

The proposed technical amendments seek to enhance the ability to achieve and not alter the goals and objectives of the three key projects in the approved Action Plan. Below is a summary of the planned adjustments as well as a description of the factors beyond the control of the City of Minot which have necessitated many of these planned adjustments.

Project 1: Reduce Flood Risk and Improve Water Management

Project Goal and Objectives

- 1. Combine flood storage, water management strategies, and buyouts with the planned long-term flood protection system to provide co-benefits including converting and preserving open space along the river to restore habitat and offer recreational opportunities**
- 2. Deliver flood protection as soon as practical in low-lying areas most prone to flooding**
- 3. Work to reduce overall cost of the proposed infrastructure-based flood protection plans**

The City of Minot, in addition to promoting natural habitat initiatives, may use open space created through the NDR Acquisition program consistent with flood control measures for the following:

- Walking/jogging paths/bicycle racks
- Landscaping
- Needed Bathroom Facilities
- Open Air Park shelter
- Playgrounds
- Picnic tables
- Horse shoe pits
- Baseball/softball/soccer fields (just fields)
- Parking Lots

All activities will be in accordance with FEMA, Army Corps of Engineers and CDBG requirements related to flood mitigation and prevention, and approved by the City of Minot Flood Plain Manager. The beneficiaries and national objective remain unchanged. The Minot Parks District, which is an independent public agency, is envisioned to operate and maintain the properties and fund any recreational projects identified in this section through a sub-recipient agreement.

Project 2: Build Affordable Housing in Resilient Neighborhoods

Project Goal and Objectives

- 1. Increase the supply of quality affordable housing for vulnerable residents in a manner that fosters livability and long-term viability and sustainability of neighborhoods**
- 2. Recovery that results in increased resilience and reduced risks**

The NDRC Phase II Application was submitted in October 2015 reflecting a housing market that had changed dramatically over the preceding five-year period.

- 2011 flood destroyed or significantly damaged some of the city's most affordable housing disproportionately affecting LMI residents and vulnerable populations in the city

- multifamily vacancy rates were near zero and average rent for a 2-bedroom apartment had increased 118 percent to \$1,313
- the average price of a single-family home in 2015 was \$348,185 making the dream of homeownership unattainable for LMI residents

From 2011 through 2016, the total number of housing units available in Minot increased nearly 29 percent, from 15,854 to 20,394 units. There were 1,316 new single family residences and 3,234 new multifamily apartments constructed and 617 additional manufactured homes located in Minot from 2010 to 2015. The total number of multifamily apartments increased by 77percent during this period. The pace of new housing construction after the flood and because of the oil boom was historic. When the oil sector began to decline in Minot and the region in late 2015, employees in the oil industry migrated out of northwest North Dakota. Population growth stagnated quickly with housing vacancy rates rising to significantly high levels in an over-built housing market. Housing costs and rents have significantly moderated since the extremely high rates experienced from 2011 through 2015 with current 2018 data showing:

- Average Single Family Home price has dropped to \$209,000
- It has been more than 2 years since a permit was issued for new multi-family housing
- New Single Family housing permits are being issued at a rate less than 30% of 2011-2015
- Existing residential multi-family housing vacancy rate is estimated to be 10%
- Average rent for a two-bedroom apartment has fallen below \$1,000

While the housing market in 2018 has contracted, the needs identified in the Action Plan for the LMI and other vulnerable populations has not changed as evidenced by the Minot Housing Authority's wait list for affordable housing still in the hundreds.

The City of Minot remains committed to the original NDR affordable housing program; the project's goals and objectives, beneficiaries, impacted and distressed areas, and leverage has not changed. However, with the dramatic changes in Minot's housing market it is no longer prudent to focus solely on the construction of new affordable housing. Therefore, Minot intends to modify the affordable housing delivery method to include the preservation of existing multifamily units to substantially extend its useful life and create affordable rent restricted units, and include existing quality housing in our resilient homeownership program.

The city will continue to focus on increasing the inventory of quality affordable housing that is resilient and sustainable, but more strategically to not adversely affect the stability of a weakened existing housing market. Minot does not propose to reduce the total number of beneficiaries or affordable housing units (333 units of affordable multifamily rental, single family rental, and single family homeownership) committed in the city's scaled and scoped Phase II NDRC Application and will monitor housing market conditions and carefully analyze niche demands for new construction where appropriate

In adjusting its focus to accomplish its goals and serve its beneficiaries, the city will also expand the options available to it to include for profit developers, multi-family building owners, other applicable for profit corporations, and the Minot Housing Authority to complement non-profit developers identified in the Action Plan as partners.

Project 3: Foster Economic Resilience and Diversification

Project Goal and Objectives

- 1. Foster a robust, diverse and healthy economy that enables the region to weather disruptions from physical as well as economic disasters**
- 2. Recovery in Minot that results in increased resilience and reduced risks in a vibrant community**

Minot faced an historic natural disaster coupled with the economic shock of an oil boom making recovery far more complicated and improved resilience more imperative for a stronger future. A skilled and well-training workforce is an essential foundation for a more resilient and diversified economy and a safe and secure disaster communications and collaborative social services location helps to ensure expeditious responses to disasters and hazards in the future.

Through engagement with identified partners in the Action Plan, it has become evident that available resources within the Action Plan identified need to be more strategically coordinated.

The table that follows shows the proposed clarifications/changes to the activities included in Minot's Phase II NDRC Application and compares those activity changes to the substantial amendment modification requirements identified in the August 7, 2017 federal register.

Project 1: Reduce Flood Risk and Improve Water Management	Project Clarification/Modification	#1. Change in Grantee's Capacity	#2. Undermine Grantee's Soundness of Approach	#3. Change to Most Impacted and Distressed Target Area	#4. Change in Program Benefits, Beneficiaries, or Eligibility Criteria, Reallocation of >10% of Grant Award	#5. Change to Leverage	#6. Addition or Deletion of Eligible Activity
Project 1 Activities							
1. The State of ND has committed funds to buy out and relocate 290 homes and 380 mobile homes (scaled numbers) in six areas. Page 41	Properties in three areas are being acquired at this time. As additional State funding becomes available, the City will purchase the additional areas; however, all areas may not be completely acquired prior to the end of the NDR grant due to the timing of the State fund allocation. <i>This may need to be a substantial amendment in 2019, depending upon the amount of State funding that becomes available to use for buyouts.</i>	No Change	No Change	<i>Change</i>	<i>Change</i>	No Change	No Change
Project Activity - Clarification							
2. Prioritization filters were used to identify areas for the proposed buyout program to determine the low-lying areas within the flood inundation area at greatest risk for flooding, and to review the construction timeline for the planned flood protection system. (page 42) 3. "We will link the buy-out program to the affordable housing buy-in program included in Project 2."	The design of the flood protection project is being completed in phases. The City proceeded expeditiously with the buyouts in the areas affected by the first phases of the floodwall to remove properties that were in the way of the floodwall construction. Buyouts will continue as the flood protection design is completed in other areas and sources of funds are identified for construction. <i>This may need a substantial amendment in 2019, depending upon amount of State funding appropriated in 2019 to use for buyouts.</i> This language will be clarified to read, "We will link the buy-out program to the affordable housing buy-in program included in Project 2 to be sure these affected Minot residents are a priority focus in addressing vulnerable population needs by being provided every possible opportunity to remain living inside the city limits."	No Change	No Change	<i>Change</i>	No Change	No Change	No Change
4. Develop open space and restoration for flood storage. One such area will restore 1.2 acres of forest and 10 acres of prairie to create habitat while contributing significantly to flood storage (pg. 43 & 44).	Buyouts in the first three areas resulted in the creation of open space flood storage areas which helped to reduce the overall cost of the City's floodwall and levee system. The open space/floodwall storage areas will be used for recreational activities in accordance with what FEMA allows and approved by the City's Floodplain Manager, and will include natural habitat restoration and new growth where feasible and applicable.	No Change	No Change	No Change	No Change	No Change	No Change

Project 2: Build Affordable Housing in Resilient Neighborhoods	Project Clarification/Modification	#1. Change in Grantee's Capacity	#2. Undermine Grantee's Soundness of Approach	#3. Change to Most Impacted and Distressed Target Area	#4. Change in Program Benefits, Beneficiaries, or Eligibility Criteria, Reallocation of >10% of Grant Award	#5. Change to Leverage	#6. Addition or Deletion of Eligible Activity
Project 2 Activities							
1. Multifamily affordable rental housing (pg. 47-62) Provide at least 183 affordable multifamily housing units	<p>Due to changes in housing market conditions after application submission, clarify activity to allow rehabilitation and new construction as appropriate given existing housing inventory and housing market conditions. Rehabilitation of affordable multifamily rental housing will improve housing resilience, preserve affordable rental housing that will remain affordable for 20+ years and extend the useful life of the property. These actions will safeguard long term rental affordability for current and future tenants and improve the resilience, safety and security of affordable housing for residents.</p> <p>Among opportunities for multi-family rehabilitation is multi-family property owned and operated by the Minot Housing Authority. Funds used in support of rehabilitation of property of the Minot Housing Authority will be capital expenses connected to resilience measures.</p> <p>Affordable rental housing units may include affordable rental townhomes, duplexes, or twin homes as well as housing defined as multifamily.</p>	No Change	No Change	No Change	No Change	No Change	No Change
2. Single family affordable homeownership program. Pages 52-55	Due to changes in housing market conditions after submission of the application, expand the focus to include affordable existing homes as well as affordable newly constructed homes as appropriate given existing housing inventory and housing market conditions within resilient neighborhoods based on established criteria as envisioned in the Action Plan.	No Change	No Change	No Change	No Change	No Change	No Change
3. Family Homeless Shelter, to build the shelter and a commercial kitchen. Facility will be owned and managed by the Minot Housing Authority (page 57)	Build or rehabilitate (includes acquisition of site or site and buildings) a structure(s) suitable for a family homeless shelter, commercial kitchen, and a community food pantry as funds are available. Facility ownership, management, and performance measures will be detailed in a sub-recipient agreement which may be with the Minot Housing Authority or another qualified non-profit corporation, and may include a collaborative consortium of community agencies working to provide shelter and delivery needed services to homeless families in Minot.	No Change	No Change	No Change	No Change	No Change	No Change
DRGR Clarification							
4. Single family affordable homeownership program. Support 150 affordable single-family homes for homeownership.	The phase 2 amended action plan states, "NDRC funds will benefit LMI households with incomes at or below 80% to 120% AMI." DRGR will be revised to match the phase 2 amended action plan.	No Change	No Change	No Change	No Change	No Change	No Change
Project Activity - Clarification							

