services and housing for victims of domestic violence. Over the last two years, minority beneficiaries ranged from 48% to 56%. In all instances, the largest percent of minorities served were Native Americans. According to Census data (2006-08 estimate), minorities make up only about 7% of the total population in Bismarck. It should also be noted that persons in families with children under 18 made up 60% of the homeless population in the 2010 point in time survey and half or more of the persons counted in the four previous years. These percentages were consistently higher than the state as a whole. The top reasons given for homelessness include: substance abuse, criminal record, inability to afford rent and unemployment.

***Recommendation**:* Provide public service funding (CDBG) to agencies activities that encourage:

- sensitivity to Native American cultural needs
- job or life skills training
- substance abuse counseling

8. <u>Lack of diversity in home ownership</u>

No claims of discrimination have been filed in the sale of dwellings. The local board of Realtors has signed a voluntary marketing agreement. However, an examination of HMDA and Census data has indicated that minority households have a lower rate of home ownership and a somewhat higher

rate of loan rejection. The HMDA data was somewhat inconclusive since there were too few applications from minority households. Native Americans are the largest minority group in Bismarck (3.7%). The overall homeownership rate in Bismarck is 63%, but less than 20% of Native American households own a home. Native American homeowners comprise less than 1% of all owner-occupied housing (US Census).

What is not clear is why this disproportionate lack of homeownership exists. Assistance is need from the real estate community, the banking community and the non-profit community to assess the reason(s) why this disparity in home ownership exists.

Recommendations:

- Examine the cause of the disproportionate lack of homeownership with racial and ethnic minority populations, especially the Native American population.
- Conduct a detailed review of lending data (HMDA) to ensure that equal lending opportunities are in place and enforced.