
City of Fargo, North Dakota
CONSOLIDATED PLAN
Housing and Community Development

Strategic Plan for years 2010-2014

Presented to

U.S. Department of Housing and Urban Development
Denver Office of Community Planning and Development

Original

(March 10, 2010)

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Executive Summary

The Fargo Consolidated Plan for Housing and Community Development examines the demographic and economic status of the community, evaluates the housing market, and then examines needs that exist in the homeless, special needs, housing and community development issue areas. Finally, the plan outlines a series of recommended goals and strategies for addressing the identified priority needs.

The City of Fargo Community Development Division annually receives federal funds through the U.S. Department of Housing and Urban Development (HUD). The CD Division is required to develop a 5-Year Consolidated Plan to articulate the community development goals for the next 5 years to receive the funding. This document also includes the 2010 Community Development Action Plan, which is the first of five action plans that comprise the implementation portion of this document.

This Consolidated Plan addresses strategies for the period of time from May 1, 2010 to April 30, 2015. Needs in the areas of Housing, Homelessness and non-housing related community development were identified through a needs assessment process. The City anticipates that the following Federal grants will be received:

Formula Grants

Community Development Block Grant (CDBG)
HOME Investment Partnership Program (HOME)

In addition to these funds, the City of Fargo will administer State and local funds, Neighborhood Stabilization Program and Emergency Shelter Grant funds, as well as Federal stimulus money which will include the following funds: Department of Energy Block Grant (EECBG), Community Development Block Grant (CDBG-R), and Homeless Prevention and Rapid Re-Housing Program (HPRP).

The funds will be used to meet the goals and objectives established and approved by the City's Community Development Committee and the Fargo City Commission. The goals and objectives have been developed in consultation with citizens, housing and service agencies, businesses, schools and other funding partners to provide decent housing, a suitable living environment and economic opportunities for low to moderate income households.

The City's Community Development Division will pursue these goals and objectives by working with the non-profit community, neighborhood groups, associated businesses, stakeholders, other local government entities, residents and community development partners. The CD Division will also work closely with other City departments to jointly plan, implement and evaluate the community development program's core activities.

The City of Fargo will strive to meet the attached goals and objectives over the next 5 years. The goals are based on assumptions about future funding levels for the Consolidated Plan programs. Because these funding sources are subject to annual Congressional appropriations, as well as potential changes in funding distribution formulas, the accomplishment projections and planned activities are subject to change with availability of funding.

Findings

An examination of community characteristics (relative to other Midwestern communities) and the findings outlined in the City's Needs Assessment helped identify priority needs that should be addressed with community development funds.

- **Homeownership rates** in Fargo are low. The City is likely to have a low homeownership rate relative to the state and national rates because of some of the characteristics of the population (high percent of student and elderly households, small household size) but the fact remains that the rate could be increased. Efforts to encourage minority homeownership and homeownership for low income households (50-80% of median income) are key initiatives. Additionally, working to ensure a variety of homeownership options throughout the community will encourage increases in homeownership across all income and age groups.
- Relatively speaking, housing in Fargo is **affordable**. Rents in Fargo have not increased, in real dollars since 1970 and incomes appear to be rising faster than housing costs. However, certain segments of the population do face significant affordability issues. Most rental households earning less than 30 percent of area median income face a severe cost burden. And for homeownership to remain within reach for households earning less than 120 percent of area median income, additional new construction of affordable owner occupied housing is needed.
- **Homelessness** is an issue that has a different scale in North Dakota and in the City of Fargo than it does in larger, more urbanized, areas. The most recent survey of homelessness in Fargo counted 352 homeless persons, 16 percent of whom could be considered chronically homeless. Even though Fargo is home to approximately 15 percent of the state's population, it is home to more than one-third of the state's homeless population. The City has a good emergency shelter system, some transitional housing and a permanent supportive housing development under construction, however, continuing the work to address crisis housing situations and to provide a robust continuum of housing options will allow people to move from homelessness to housing stability.
- Fargo is becoming a more **diverse community**. Immigrants come from two distinct groups – a highly educated and relatively affluent group associated with the metro area's universities and medical institutions, and a relatively disadvantaged group of refugees that have been resettled to the United States to avoid persecution in their native lands. In addition, Native Americans exhibit the most need (as measured by poverty, education levels, homeownership). Community systems and residents must continue to adjust to accommodate this diversity of language, culture, and need.
- A **neighborhood's physical and social infrastructure** combine to show the strength and long term viability of a place. Continued investment in the physical infrastructure of the City's neighborhoods (housing, streets, utilities, neighborhood facilities, parks and open space) and aggressive elimination of blight will encourage vitality in older and more fragile neighborhoods. In addition, investing in social infrastructure may be just as important. Social infrastructure involves leadership development and support for the activities of grass roots organizations (ex. neighborhood groups, ethnic communities).
- Efforts to **reduce poverty levels** by increasing earning power and family self sufficiency have a major impact on community and individual well being. HUD's definition of "extremely low income" (less than 30 percent of area median income) is roughly equal to the federal poverty level. All of the data included in this report shows that extremely low income households face the most extreme cost burdens and overall life challenges. They are unlikely to own a home and as such, are unlikely to be accumulating wealth in the form of a housing asset. Their lack of personal financial resources increases the difficulty associated with meeting basic food and shelter needs, as well as transportation and child care needs. In general, this group of people is living in a precarious situation. Efforts to support stability for extremely low income/poverty households are important because this is the group in greatest need.

Housing Needs

- Significant rehab needs in public housing must be addressed to maintain the community's inventory of subsidized units
- Affordability concerns for households earning less than 30 percent of the area median income. The majority of this group rents so rental affordability is key. Also, elderly households earning less than 30% of median income exhibit significant cost burden at high rates
- Homeownership rate is low, with disproportionately low rates of minority homeownership
- Owner occupied housing costs are rising for all income ranges
- Age-based projections through 2020 show younger population decreasing, with a large increase in senior, middle-aged, empty-nester households, which means shifting housing demand with a strong future bias toward home ownership
- Education on fair housing issues
- Construction of new subsidized units (i.e., LIHTC) should target extremely low income households (less than 30 percent median income) as well as families with children and seniors

Homeless Needs

- Develop additional permanent supportive housing to effectively transition people out of homelessness
- Find housing options for hard to house populations (bad credit, criminal background, behavioral issues, et al)
- Ensure culturally appropriate housing and support service solutions to maximize successful reduction in homelessness, particularly for the American Indian population which makes up a disproportionate share of the community's homeless
- Provide support to extremely low income households (<30 percent area median income) because they are the most precariously housed non-homeless
- Support efforts of the Continuum of Care and State agencies to bolster discharge planning practices to prevent newly discharged individuals from becoming homeless
- Increase public awareness of homelessness and the needs of this population

Non-Housing Community Development Needs

- Self sufficiency enhancement, particularly for extremely low income households (English language education, transportation, job skills, entrepreneurship, microenterprise support)
- Leadership development within local ethnic communities (i.e., Native and New Americans) to facilitate self determined activity and successful integration into the community fabric
- Neighborhood based youth/family facilities in low income and/or "fragile" neighborhoods
- Elimination of deteriorated property and blighted conditions in both residential neighborhoods and the central business district

2010-2014 Community Development Goals

To address the priority needs identified in the City's 5 Year Consolidated Plan for Housing and Community Development, Fargo has identified the following six goals. Specific objectives are provided to further define each of these goals.

1. Affordable Housing and Homeownership

Create and maintain affordable housing options and increase homeownership in the City of Fargo

- Rehabilitate older owner occupied housing
- Work with local partners to create new housing and rehabilitate existing affordable housing throughout the community, including the preservation of the existing subsidized housing
- Assist low income homeowners with infrastructure assessments to help maintain the affordability of homeownership
- Increase public awareness of affordability concerns and the needs of at-risk populations
- Provide opportunities for housing education to potential and recent homeowners and tenants
- Provide downpayment assistance to low/moderate income homebuyers
- Increase homeownership rates for minorities

2. Homelessness

Participate in collaborative efforts to reduce and prevent homelessness in the community

- Work to end chronic homelessness through Fargo's 10 Year Plan
- Provide a continuum of housing options for Fargo's homeless populations and encourage the development of supportive housing partnerships

3. Neighborhoods

Make sure that all Fargo neighborhoods are neighborhoods of choice

- Eliminate blighted conditions from the downtown business district and Fargo's central residential neighborhoods
- Foster the establishment of strong neighborhoods through the implementation of neighborhood revitalization efforts

4. Fair Housing and Diversity

Promote the principles of fair housing and acceptance of diversity

- Provide education on fair housing issues

5. Poverty Reduction

Reduce poverty by supporting efforts to increase the self sufficiency/self determination of low and moderate income households and individuals in the community

- Support skill-building and other opportunities designed to improve self sufficiency and personal success (i.e., access to healthcare, job training, financial literacy, English language, driving skills, pre-GED, community gardening, leadership training)
- Support metropolitan efforts to address the transportation and other barriers to work that affect low income individuals (i.e., child care, education, etc)

6. Administration

Administer the Community Development program to meet community needs and Federal grant requirements

- Overall Community Development program administration

The City will measure its performance both by tracking specific program outcomes and by evaluating overall community impact.

2010-2014 Consolidated Plan Total Anticipated Allocation						
CDBG = \$3.78M over 5 years/\$756,000 annually						
HOME = \$3.58M over 5 years/\$716,000 annually						
TOTAL = \$7.35M over 5 years/\$1.47M annually						
	CDBG	<i>% of CDBG</i>	HOME	<i>% of HOME</i>	TOTAL	<i>% of Total</i>
1. Affordable Housing	\$550,000	14.6%	\$2,300,000	64.3%	\$2,850,000	38.8%
2. Homeownership	\$175,000	4.6%	\$775,000	21.7%	\$950,000	12.9%
3. Homelessness	\$400,000	10.6%	\$150,000	4.2%	\$550,000	7.5%
4. Neighborhoods	\$1,500,000	39.7%	\$0	0.0%	\$1,500,000	20.4%
5. Fair Housing	\$2,500	0.1%	\$0	0.0%	\$2,500	0.0%
6. Poverty Reduction	\$400,000	10.6%	\$0	0.0%	\$400,000	5.4%
Administration	\$750,000	19.9%	\$350,000	9.8%	\$1,100,000	15.0%
Total	\$3,777,500		\$3,575,000		\$7,352,500	

2010-2014 Consolidated Plan Goals, Objectives and Outcomes		
Objectives	Outcomes	Estimated Funding, Source and Amount
Affordable Housing and Homeownership. Create and maintain affordable housing options and increase homeownership in the City of Fargo		
<ul style="list-style-type: none"> Rehabilitate older owner occupied housing 	75 households	HOME = \$1.5M CDBG = \$250K
<ul style="list-style-type: none"> Work with local partners to create new and rehabilitate affordable housing throughout the community, including the preservation of the existing subsidized housing 	350 units	HOME = \$800K CDBG = \$200K
<ul style="list-style-type: none"> Assist low income homeowners with infrastructure assessments to help maintain the affordability of homeownership 	250 households	CDBG = 100K
<ul style="list-style-type: none"> Increase public awareness of affordability concerns and the needs of at-risk populations 	No measure	
<ul style="list-style-type: none"> Provide opportunities for housing education to potential and recent homeowners and tenants 	1,800 people	CDBG = \$175K HOME = \$25K
<ul style="list-style-type: none"> Provide downpayment assistance to low/moderate income homebuyers 	140 households	HOME = \$700K
<ul style="list-style-type: none"> Increase homeownership rates for minorities 	20 households	HOME = 100K

Homelessness. Participate in collaborative efforts to reduce and prevent homelessness in the community		
• Work to end chronic homelessness through Fargo's 10 Year Plan	225 individuals	CDBG = \$400K
• Provide a continuum of housing options for Fargo's homeless populations and encourage the development of supportive housing partnerships	30 households	HOME = \$150K
Neighborhoods. Make sure that all Fargo neighborhoods are neighborhoods of choice		
• Eliminate blighted conditions from the downtown business district and Fargo's central residential neighborhoods	15 projects	CDBG = \$1M
• Foster the establishment of strong neighborhoods through the implementation of neighborhood revitalization efforts	8 neighborhoods 32,000 households	CDBG = \$500K
Fair Housing and Diversity. Promote the principles of fair housing and acceptance of diversity		
• Provide education on fair housing issues	400 individuals	CDBG = \$2,500
Poverty Reduction. Reduce poverty by supporting efforts to increase the self sufficiency/self determination of low and moderate income households and individuals in the community		
• Support skill-building and other opportunities designed to improve self sufficiency and personal success (i.e., access to healthcare, job training, financial literacy, English language learning, driving skills, pre-GED, community gardening, leadership training)	50,000 individuals	CDBG = 350K
• Support metropolitan efforts to address the transportation and other barriers to work that affect low income individuals (i.e., child care, education, etc)	1,500 individuals	CDBG = \$50K
Administration. Administer the Community Development program to meet community needs and Federal grant requirements		
• Overall Community Development program administration		CDBG = \$700K HOME = \$350K

History of Municipal Response to Housing and Community Development Needs

The City of Fargo has been using federal funds to serve the needs of the community's low and moderate income persons and neighborhoods since the CDBG program was created in 1974. The City's commitment is to make sure that Fargo is a good place to live and work for people of all income groups and ethnic backgrounds and to provide all of the City's neighborhoods and residents with a place they are proud to call home.

The following is a summary of the federal funds, and associated program income, received by the City of Fargo from HUD since 2001. It is worthy to note that program income typically accounts for more than 20 percent of the total that is available for investment in the community each year.

Community Development Funds received 2001-2008

	CDBG	HOME	Program Income	Total
2001	883,000	562,000	133,748	\$1,580,749
2002	866,000	592,000	253,915	\$1,713,917
2003	861,000	704,679	300,134	\$1,867,816
2004	835,000	647,466 ¹	559,143	\$2,043,613
2005	789,140	568,640 ²	405,080	\$1,764,865
2006	706,516	568,698 ³	572,124	\$1,849,344
2007	702,016	564,764 ⁴	252,535	\$1,521,322
2008	674,718	526,625 ⁵	132,605	\$1,335,956
2009	685,629	571,340	95,409	\$1,525,546
	183,168	(CDBG-R)		

¹ This includes an ADDI allocation of \$55,625, received directly from HUD.

² This includes an ADDI allocation of \$45,000 received from the State of North Dakota.

³ This includes an ADDI allocation of \$33,695 received from the State of North Dakota.

⁴ This includes an ADDI allocation of \$33,695 received from the State of North Dakota.

⁵ This includes an ADDI allocation of \$13,735 received from the State of North Dakota.

The 2005-2009 Consolidated Plan outlined six areas of emphasis for community development activity. The City focused its energy in these six areas, with the bulk of resources going to housing and housing-related activities. The second highest category of expenditure focused on the elimination of conditions of slum and blight in Fargo's downtown area. Table 2 breaks down the level of expenditure by goal for the five year period covered by the last Consolidated Plan.

Expenditure of Funds as per Consolidated Plan Goals						
Program Years 2005-2008						
	CDBG Funds Spent	<i>% of CDBG funds drawn</i>	HOME Funds Spent	<i>% of HOME funds drawn</i>	TOTAL FUNDS SPENT	<i>% of Total funds drawn</i>
1. Affordable Housing	\$694,725	19.2%	\$2,328,082	67.0%	\$3,022,807	42.6%
2. Homeownership	\$113,132	3.1%	\$888,877	25.6%	\$1,002,009	14.1%
3. Homelessness	\$939,206	26.0%	\$0	0.0%	\$939,206	13.2%
4. Neighborhoods	\$932,680	25.8%	\$0	0.0%	\$932,680	13.2%
5. Fair Housing	\$132,675	3.7%	\$0	0.0%	\$132,675	1.9%
6. Poverty Reduction	\$214,864	5.9%	\$0	0.0%	\$214,864	3.0%
Administration	\$588,911	16.3%	\$258,762	7.4%	\$847,673	12.0%
Total	\$3,615,193		\$3,475,721		\$7,090,914	

The following table lists the twenty-four objectives that were identified in the 2005-2009 Consolidated Plan and provides a brief summary of the degree of accomplishment for each, along with examples of specific activities undertaken in the pursuit of each objective.

Summary of Accomplishments as per Consolidated Plan Strategies Program Years 2005-2009		
Objectives outlined in 2005-2009 Consolidated Plan	Degree of Accomp.	Example of specific activities
Affordable Housing. Create and maintain affordable housing options for people of all incomes		
1. Support the preservation of the existing subsidized housing stock	H	Housing rehab (owner and rental)
2. Rehabilitate older owner occupied housing	H	Housing rehab (owner and rental)
3. Rehabilitate rental housing in the downtown neighborhood	M	Downtown projects, storefront rehab, rental rehab
4. Rehabilitate rental housing throughout the community	L	Rental rehab, tenant education program
5. Work with local partners to create new affordable housing throughout the community	H	Bluestem Homes, Sunrise Apartments, Cooper House Habitat for Humanity, FM Homebuilders Care projects
6. Assist low income homeowners with infrastructure assessments	H	Special assessment assistance
7. Increase public awareness of affordability concerns and the needs of at-risk populations	L	Minority Homeownership Forum
Homeownership. Increase Homeownership in the City of Fargo		
1. Provide downpayment assistance to low/moderate income homebuyers	H	Downpayment assistance
2. Provide opportunities for education to potential and recent homebuyers	H	Homebuyer education
3. Increase homeownership rates for minorities	L	Minority Homeownership Initiative
4. Target special homeownership incentives to increase rates in designated revitalization areas	H	Neighborhood Revitalization Initiative, housing rehab, lead paint training, distribute materials
Homelessness. Reduce homelessness in the community		
1. Work to end chronic homelessness in Fargo	H	Fargo's 10 Year Plan, Gladys Ray Shelter, Cooper House, YWCA, TBRA, Family Healthcare Center
2. Provide a continuum of housing options for Fargo's homeless populations	M	Fargo Housing and Redevelopment Authority, YWCA's transitional housing units, New Life Center
3. Encourage the development of supportive housing partnerships	H	Cooper House, YWCA, Sister's Path
4. Actively participate in collaborative efforts to address homelessness	H	Fargo's 10 year Plan to End Long-Term Homelessness, Wilder Research Surveys, Continuum of Care

Neighborhoods. Make sure that all Fargo neighborhoods are neighborhoods of choice

1.	Eliminate blighted conditions from the downtown business district	H	Downtown projects, storefront rehab, rental rehab, accessibility improvements
2.	Eliminate blighted conditions from central Fargo's residential neighborhoods	H	Neighborhood Revitalization Initiative
3.	Foster the establishment of strong neighborhoods	M	Neighborhood planning, Jefferson Park West improvement, Neighborhood Resource Center, CHARISM youth center, snow removal assistance

Fair Housing and Diversity. Promote the principles of fair housing and acceptance of diversity

1.	Provide education on fair housing issues	M	Fair Housing of the Dakotas educational sessions
2.	Support efforts to reduce public opposition to group living facilities and other publicly assisted/low income facilities	M	
3.	Provide education on accessible housing	L	
4.	Support the integration of new immigrants into the community	M	Minority Homeownership Initiative and forums

Poverty Reduction. Reduce poverty by supporting efforts to increase the self sufficiency/self determination of extremely low income individuals in the community

1.	Support skill-building and other opportunities designed to improve self sufficiency and personal success (ex. job training, financial literacy, English language, driving skills, pre-GED, leadership training)	H	Skills and Technology project, CHARISM life skills training, Cultural Diversity Resources' multi-ethnic leadership program and Immigrant Development Center's entrepreneurial training, support for the availability of affordable educational child care (Nokomis)
2.	Provide micro-loans to encourage entrepreneurship for low income persons	L	
3.	Support metropolitan efforts to address the transportation and other barriers to work that affect low income individuals (i.e., child care, education, etc)	M	Metro Transportation Initiative

Understanding Our Community

“Populations are aging – affecting settlement patterns, lifestyle choices, and consumption trends. Diversity is spreading across the map, thanks to the most significant wave of immigration in 100 years. And the nation continues to shift to a knowledge- and service-based economy, placing new demands on education and workforce systems. For cities and their leaders, such changes make understanding the census much more than an academic exercise.

“Information about the residential patterns of poor and working poor families is beginning to shape debates on issues as diverse as federal welfare reform, school equity financing, and suburban job, housing and transportation access. Data on population and economic decentralization are heightening concerns over metropolitan development patterns and their implications for low income workers and neighborhoods. New findings about the changing composition of city populations are affecting local debates over the appropriate mix of housing and city services. In short, to understand the policy context for cities and neighborhoods requires understanding the census.”⁶

The following indicators have been selected by the Brookings Institution as being key to understanding community development issues in communities across the country:

Population
Age
Households and Families
Education
Work
Race, Ethnicity and Immigration
Income and Poverty
Housing

The analysis that follows includes these indicators and allows for comparison between communities of different sizes and regions. The presentation of this information is intended to give the reader a better sense of where Fargo stands in relation to other communities in the Midwest. It is a preamble to the Needs Assessment which comprises the next section of this document.

Data is based primarily on the 2006-2008 American Community Survey (ACS), and was collected by local community development staff. In some cases, information is based upon 2000 Census data where the ACS either did not contain the pertinent information or had too high a margin-of-error for practical consideration. Also included is data collected by the Brookings Institution in conjunction with the Living Cities Databook Project in 2004 as well as information provided by the North Dakota State Data Center. Comparison communities vary in size and circumstance but still provide interesting context for issues facing communities in the Midwest. The following is a list of target communities upon which the majority of this analysis is based:

City of Fargo, ND
Fargo-Moorhead MSA
City of Sioux Falls, SD
Sioux Falls MSA
City of Fort Collins, CO
City of Madison, WI
City of Duluth, MN
Cities of Minneapolis and St. Paul, MN
Nation

⁶ *Minneapolis St. Paul in Focus: A Profile from Census 2000*. Living Cities: The National Community Development Initiative. Brookings Institution Center on Urban and Metropolitan Policy. (Washington, D.C., 2004), 2.

Population

Population growth does not by itself define a city's health. Nevertheless, the fact that people "vote with their feet" makes population change a good first order indicator of the appeal of a place.

Fargo's Population Growth was slightly greater than the national rate between 1990 and 2008 and is similar to many of its peers

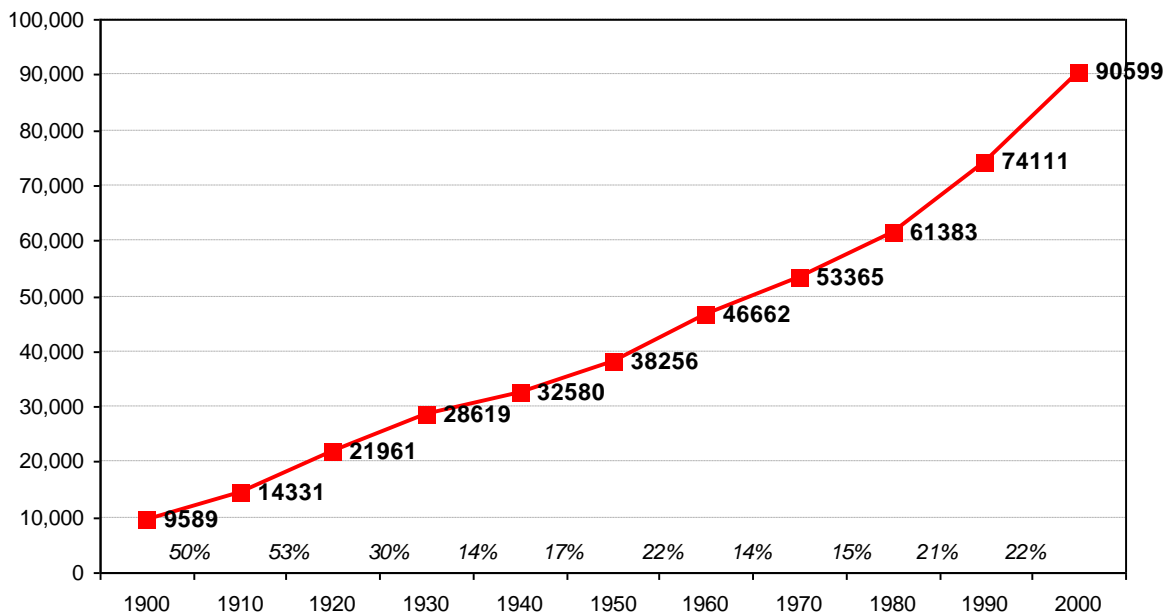
Percent population change, 1990-2008

City	Population			Percent change		
	1990	2000	2008	1990-2000	2000-2008	Total 1990-2008
Sioux Falls MSA	139,236	187,093	227,129	34%	21%	63%
Fort Collins, CO	87,758	118,440	136,509	35%	15%	56%
Sioux Falls	100,836	124,158	148,986	23%	20%	48%
Fargo	74,111	90,599	93,531	22%	3%	26%
Fargo-Moorhead MSA	153,296	174,367	192,187	14%	10%	25%
Nation	248,718,301	281,421,906	304,059,724	13%	8%	22%
Madison, WI	191,262	207,525	218,915	9%	5%	14%
Minneapolis-St. Paul, MN	640,618	669,769	662,195	5%	-1%	3%
Duluth, MN	85,493	86,810	86,287	2%	-1%	1%

Source: U.S. Census Bureau, Living Cities Dataset (Brookings Institution), 2006-2008 American Community Survey

Fargo has experienced double digit population growth every decade of this century

Population change by decade, 1900-2000

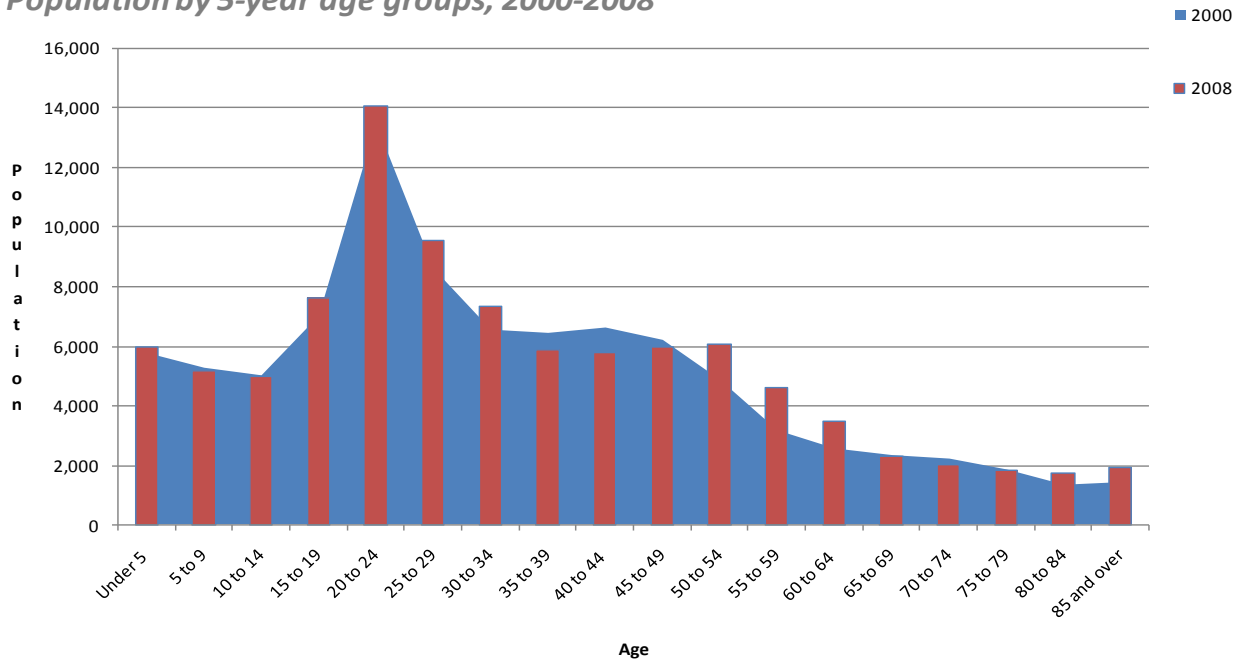


Age

The age profile of a city's population can answer some very basic questions about a city's ability to provide for its residents. For instance, the number of working-age residents from whom the city can raise revenue influences the level of services it can provide for more "dependent" residents like the elderly and children. Likewise, the city's ability to "compete" for younger workers may hint at its prospects for continued vitality in the future.

Adults age 20-24 are Fargo's largest age group in 2000 and 2008. The chart below indicates a population loss among those 35 to 49 years of age, and a significant growth among baby-boomers and those 80 and above.

Population by 5-year age groups, 2000-2008



Forty-three children and seniors in Fargo depend on every 100 working age adults, a ratio lower than the national average

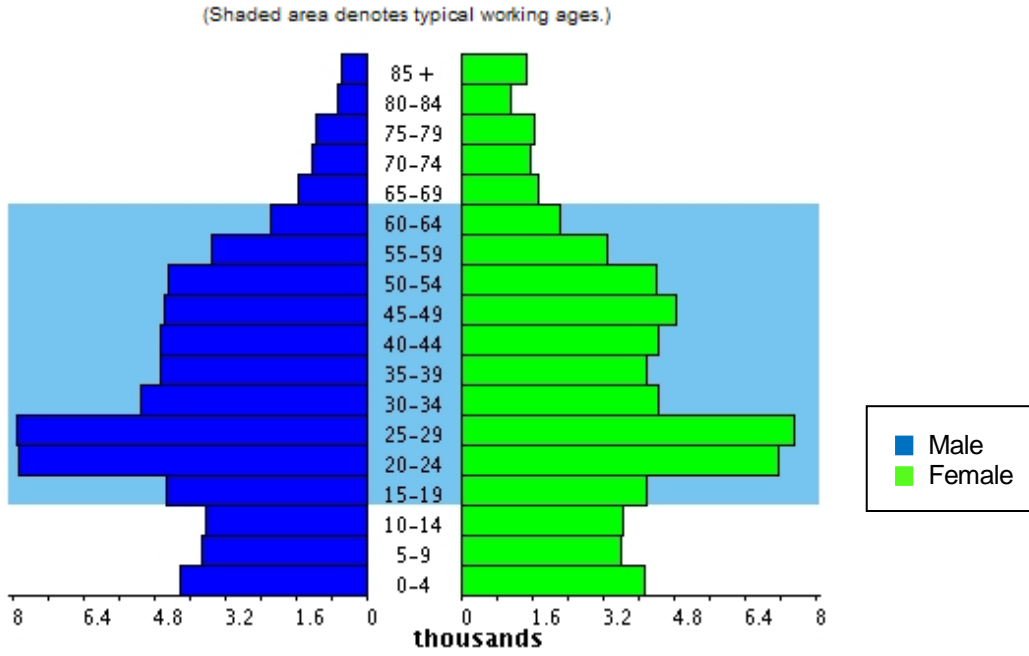
Dependency ratio and share of population by age group, 2008

City	Dependency Ratio	Children (0-17)	Working age (18-64)	Elderly (65+)
Madison, WI	36	17.3%	73.4%	9.3%
Fort Collins, CO	39	20.1%	72.2%	7.7%
Fargo	43	20.0%	70.0%	10.0%
Minneapolis-St. Paul, MN	47	22.6%	68.3%	9.3%
Duluth, MN	49	19.6%	67.3%	13.2%
Sioux Falls, SD	55	23.9%	64.3%	11.8%
Nation	61	24.5%	62.2%	13.3%

Source: U.S. Census Bureau, 2006-2008 American Community Survey

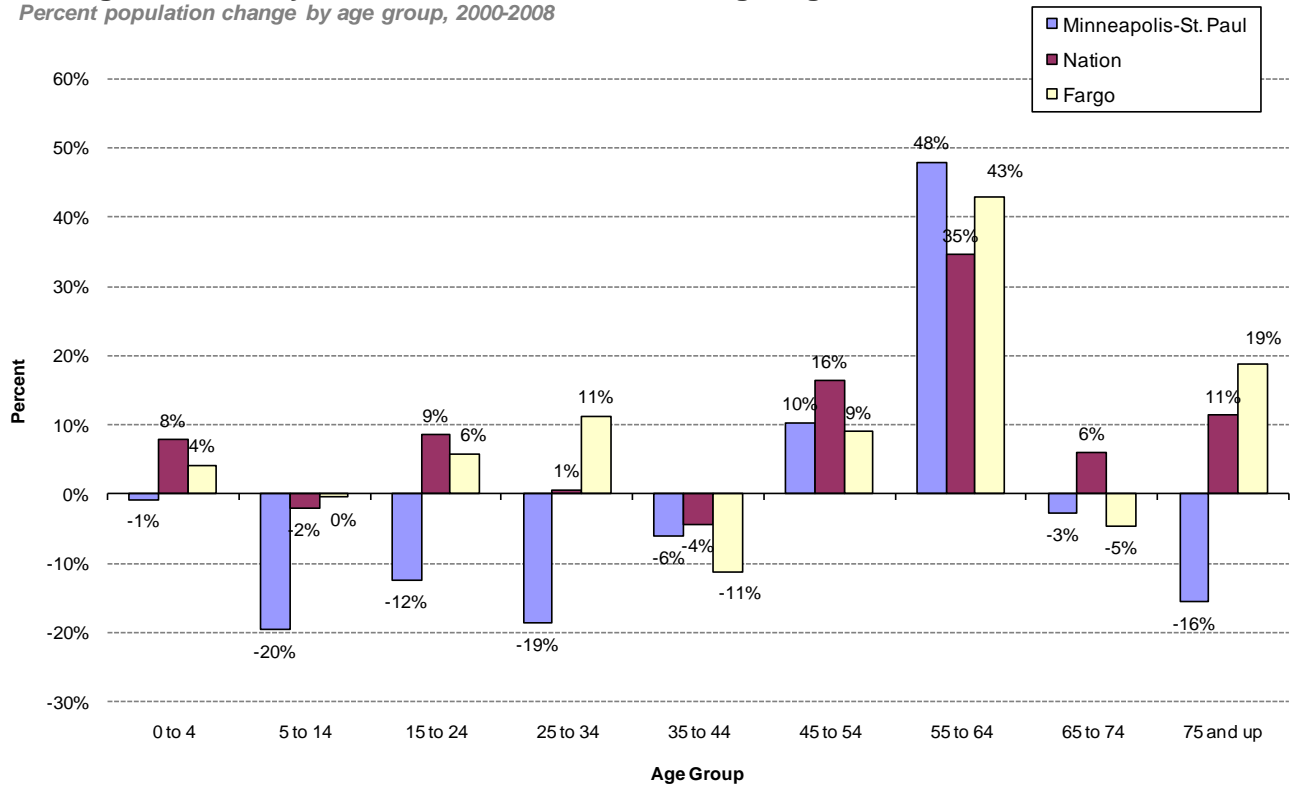
Population by age and sex for Cass County, 2005

North Dakota State Data Center, "Demographic Changes in the Fargo Moorhead Area" 2008



Young adults, Baby-boomers & Seniors drive Fargo's growth

Percent population change by age group, 2000-2008



Households and Families

Population change is a good first indicator of city health. But data on the types of households that are contributing to change can provide far more nuanced clues about whether a city is attractive to all kinds of people - or just some kinds. The household composition of a city can provide leaders critical intelligence as to the kinds of housing and services they need to provide. Such data may also prove invaluable in helping cities frame strategies to lure wider mixes of families through proactive housing and amenities strategies.

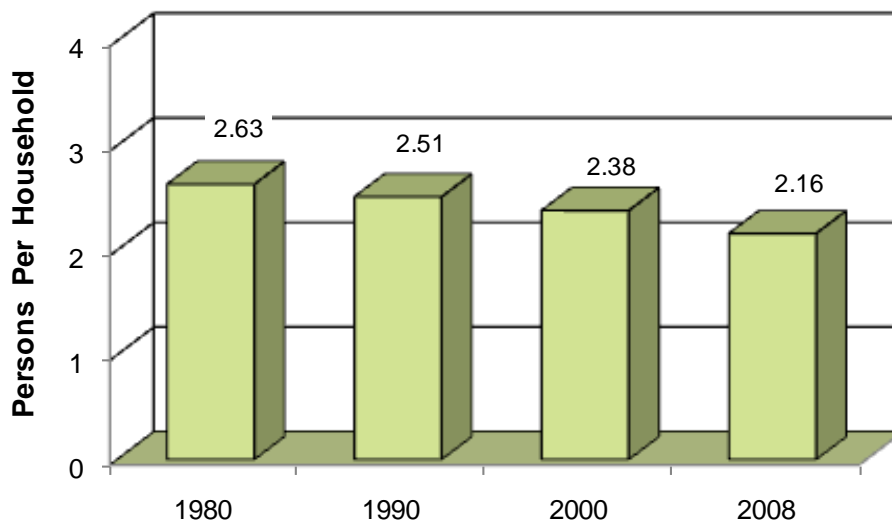
Fargo households are smaller than those in peer communities and declining in size at a faster rate. However, household formation (+30 percent in 1990s) remains strong, and appears to support a stable and expanding local housing market

Average household size, 2000-2008

City	2000	2008	Percent change
Nation	2.59	2.61	0.8%
Sioux Falls, SD	2.40	2.45	2.1%
Fort Collins, CO	2.45	2.36	-3.7%
Madison, WI	2.19	2.28	4.1%
Minneapolis-St. Paul, MN	2.33	2.26	-3.0%
Duluth, MN	2.26	2.21	-2.2%
Fargo	2.21	1.99	-9.9%

Source: U.S. Census Bureau – 2006-2008 American Community Survey

Fargo-Moorhead Area Household Size



Source: ND State Data Center, 2008 American Community Survey 1 year estimates

In addition to the types of households listed below, one in four Fargo households contains children under age 18 – this rate is comparable to large urban areas but lower than national rates

Share of households by type, 2008

City	Married couple w/children	Married Couple w/o children	Other family w/children	Other family w/o children	Individual living alone	Nonfamily
Fargo	16.0%	21.2%	8.1%	4.7%	37.0%	13.1%
Sioux Falls	18.7%	27.3%	10.0%	4.8%	32.2%	7.1%
Fort Collins, CO	20.8%	22.1%	7.2%	4.7%	30.1%	15.2%
Duluth, MN	15.4%	23.2%	10.0%	4.4%	36.7%	10.4%
Madison, WI	16.1%	21.7%	5.6%	4.3%	39.6%	12.8%
Minneapolis-St. Paul	13.4%	17.3%	10.5%	6.5%	41.0%	11.2%
Nation	21.4%	28.2%	9.6%	7.4%	27.5%	5.9%

Source: US Census Bureau-2006-2008 American Community Survey

Five percent of Fargo residents arrived in the city in the last year indicating a higher rate of mobility than is evidenced nationwide

Share of population living in a different city five years ago, 2008

City	Population one year old or greater	Living in different city in previous year	Percent
Sioux Falls	146,909	4,721	3.2%
Minneapolis-St. Paul	618,190	21,412	3.5%
Nation	248,082,645	8,611,599	3.5%
Fargo	95,206	4,945	5.2%
Duluth, MN	85,251	5,212	6.1%
Madison, WI	216,395	14,070	6.5%
Fort Collins, CO	135,170	15,165	11.2%

Source: US Census Bureau-2006-2008 American Community Survey

Education

Education data are critical because it is well understood that education levels strongly influence individuals', regions', and the nation's economic success. For cities, our nation's long-run transition from a manufacturing-dominated economy to a service-oriented "knowledge" economy means that centers with a critical mass of educated workers gain competitive advantage. Cities whose populations have high levels of educational attainment are well-positioned to attract jobs, grow their tax bases, and provide a high-quality environment for their residents.

As home to three four-year universities, Fargo and the F-M metro area have high percentages of people enrolled in college

Share of population age 3 and over enrolled in a college/university, 2008

City	Population 18 years or older	Percent of Population 18 and older enrolled at a University
Fort Collins, CO	109,263	25.9%
Madison, WI	181,094	24.5%
Fargo	77,056	20.5%
Duluth, MN	69,404	19.2%
Minneapolis-St. Paul	607,888	13.3%
Nation	227,431,128	8.2%
Sioux Falls	113,350	8.7%

Source: U.S. Census Bureau – 2006-2008 American Community Survey, S1401

One in three Fargo residents has a bachelor's degree, which ranks high among peer communities and is significantly greater than the national average

Share of population age 25 and over by educational attainment, 1990-2008*

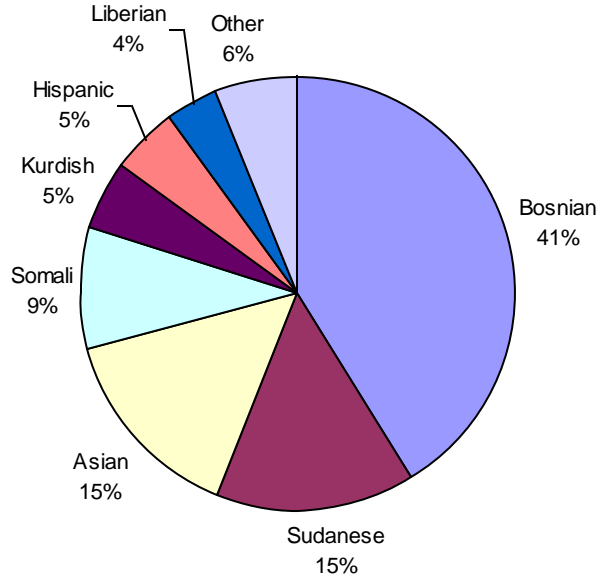
City	Bachelor's Degree			High School Diploma		
	1990	2000	2008	1990	2000	2008
Madison, WI	42.0%	48.2%	51.0%	90.6%	92.4%	94.2%
Fort Collins, CO	42.7%	48.4%	49.9%	91.5%	94.0%	94.2%
Minneapolis-St. Paul, MN	28.7%	35.2%	40.4%	82.0%	84.5%	87.5%
Fargo	30.2%	34.4%	38.6%	88.7%	91.0%	93.6%
Duluth, MN	22.5%	28.2%	32.2%	81.4%	87.7%	91.9%
Sioux Falls, SD	22.9%	27.8%	30.5%	83.4%	88.5%	90.2%
Nation	20.3%	24.4%	27.4%	75.2%	80.4%	84.5%

Source: U.S. Census Bureau – P37, Living Cities Dataset (Brookings Institution), B16010, 2006-2008 American Community Survey

*Figures reflect share of population with at least named level of attainment

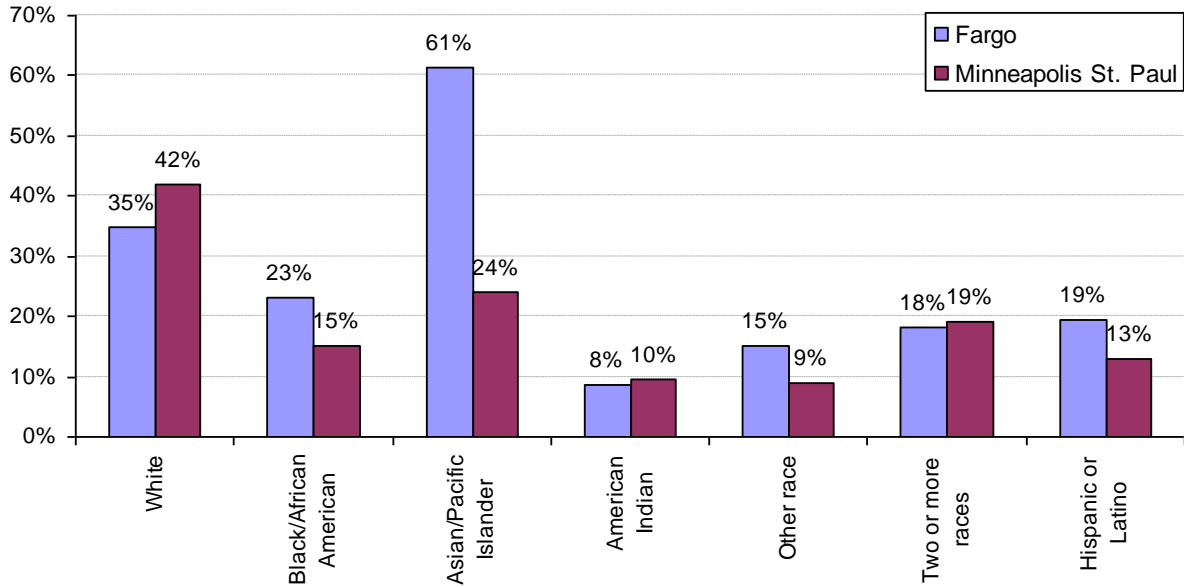
Fargo Public Schools served 615 ESL students in April 2004, up from 551 in 2000

K-12 English as a Second Language students by Country of Origin



American Indians have the lowest rate of college attainment among racial and ethnic minorities in Fargo

Share of population age 25 and over with at least a bachelor's degree by race/ethnicity, 2000



Work

A city's social and economic fortunes turn, in large part, on the ability of its residents to succeed in the labor force. If residents are not able to find work, or have no connection to the labor market at all, a city may need to promote better access to jobs networks and job opportunities for groups or neighborhoods left behind. Understanding more about the employed population is equally crucial. For that reason, understanding the kinds of jobs in which its residents work can help a city tailor education, economic development, and career development strategies that enhance economic security for working families.

Fargo exceeds national and peer rates for its share of adults participating in the labor force

Labor force participation rate, 2008

City	Population 16 and Over	In Labor Force	Labor Force Participation Rate
Sioux Falls, SD	116,931	87,836	75.1%
Fargo	79,015	59,208	74.9%
Madison, WI	185,326	133,573	72.1%
Minneapolis-St. Paul, MN	501,680	359,778	71.7%
Fort Collins, CO	112,185	79,712	71.1%
Nation	236,078,754	153,989,802	65.2%
Duluth, MN	71,319	46,246	64.8%

Source: U.S. Census Bureau – 2006-2008 American Community Survey

In Fargo, over 82 percent of children 6 to 17 years live in a family with all parents in the workforce, which is greater than peer community and national rates.

Share of 6 to 17 year-old children living in families with all parents in labor force, 2008

City	Children ages 6 to 17 living in Families	Children living in families with all parents in Labor Force	Percent
Fargo	11,684	9,671	82.8%
Sioux Falls, SD	21,770	17,216	79.1%
Madison, WI	21,842	17,269	79.1%
Fort Collins, CO	17,464	12,692	72.7%
Nation	45,987,592	32,448,452	70.6%
Minneapolis-St. Paul, MN	80,388	56,293	70.0%
Duluth, MN	10,323	7,029	68.1%

Source: U.S. Census Bureau – 2006-2008 American Community Survey

**Fargo is a university community and a regional shopping center.
A large percentage of Fargo jobs are in the areas of “Educational, Health and Social Services” and “Wholesale and Retail trade”**

Share of workers by major industries, 2008

City	<i>Educational, Health and Social Services</i>	<i>Wholesale and Retail Trade</i>	<i>Manufact uring</i>	<i>Professional, Scientific and Management Services</i>	<i>Arts, Entertainment, Recreation, Accommodation, and Food Svc</i>	<i>Other industries</i>
Duluth, MN	34.3%	14.2%	4.7%	7.6%	12.3%	26.9%
Madison, WI	31.1%	12.0%	8.4%	11.5%	9.4%	27.6%
Fort Collins, CO	26.3%	12.5%	9.8%	13.2%	10.3%	27.9%
Minneapolis-St. Paul, MN	25.1%	13.2%	9.5%	13.3%	11.1%	27.8%
Fargo	24.6%	17.2%	8.6%	11.1%	9.7%	28.8%
Sioux Falls, SD	22.2%	16.3%	10.6%	7.5%	8.7%	34.6%
Nation	21.3%	14.7%	11.3%	10.3%	8.7%	33.7%

Source: U.S. Census Bureau – 2006-2008 American Community Survey

Fargo workers are employed in year-round part-time work at almost twice the national rate

Share of population 16+ by full-time/part-time employment status, 2000

City	<i>Full time All year</i>	<i>Full time Seasonal</i>	<i>Part time All year</i>	<i>Part time Seasonal</i>	<i>Did not work in 1999</i>
Fargo	45.9%	13.7%	11.3%	10.8%	18.2%
Duluth, MN	35.2%	12.4%	11.2%	12.6%	28.6%
Madison, WI	43.0%	13.8%	10.0%	15.2%	17.9%
Fort Collins, CO	40.7%	15.7%	9.8%	16.0%	17.9%
Minneapolis-St. Paul, MN	44.6%	13.1%	8.2%	10.8%	23.3%
Sioux Falls, SD	52.1%	11.1%	8.0%	9.1%	19.7%
Nation	43.2%	11.8%	6.2%	8.4%	30.5%

Source: U.S. Census Bureau – P47, Living Cities Dataset (Brookings Institution)

Note: Full time all year – 35+ hours/week 48+ weeks/year, Full time seasonal - 35+ hours/week <48 weeks/year, Part time all year - <35 hours/week 48+ weeks/year, Part time seasonal - <35 hours/week <48 weeks/year.

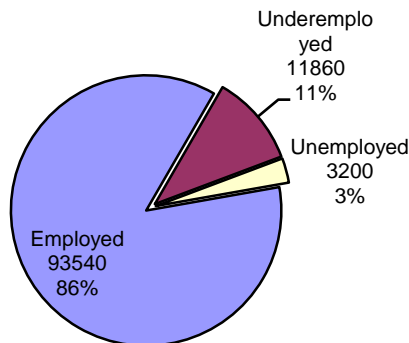
The unemployment rate in Fargo is well below the national average
Unemployment Rate, 2008

City	Population 16 and over	Population 16 and over who are unemployed	Unemployment Rate
Sioux Falls, SD	116,931	2,886	2.5%
Fargo	79,015	2,338	3.0%
Madison, WI	185,326	5,684	3.1%
Nation	236,078,754	9,713,189	4.1%
Fort Collins, CO	112,185	5,116	4.6%
Duluth, MN	71,319	3,347	4.7%
Minneapolis-St. Paul, MN	501,680	28,450	5.7%

Source: U.S. Census Bureau-2006-2008 American Community Survey

“Underemployed” workers have indicated interest in changing jobs and have the skills to warrant a higher level of employment.⁷

Employment Status of workers in Fargo Moorhead Labor force



% of underemployed	...willing to change jobs for designated hourly wage or less
10%	\$9.11
25%	\$11.38
50%	\$15.24
75%	\$22.18

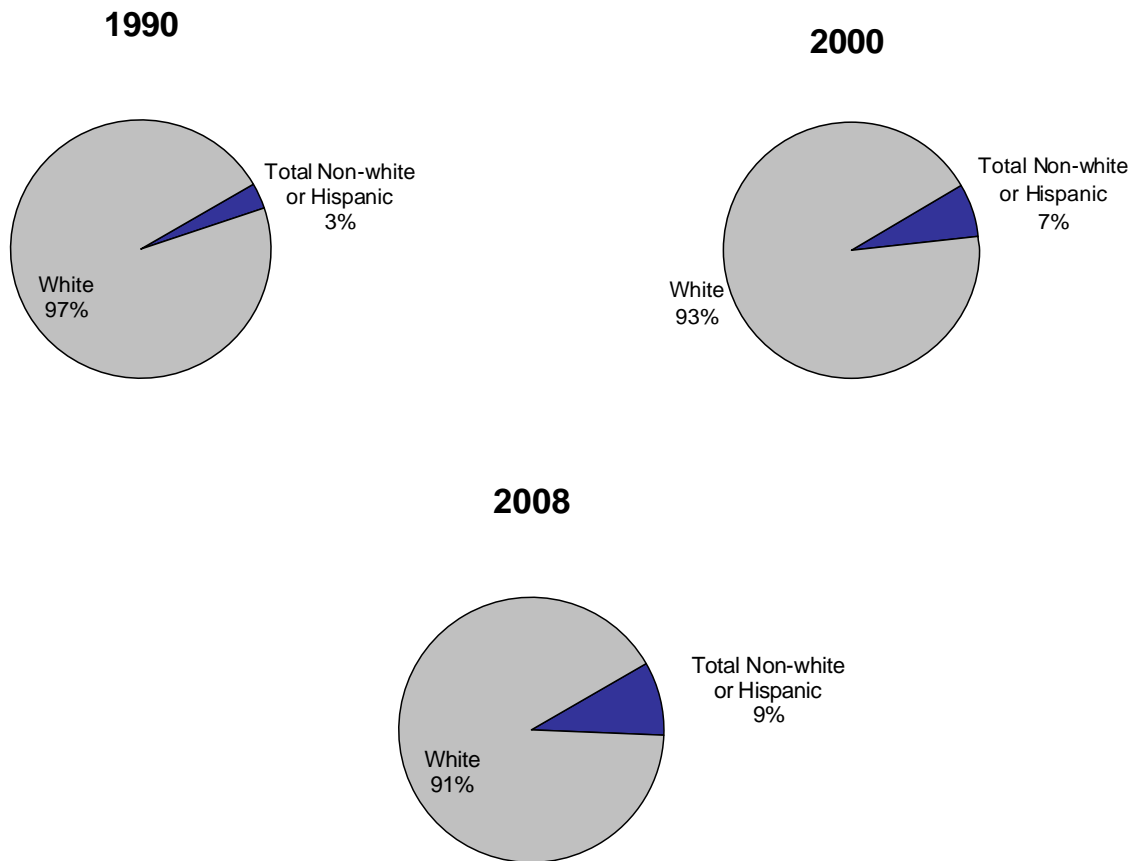
⁷ The Fargo Moorhead MSA Labor Availability Survey, The Pathfinders (June 2004), p. 8.

Race, Ethnicity and Immigration

An influx of immigrants ... helped to sustain population growth in a majority of the nation's largest cities in the 1990s. But cities also need to understand how their racial and ethnic compositions are changing so they can decide how to fund and deliver services to meet the needs of increasingly diverse populations. In particular, the growing representation of Latinos, whose families tend to be younger and to have more children, suggests cities need to take a closer look at schools, public health and other programs that primarily serve the young.

Whites make up the majority of Fargo's population but racial/ethnic minorities more than tripled in population share over the past two decades

Population share by race/ethnicity, 1990-2008



Racial/Ethnic minorities are estimated to make up 9% of Fargo’s population. However, this number does not include as minorities European refugees, which comprise more than 20 percent of the city’s foreign-born population

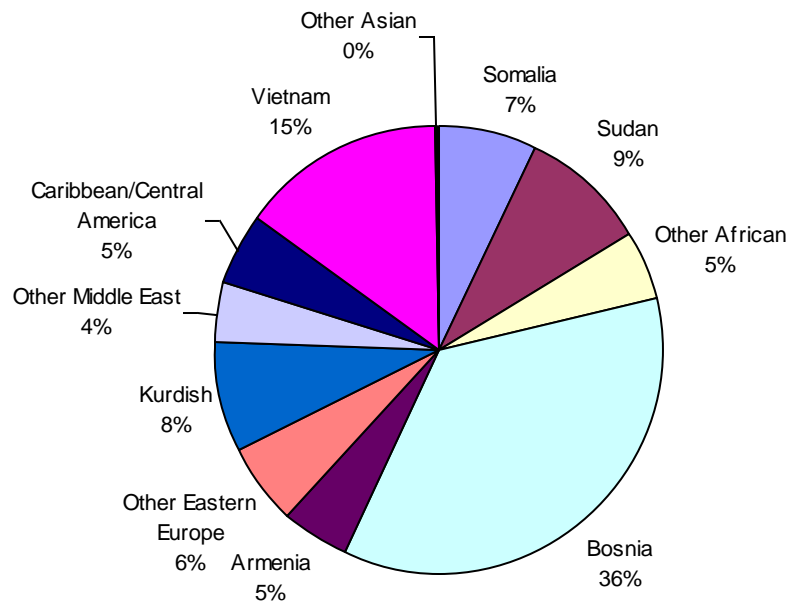
Share of population by race/ethnicity⁸, 2008

City	Total non-white or Hispanic (minority)	White	Black/African American	Asian/Pacific Islander	American Indian	Hispanic or Latino	Other/ 2 or more Races
Minneapolis-St. Paul, MN	36.9	63.1	15.5	8.1	1.2	9.1	2.8
Nation	34.1	65.9	12.1	4.5	0.7	15.1	1.6
Madison, WI	21.2	78.8	6.3	6.8	0.3	5.8	1.9
Fort Collins, CO	15.8	84.2	0.9	2.8	0.1	9.3	2.5
Sioux Falls, SD	13.2	86.8	2.8	1.6	2.5	4.4	1.7
Duluth, MN	9.3	90.7	2.0	1.5	2.6	1.1	2.0
Fargo	9.0	91.0	2.5	2.1	1.3	2.1	1.0
Fargo Moorhead MSA	8.0	92.0	1.6	1.4	1.3	2.5	1.1

Source: U.S. Census Bureau – 2006-2008 American Community Survey

Almost 5,000 refugees from 40 countries have re-settled in Fargo since 1990 with one in three coming to the U.S. from Bosnia

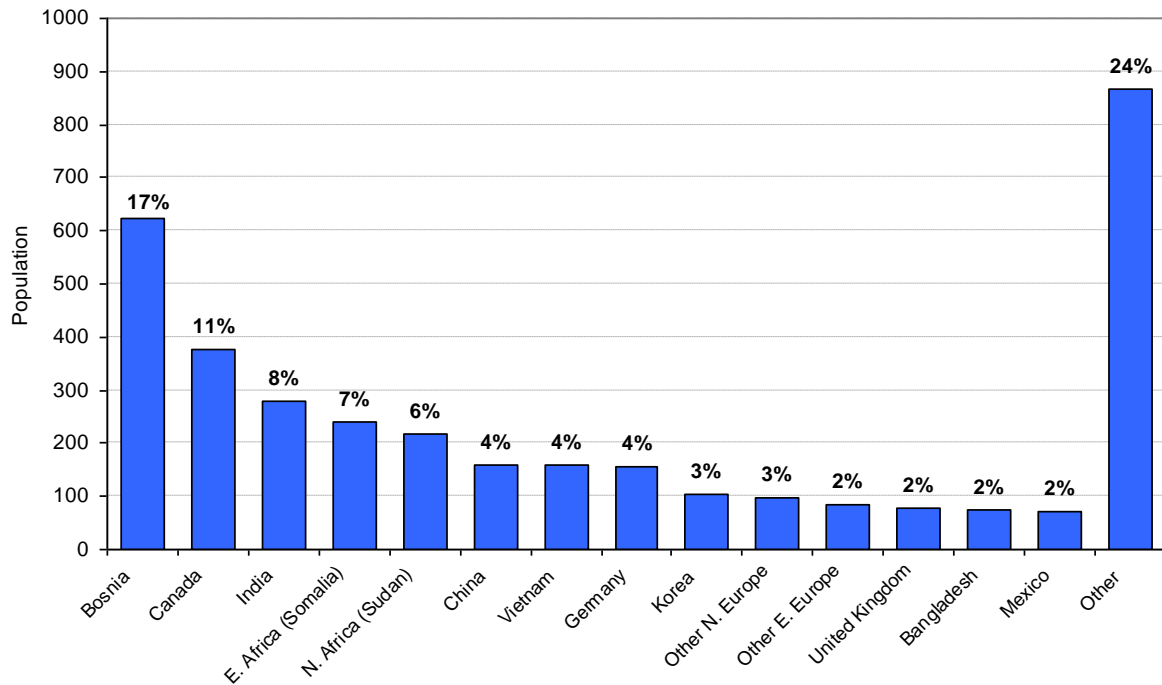
Refugee population by country of origin, 1990-2003, Fargo



⁸ “The federal government considers “race” and “Hispanic origin” distinct concepts and therefore captures information on them in two separate questions on the Census form. In this analysis, “Hispanic or Latino” is used to refer to individuals or households who indicate Spanish, Hispanic or Latino origin, regardless of their race. In general, race-specific population and household counts include only non-Hispanics. Economic variables generally include members of each racial group who also reported Hispanic origin.” Living Cities Profile Minneapolis St. Paul, p. 16.

Bosnia is the most common country of origin for Fargo's foreign-born residents

Population and share of foreign-born by country of birth, 2000



Fargo's immigrant population more than tripled from 1990 to 2008, accounting for 18.5 percent of the city's total population growth

Percent change in foreign-born population, 1990-2008

City	Foreign-born 1990	Foreign-born 2000	Foreign-born 2008	Percent change 1990-2008
Sioux Falls, SD	1,696	5,758	7,350	333%
Fargo	1,474	3,587	5,063	243%
Fargo-Moorhead MSA	2,656	5,268	7,128	168%
Minneapolis-St. Paul, MN	42,517	96,613	92,985	119%
Fort Collins, CO	3,896	6,269	7,962	104%
Madison, WI	10,906	18,792	21,834	100%
Nation	19,767,316	31,107,889	37,679,592	91%
Duluth, MN	2,063	2,472	2,147	4%

Source: U.S. Census Bureau – 2006-2008 American Community Survey and Population Finder

The percentage of Fargo residents born outside the United States has increased since 2000, and recent Census population estimates indicate that nearly 27 percent of ongoing population growth is attributable to in-migration⁹

Foreign born population share, 2000-2008

City	2000 Total Population	2008 Total Population	2000 Foreign born population	2008 Foreign born population	2000 Percent	2008 Percent
Minneapolis-St. Paul, MN	669,769	628,084	96,613	92,985	14.4%	14.8%
Nation	281,421,906	301,237,703	31,107,889	37,679,592	11.1%	12.5%
Madison, WI	207,525	218,915	18,792	21,834	9.1%	10.0%
Fort Collins, CO	118,440	136,665	6,269	7,962	5.3%	5.8%
Fargo	90,787	96,293	3,587	5,063	4.0%	5.3%
Sioux Falls, SD	187,093	148,986	5,758	7,350	4.6%	4.9%
Fargo Moorhead MSA	174,367	192,187	5,268	7,128	3.0%	3.7%
Duluth, MN	86,810	86,287	2,472	2,147	2.8%	2.5%

Source: U.S. Census Bureau – Census 2000 P21, 2006-2008 American Community Survey

Just over one-quarter of Fargo’s foreign-born residents are naturalized citizens, which is lower than peer community/national rates of citizenship but consistent with the city’s preponderance of recent immigrants (Nearly 60 percent of Fargo’s foreign-born population entered the U.S. since 2000, a much greater percentage than peer communities)

Foreign-born population by citizenship and year of entry, 2008

City	Foreign-born Population	Foreign-born that are naturalized	Percent	Foreign-born entering U.S. in 2000 or later	Percent
Fargo	5,063	1,492	29.5%	2,977	58.8%
Madison, WI	21,834	7,873	36.1%	9,731	44.6%
Sioux Falls, SD	7,350	2,762	37.6%	2,863	39.0%
Minneapolis-St. Paul, MN	92,985	35,775	38.5%	38,463	41.4%
Fort Collins, CO	7,962	3,112	39.1%	3,224	40.5%
Nation	37,679,592	16,028,758	42.5%	10,382,358	27.6%
Duluth, MN	2,147	1,007	46.9%	659	30.7%

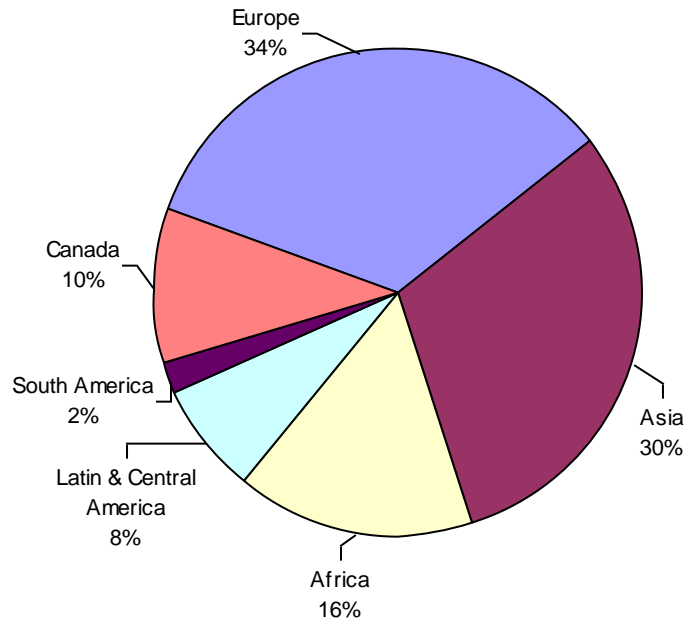
Source: U.S. Census Bureau 2006-2008 American Community Survey

Note: “Naturalization” is the way immigrants become citizens of the United States. If you were not born a citizen, you must naturalize to become one.

⁹ While many immigrants are low income, some are among the wealthiest and best-educated residents of the communities in which they live. At the same time, immigrants may be among the poorer and needier residents of some communities. (“The New Neighbors” (2003),120)

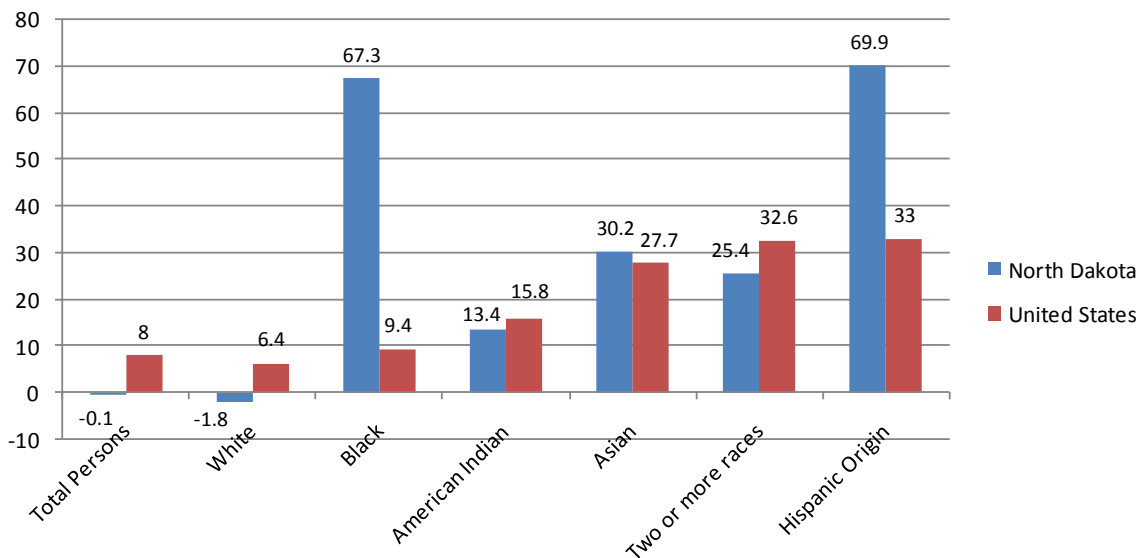
Immigrants from Asia and Europe comprise almost 2/3 of Fargo's foreign-born population

Share of foreign-born by region of birth, 2000



Population growth between 2000 and 2008 in North Dakota consists primarily of racial minorities, while the white population actually saw a decline.

Percent Change in Population by Race and Hispanic Origin, 2000-2008



Ancestry data reveals the significant increase in New American populations, including Sub-Saharan Africa, Arab, and Other Ancestries. Numbers associated with American ancestry decreased.

Fargo-Moorhead Ancestry 2000-2008, ND State Data Center

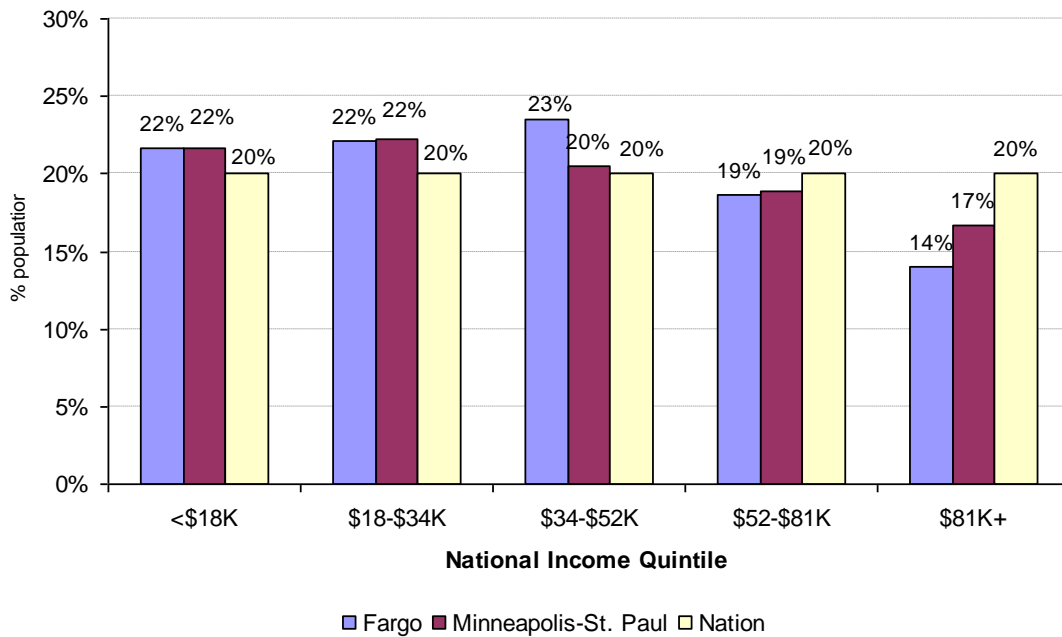
Ancestry	2000		2008		Ancestry (cont.)	2000		2008	
	N	%	N	%		N	%	N	%
Total ancestries	230,154	100%	270,003	100%					
German	70,759	31%	84,353	31%	Scotch -Irish	1,739	1%	1,821	1%
Norwegian	67,001	29%	70,306	26%	Italian	1,979	1%	1,654	1%
Irish	13,962	6%	18,166	7%	Arab	664	0%	1,382	1%
Swedish	12,905	6%	11,338	4%	British	446	0%	1,283	0%
English	9,144	4%	9,188	3%	European	479	0%	1,138	0%
French (not Basque)	7,974	3%	8,628	3%	French Canadian	1,774	1%	935	0%
Polish	4,896	2%	6,180	2%	Welsh	398	0%	674	0%
Russian	2,797	1%	5,043	2%	Portuguese	59	0%	576	0%
Czech	2,561	1%	3,267	1%	Swiss	450	0%	519	0%
American	3,215	1%	2,599	1%	Lithuanian	117	0%	253	0%
Dutch	2,126	1%	2,267	1%	Ukrainian	434	0%	235	0%
Danish	2,940	1%	2,133	1%	Hungarian	345	0%	197	0%
Scottish	2,055	1%	2,103	1%	West Indian	59	0%	99	0%
Sub-Saharan African	821	0%	2,014	1%	Other ancestries	10,482	5%	31,652	12%

Income and Poverty¹⁰

Household incomes matter vitally. Income and poverty levels reflect the ability of residents to provide for themselves and their families, their capacity to support neighborhood businesses, and their prospects for building assets for the future. A city that is able to attract and retain a mix of household incomes may be well-positioned to offer high quality public services that meet the demands of its residents and workers.

Fargo's income distribution shows overall balance with a strong middle class

Proportion of Households by National Income Quintile, 2000



This income analysis was completed in accordance with the Brookings Institution Metropolitan Policy Program publication entitled "The Shape of the Curve: Housing Income Distributions in U.S. Cities 1979-1999", August 2004. Census reported incomes are re-calculated to match national income quintiles and adjusted for regional income differences.

¹⁰ "Compared to other indicators, income and poverty are especially sensitive to the timing of the decennial census. Both the 1990 and 2000 censuses were conducted near the peak of U.S. business cycles. There is little question that the nation's recent economic downturn has produced shifts in the trends and conditions outlined in this section. Still, this analysis of income and poverty changes ... sheds light on how the city fared in a relatively strong economy, and establishes a baseline for its residents' economic progress in the current decade." (*Minneapolis St. Paul Profile*, p. 55)

Fargo's median household income is low relative to comparison communities but its average household size is smaller as well. All communities saw large increases in median income during this time frame.

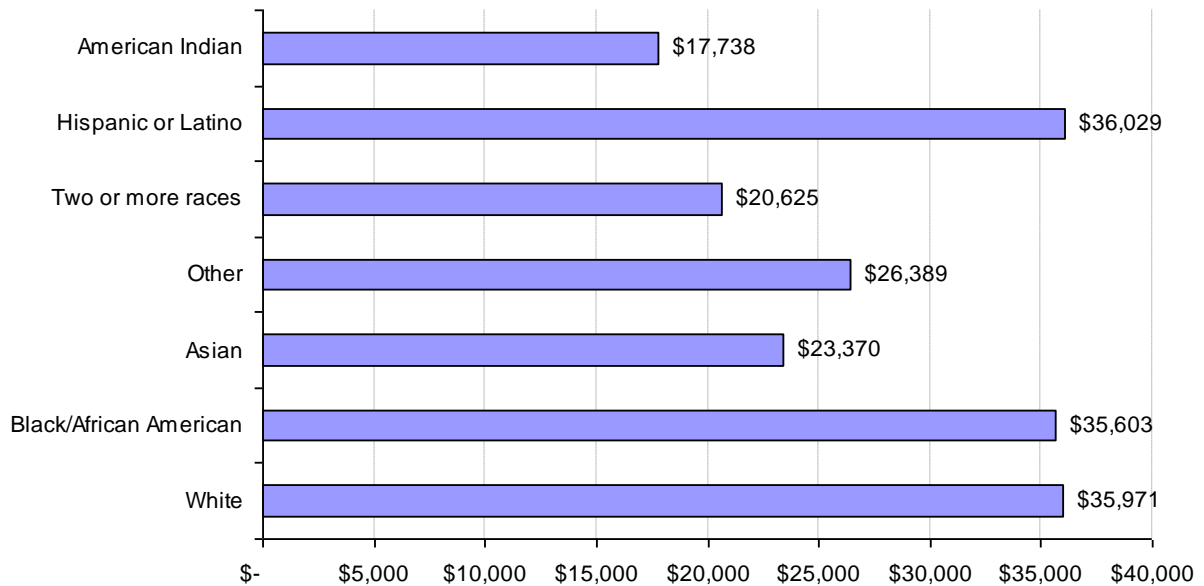
Median Household Income, 2000-2008

City	2000	2008	Change
Madison, WI	\$41,941	\$53,340	27.2%
Fargo-Moorhead MSA	\$38,069	\$47,636	25.1%
Sioux Falls MSA	\$43,387	\$53,990	24.4%
Nation	\$41,994	\$52,175	24.2%
Duluth, MN	\$33,766	\$41,873	24.0%
Sioux Falls, SD	\$41,221	\$50,161	21.7%
Minneapolis-St. Paul, MN	\$38,774	\$46,863	20.9%
Fargo	\$35,510	\$40,757	14.8%
Fort Collins, CO	\$44,459	\$49,662	11.7%

Source: U.S. Census Bureau – 2006-2008 American Community Survey

Among racial/ethnic groups in Fargo, American Indians have the lowest household incomes

Median household income by race/ethnicity, 2000



The poverty rate in Fargo has grown in the 2000s, especially among the elderly
Overall poverty rate and poverty rate by age, 2000-2008

City	Poverty Rate		Child Poverty Rate		Elderly Poverty Rate	
	2000	2008	2000	2008	2000	2008
Sioux Falls, SD	8.4%	10.0%	10.7%	13.9%	7.4%	7.5%
Nation	12.4%	13.2%	16.6%	18.2%	9.9%	9.8%
Fargo	11.8%	14.3%	11.2%	12.8%	7.5%	9.8%
Fort Collins, CO	14.0%	17.2%	8.9%	11.9%	5.8%	6.2%
Madison, WI	15.0%	17.3%	11.7%	15.8%	4.5%	5.9%
Duluth, MN	15.5%	18.3%	16.2%	19.0%	9.5%	9.7%
Minneapolis-St. Paul, MN	16.4%	20.6%	24.4%	29.7%	10.3%	13.6%

Source: U.S. Census Bureau – 2006-2008 American Community Survey

Note: Child poverty includes children under age 18. Elderly poverty includes adults 65 and older.

The poverty rate for Blacks/African Americans living in Fargo is higher than it is in the selected comparison communities – first generation immigrants make up the majority of Fargo’s African American population

Poverty rate by race/ethnicity, 2000

City	White	Black/ African American	Asian/ Pacific Islander	American Indian	Hispanic or Latino	Other Race	Two or More Races
Duluth, MN	14.0%	40.6%	23.2%	48.9%	20.0%	19.0%	28.6%
Fargo	10.6%	38.9%	21.9%	35.8%	18.8%	21.6%	29.1%
Minneapolis-St. Paul, MN	8.6%	31.5%	32.5%	32.1%	27.9%	22.5%	24.5%
Madison, WI	12.3%	29.1%	29.7%	26.4%	25.2%	24.7%	11.0%
Sioux Falls, SD	6.3%	28.2%	6.7%	49.0%	29.7%	21.8%	33.8%
Nation	8.1%	24.9%	12.6%	25.7%	22.6%	24.4%	18.2%
Fort Collins, CO	12.9%	12.5%	21.5%	23.1%	17.9%	21.3%	27.5%

Source: U.S. Census Bureau – P159 A-I, Living Cities Dataset (Brookings Institution)

Housing

Housing has always played an important role in defining the health of this nation and its cities, with construction figures and home prices measuring the strength of the economy and homeownership rates and rent burdens indicating the wealth of households. Residential homeownership is a good indicator as to whether families can acquire assets and leverage them for other expenditures that build family and community wealth, such as a college education, small business capitalization, or home repair/improvement. Family and community well-being can be threatened, however, if housing costs become too high for residents to bear. Housing cost burdens may point to a need for the preservation and construction of affordable housing ... and may also imply a need to raise residents' incomes so that they are able to afford quality housing. In either situation, cities can play an active role in linking housing supply and demand.

The City of Fargo has continued to grow since 2000, yet the homeownership rate has declined by 2.6%. Fargo residents own homes at a rate of just over 44%, which is much lower than nearby communities and is due in part to a large population of college students.

Homeownership Rate, 2000-2008

City	2000	2008	Change
Fargo	47.1%	44.5%	-2.6%
Madison, WI	47.8%	54.3%	6.5%
Minneapolis-St. Paul, MN	52.8%	55.1%	2.3%
Fort Collins, CO	57.1%	56.8%	-0.3%
Fargo-Moorhead MSA	59.0%	58.7%	-0.3%
Sioux Falls, SD	61.0%	62.5%	1.5%
Duluth, MN	64.2%	62.4%	-1.8%
Nation	66.2%	67.1%	0.9%
Sioux Falls MSA	62.3%	69.0%	6.7%

Source: U.S. Census Bureau – 2006-2008 American Community Survey

Fargo's rental housing market is competitive and relatively affordable, but prices are increasing at a rate comparable to most urban communities

Percent change in median gross rent, 2000-2008

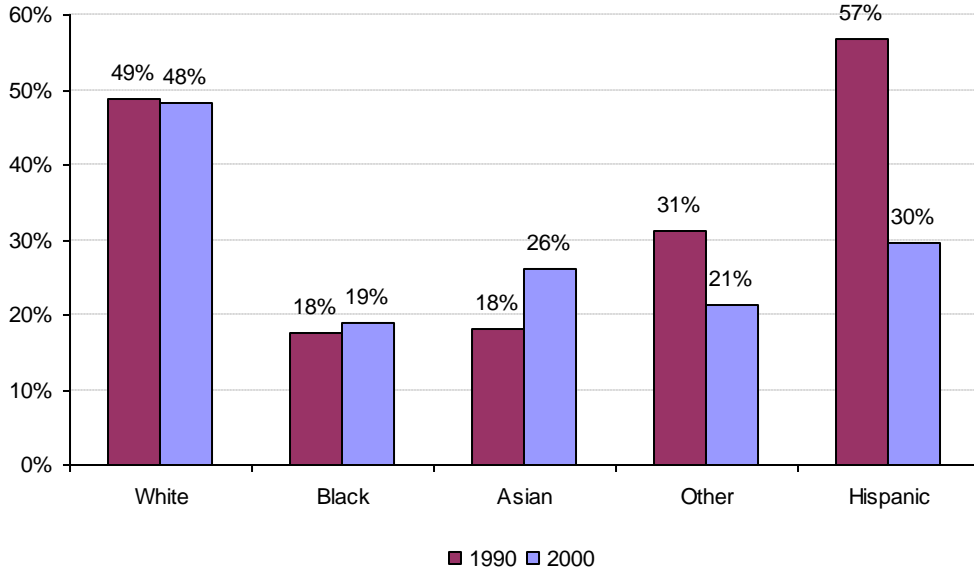
City	2000	2008	Change
Fort Collins, CO	\$785	\$802	2.2%
Sioux Falls, SD	\$593	\$660	11.2%
Fargo	\$533	\$596	11.8%
Madison, WI	\$734	\$828	12.9%
Minneapolis-St. Paul, MN	\$644	\$753	17.0%
Nation	\$686	\$819	19.4%
Duluth, MN	\$506	\$668	32.1%

Source: U.S. Census Bureau – 2006-2008 American Community Survey)

Note: 2000 rents adjusted to 2008 dollars based on 14% inflation, www.inflationdata.com

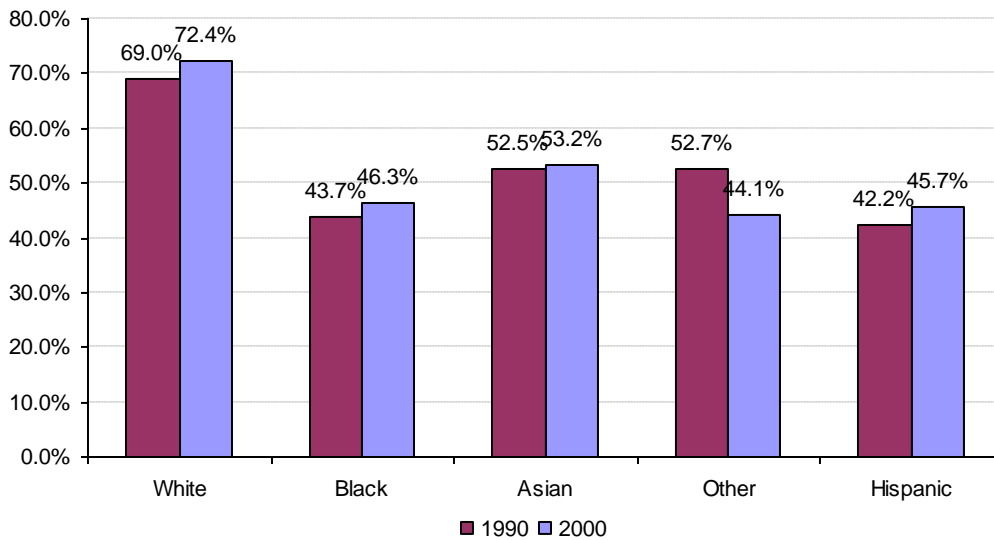
The share of Black and Asian householders in Fargo that own their own home increased slightly in the 1990s

Homeownership rate by race/ethnicity, 1990-2000, Fargo



U.S. homeownership rates increased for most racial/ethnic groups in the 1990s

Homeownership rate by race/ethnicity, 1990-2000, U.S.



Almost half of the housing units in Fargo are in structures with 5 or more units, a rate that exceeds all other comparison communities

Share of housing units in multi family structures, 2008

City	Total Housing Units in 2000	Percent Housing with 5 or more Units in 2000	Total Housing Units in 2008	Percent Housing with 5 or more Units in 2008
Fargo	41,277	45.8%	47,240	48.5%
Madison, WI	92,353	35.8%	103,328	37.3%
Minneapolis-St. Paul, MN	284,337	34.2%	294,922	34.0%
Fargo-Moorhead MSA	73,536	33%	87,456	34.1%
Sioux Falls, SD	51,724	25.6%	63,069	26.5%
Fort Collins, CO	47,766	23.8%	58,114	23.7%
Sioux Falls MSA	69,368	20.4%	91,520	19.9%
Duluth, MN	37,000	19.2%	38,753	19.6%
Nation	115,904,641	17.3%	127,762,925	17.3%

Source: U.S. Census Bureau – 2006-2008 American Community Survey

While more than 2 in 5 Fargo renters is burdened by housing costs, rental housing in Fargo is relatively affordable – the percent of renters with a housing cost burden is lower than most peer communities

Share of renter-occupied housing units where 30% or more of income is paid for rent, 2008

City	Total Renter Households	Paying 30% or more of Income on Rent	Percent
Sioux Falls, SD	22,083	8,429	38.2%
Fargo	24,890	10,855	43.6%
Nation	37,023,213	16,991,562	45.9%
Madison, WI	41,494	20,691	49.9%
Minneapolis-St. Paul, MN	120,797	62,324	51.6%
Duluth, MN	13,481	6,981	51.8%
Fort Collins, CO	23,520	13,316	56.6%

Source: U.S. Census Bureau – 2006-2008 American Community Survey, B25070

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Needs Assessment

Citizen Participation and Consultations

For the development of this Consolidated Plan, the City of Fargo followed its Citizen Participation Plan by distributing information that outlines the community development planning process to persons and organizations in the community. To encourage participation by the public, the City's Division of Community Development sent a memo to a mailing list made up of 130 organizations and individuals (attached to the Citizen Participation Plan, Appendix A). The Planning and Development Department also held public meetings with the Community Development Committee to explain housing and community development programs on August 27 and December 17, 2009, and solicited public input on the preparation of the Consolidated Plan for Housing and Community Development on September 29, 2009. Information was also posted on the City's website.

This document also represents a synthesis of work conducted over the last five years by a wide variety of groups and citizens concerned with housing and community development issues. Community Development staff gathered input in the months leading up to submission of the Plan. City staff consulted with several agencies to gather information and to further coordination of program delivery. The consultations included Fargo Housing and Redevelopment Authority, Fargo Police Department, Fargo Cass Public Health, Southeast Community Action, Presentation Partners in Housing, New Life Center, Family Health Care Center, Southeast Human Service Center, YWCA, Fraser, Ltd., Cass County Social Services, Nokomis Child Care Center, Fargo Senior Commission, Lutheran Social Services, Fargo Park District, Fargo and West Fargo School District, CHARISM, YMCA (after school programs), Cultural Diversity Resources, FM Home Builders Association, Neighborhood Associations (Jefferson, Madison, Roosevelt, Horace Mann, Hawthorne), Handi Wheels, United Way of Cass Clay, Downtown Community Partnership, FM Coalition for Homeless Persons, ND Coalition for Homeless Persons, Gladys Ray Shelter, Metro COG, Metro Youth Partnership, Fargo Native American Commission, Fargo Human Relations Commission, Native American Christian Ministry, Rape & Abuse Crisis Center of Fargo-Moorhead, Village Family Service Center, Habitat for Humanity, Immigrant Development Center, Beyond Shelter, Inc., FirstLink, Skills & Technology Training Center, Red River Human Service Foundation, Mental Health Association of American in ND, Fair Housing Council of the Dakotas, and Fargo Youth Commission.

In early 2010, the Community Development Committee will review the Consolidated and Annual Community Development Action Plan with funding levels for projects and programs and make a recommendation to the Fargo City Commission. Notification of the plan will be published in the *Fargo Forum*, distributed to persons interested in housing and community development and news media, and made available on the Planning Department's website (<http://www.cityoffargo.com/planning>) and other available methods. The notice will explain the contents and purposes of the plan, locations of where the plan is available for review, and how to obtain a copy. The City will also provide a reasonable number of free copies of the Plan to citizens or groups who request it.

There will be a 30-day period for public comment on the proposed Plan. The City Commission will hold a public hearing on the proposed Plan after the comment period, at which time that Commission will review and consider all comments received during the public comment period and at the public hearing. The City Commission will decide on what will be included and submitted to HUD in the final Consolidated and Annual Community Development Action Plan.

Housing

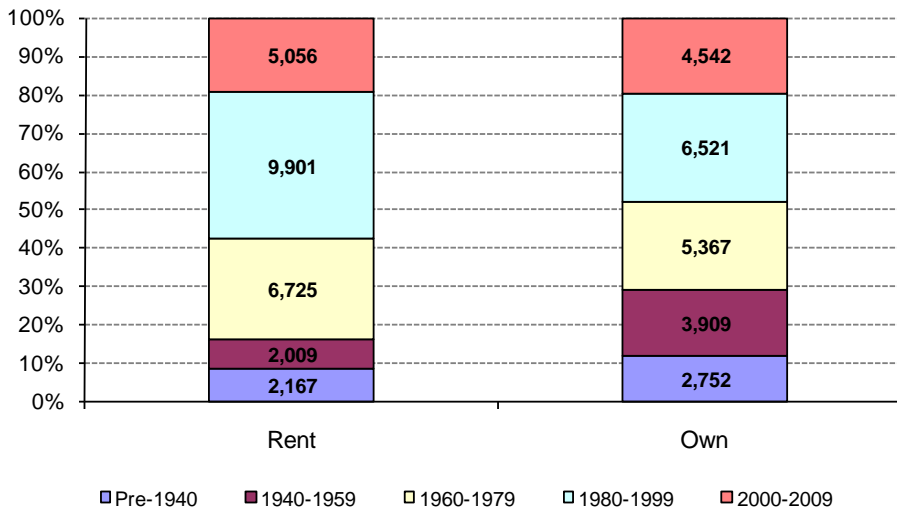
Market Analysis

The City of Fargo has enjoyed strong economic growth and strong household growth, both of which have helped the area maintain a strong housing market. Even during the recent economic downturn, the City has endured fewer layoffs than most parts of the country, and housing construction and rehab has continued at a steady pace with an increasing number of ownership units compared to rental.¹¹

- Between 2000 and 2009, the city averaged 454 new owner occupied housing units per year and 505 rental housing units.
- Between 2000 and 2009, the annual number of total permitted housing units was 960 on average, and dipped only slightly in 2008.
- Single family detached units are still the predominant unit type for owner occupancy, however, between 2004 and 2009, attached housing represented nearly 70% of all newly permitted units. Nearly 19% of the attached housing was in the form of twin homes, with the remainder being multiple unit dwellings and rowhouses.
- Between 2004 and 2009, housing prices have continued to slowly rise (dipping slightly in 2008) while the housing cost-to-income percentage has decreased, indicating increasing affordability. The Fargo area enjoys a lower foreclosure rate than the Country's average, though it has increased considerably relative to historical norms.¹²

Fargo has added more rental units than owner units in recent years, but this is changing. Since 2000, owner units have captured an increasing share of Fargo's housing market

Occupied housing units by year built, Fargo

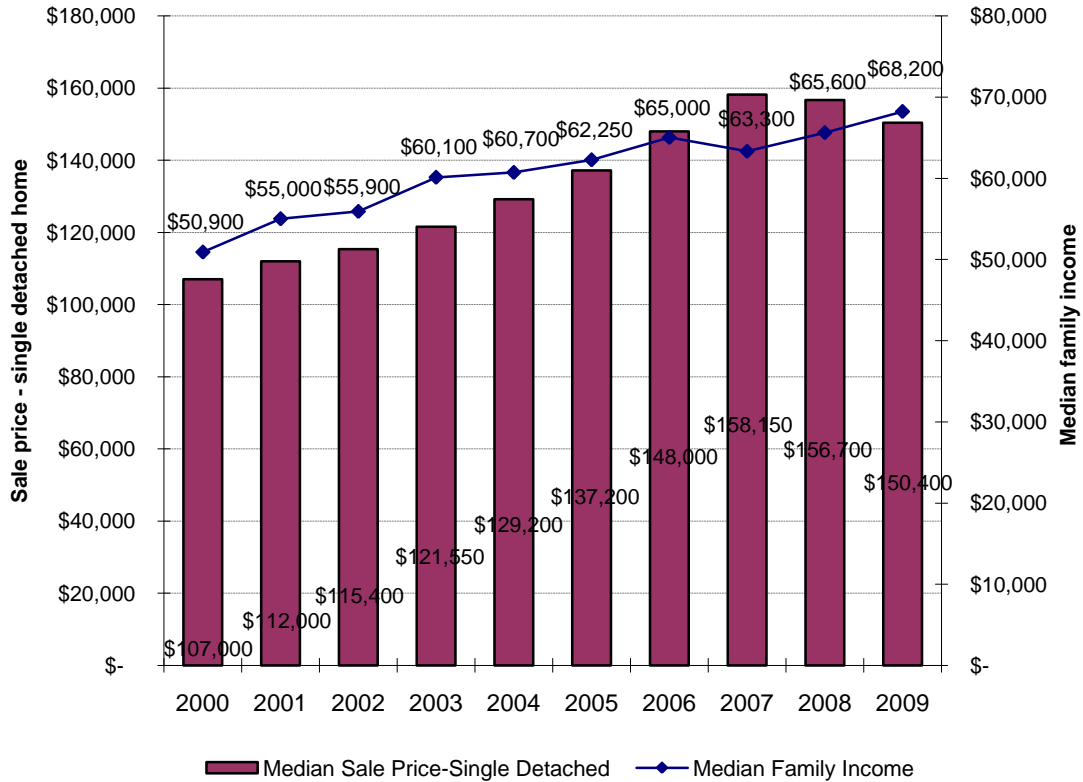


¹¹ Fargo Building Permit Summary Reports, 2004-2009

¹² Local Market Report, Third Quarter 2009, www.realtor.org

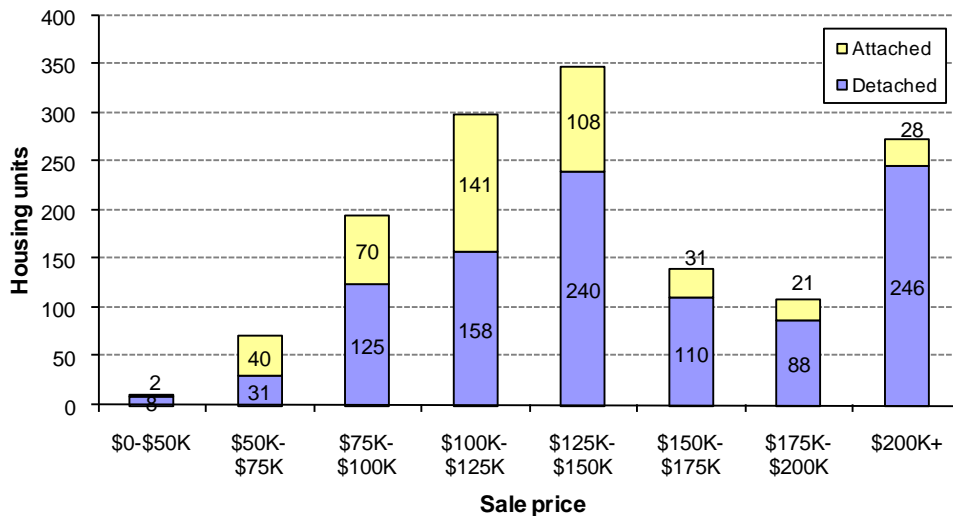
Median family income is at pace with the median sales price for single detached housing after a troublesome few years

Income and Sale price of single detached homes, 2000-2009



Majority of homes sold in Fargo in 2009 were valued between \$125K-\$150K

Home sales by value range, 2009, Fargo



The share of households that experienced a housing problem declined in every income category except *extremely low income households (<30% MFI)*. For this group, four out of five households has a “housing problem”.

Housing problems, All households, 1990 and 2000, Fargo

	1990	2000	Change
HH Income <=50% MFI	7,703	9,892	28%
HH Income <=30% MFI	3,873	4,911	27%
Housing problems	79.2%	81.6%	31%
Cost burden >30%	78.0%	78.5%	28%
Cost burden >50%	62.3%	57.5%	17%
HH Income >30% to <=50% MFI	3,830	4,981	30%
Housing problems	67.0%	58.4%	13%
Cost burden >30%	63.5%	55.7%	14%
Cost burden >50%	17.3%	10.1%	-24%
HH Income >50 to <=80% MFI	5,676	8,290	46%
Housing problems	31.0%	20.7%	-2%
Cost burden >30%	27.5%	17.3%	-8%
Cost burden >50%	2.6%	2.5%	40%
HH Income >80% MFI	16,961	21,077	24%
Housing problems	n/a	6.9%	n/a
Cost burden >30%	n/a	5.4%	n/a
Cost burden >50%	n/a	0.3%	n/a
Total Households	30,340	39,259	29%
Housing problems	28.2%	25.7%	18%
Cost burden >30%	n/a	23.4%	n/a
Cost burden >50%	n/a	9.2%	n/a

Source: CHAS Data book. Jurisdiction: Fargo (CDBG), North Dakota. Data current as of 1990 and 2000

A "Housing problem" is defined as having a cost burden in excess of 30% of household income, living in a substandard housing unit, or living in overcrowded housing (as defined by HUD)

The majority of extremely low income renters (<30% MFI) live in a state of “housing crisis” (cost burden >50%). Large families and elderly renters are the most likely to have a housing problem.

Housing problems, All renter households, 1990 and 2000, Fargo

	1990					2000				
	Elderly	Small related (2 to 4)	Large related (5+)	All other HH	All renters	Elderly	Small related (2 to 4)	Large related (5+)	All other HH	All renters
HH Income <=50% MFI	1,206	1,645	183	3,450	6,484	1,484	1,642	213	4,992	8,331
HH Income <=30% MFI	620	891	96	1,764	3,371	823	810	150	2,639	4,422
Housing problems	61.5%	78.1%	82.3%	86.0%	79.3%	67.4%	81.7%	93.3%	85.0%	81.4%
Cost burden >30%	60.3%	78.1%	82.3%	83.7%	77.9%	63.3%	79.5%	77.3%	82.2%	78.0%
Cost burden >50%	42.1%	59.7%	82.3%	71.2%	63.1%	47.1%	63.7%	58.7%	57.5%	56.8%
HH Income >30% to <=50% MFI	586	754	87	1,686	3,113	661	832	63	2,353	3,909
Housing problems	62.5%	67.4%	82.8%	77.3%	72.2%	67.8%	60.8%	87.3%	56.3%	59.7%
Cost burden >30%	62.5%	63.4%	71.3%	72.8%	68.5%	67.2%	57.5%	63.5%	53.1%	56.6%
Cost burden >50%	25.1%	14.6%	0.0%	16.4%	17.2%	21.3%	2.2%	15.9%	5.4%	7.6%
HH Income >50 to <=80% MFI	578	1,021	238	1,830	3,667	768	1,394	172	3,210	5,544
Housing problems	46.4%	29.4%	56.7%	21.9%	30.1%	32.7%	17.6%	55.8%	8.4%	15.6%
Cost burden >30%	44.8%	27.0%	23.5%	19.7%	26.0%	32.7%	9.4%	21.5%	6.7%	11.4%
Cost burden >50%	6.4%	2.3%	3.4%	0.4%	2.0%	8.1%	0.0%	0.0%	0.3%	1.3%
HH Income >80% MFI	565	2,086	78	2,568	5,297	808	2,421	126	3,526	6,881
Housing problems	n/a	n/a	n/a	n/a	n/a	14.5%	7.2%	33.3%	2.0%	5.9%
Cost burden >30%	n/a	n/a	n/a	n/a	n/a	13.2%	0.0%	0.0%	0.1%	1.6%
Cost burden >50%	n/a	n/a	n/a	n/a	n/a	0.5%	0.0%	0.0%	0.0%	0.1%
Total Households	2,349	4,752	499	7,848	15,448	3,060	5,457	511	11,728	20,756
Housing problems	45.8%	32.6%	58.3%	41.6%	40.0%	44.8%	29.1%	65.2%	33.3%	34.7%
Cost burden >30%	n/a	n/a	n/a	n/a	n/a	43.2%	23.0%	37.8%	31.0%	30.9%
Cost burden >50%	n/a	n/a	n/a	n/a	n/a	19.4%	9.8%	19.2%	14.1%	13.9%

Source: CHAS Data book. Jurisdiction: Fargo (CDBG), North Dakota. Data current as of 1990 and 2000

A "Housing problem" is defined as having a cost burden in excess of 30% of household income, living in a substandard housing unit, or living in overcrowded housing (as defined by HUD)

Homeownership is within reach for households in the 50-80% income range but specific efforts to boost homeownership rates for this group are needed
Housing problems, All owner households, 1990 and 2000, Fargo

	1990			2000					Homeownership Rate	
	Elderly	All other HH	All owners	Elderly	Small related (2 to 4)	Large related (5+)	All other HH	All owners	1990	2000
HH Income <=50% MFI	646	573	1,219	786	381	48	346	1,561	15.8%	15.8%
HH Income <=30% MFI	214	288	209	244	91	0	154	489	13.0%	10.0%
Housing problems	72.0%	83.7%	78.7%	74.6%	89.0%	0.0%	93.5%	83.2%		
Cost burden >30%	72.0%	83.7%	78.7%	74.6%	89.0%	0.0%	93.5%	83.2%		
Cost burden >50%	32.2%	75.3%	57.0%	48.8%	89.0%	0.0%	75.3%	64.6%		
HH Income >30% to <=50% MFI	432	285	717	542	290	48	192	1,072	18.7%	21.5%
Housing problems	28.5%	68.8%	44.5%	38.0%	65.5%	83.3%	71.9%	53.5%		
Cost burden >30%	28.5%	61.4%	41.6%	36.2%	65.5%	83.3%	71.9%	52.6%		
Cost burden >50%	7.2%	34.0%	17.9%	9.2%	23.4%	37.5%	36.5%	19.2%		
HH Income >50 to <=80% MFI	691	1,318	2,009	931	969	263	583	2,746	35.4%	33.1%
Housing problems	12.6%	43.1%	32.6%	15.4%	31.8%	47.1%	47.5%	31.0%		
Cost burden >30%	11.1%	40.3%	30.3%	15.4%	27.7%	45.6%	46.8%	29.3%		
Cost burden >50%	2.2%	4.5%	3.7%	3.7%	3.1%	9.1%	8.4%	5.0%		
HH Income >80% MFI	1,756	9,908	11,664	2,352	8,721	1,204	1,919	14,196	68.8%	67.4%
Housing problems	n/a	n/a	n/a	5.1%	6.9%	8.9%	11.6%	7.4%		
Cost burden >30%	n/a	n/a	n/a	5.1%	6.6%	8.2%	11.6%	7.2%		
Cost burden >50%	n/a	n/a	n/a	1.0%	0.3%	0.3%	0.3%	0.5%		
Total Households	3,093	11,799	14,892	4,069	10,071	1,515	2,848	18,503	49.1%	47.1%
Housing problems	14.2%	16.5%	16.0%	16.0%	11.8%	17.9%	27.5%	15.6%		
Cost burden >30%	n/a	n/a	n/a	15.7%	11.1%	17.1%	27.3%	15.1%		
Cost burden >50%	n/a	n/a	n/a	5.6%	2.1%	3.0%	8.6%	3.9%		

Source: CHAS Data book. Jurisdiction: Fargo (CDBG), North Dakota. Data current as of 1990 and 2000

A "Housing problem" is defined as having a cost burden in excess of 30% of household income, living in a substandard housing unit, or living in overcrowded housing (as defined by HUD)

When measured in constant dollars, rents in Fargo have actually declined in the last 30 years

Median Household Gross Rent, 1970-2000, Fargo

	% median gross rent in national brackets			
	Median Gross rent in 1999 dollars	Rent in National Lowest 20%	Rent in National Middle 60%	Rent in National Top 20%
1970	\$455	23.6%	57.9%	18.5%
1980	\$461	24.1%	64.9%	11.0%
1990	\$453	29.8%	66.7%	3.5%
2000	\$453	30.8%	64.2%	5.0%

Source: SOCDS Census Data

The median value of a home in Fargo (measured in constant dollars) increased by 7 percent in the 1990s

Median Household Owner's Value, 1970-2000, Fargo

	% median gross rent in national brackets			
	Median Owner's Value in 1999 dollars	Value in National Lowest 20%	Value in National Middle 60%	Value in National Top 20%
1970	\$84,296	7.1%	71.3%	21.6%
1980	\$114,032	5.1%	76.0%	18.8%
1990	\$89,100	10.6%	84.1%	5.3%
2000	\$95,490	16.7%	76.6%	6.8%

Source: SOCDS Census Data

A series of recommendations from Fargo's most recent Housing Market study covers subsidized and market rate housing needs, as well as demand projections.¹³

- 1. Tax Credit Rental Housing Construction.** Demand supports approximately 30 units per year (excluding units targeted to special populations). Also, approximately 70-80 units per year may be needed to replace expiring units.
- 2. Subsidized Housing Construction.** Demand far exceeds supply in this market segment, with greatest need for deep subsidy housing units. Highest priority in metro area is for young families with children because that group has the largest number of households showing a "cost burden". The next priority group is seniors, which indicate a higher proportion of the sub-market as being cost burdened.
- 3. Senior Housing with Services.** Good balance of supply and demand at present time. Estimate approximately 24-28 units per year to maintain current 4-5% market penetration.
- 4. Preservation of Affordable and Subsidized Rental Housing.** Low vacancy rates in subsidized buildings so preservation of existing units is important. The subsidies are increasingly difficult to replace.
- 5. Other Rental Needs.** Special needs populations continue to have unmet housing needs.

¹³ Fargo Housing Market Study Update (2004), pp. 97-139.

6. **Single Family Detached Housing.** Estimate demand for 575-760 owner occupied units per year in the MSA. Fargo could expect to see about 50% of that production level, translating into 280-400 owner occupied units per year (approximately 155-200 of those units likely to be detached). The detached units are likely to be the higher priced units in the market.
7. **Single Family Attached.** Estimate approximately 55% of owner occupied housing starts (155-200 units per year in City of Fargo). Likely shift from twin homes to other styles as decade progresses. These types of units tend to serve a more affordable market.
8. **Financing homeownership.** Explore new models and continue with the existing.
 - a. Employer Assisted housing
 - b. Urban Homesteading/Purchase Rehab program
 - c. Lease to Purchase options
9. **Future lot development.** Land availability is not a major issue in Fargo. There is a 2 ½ year supply of lots available or in the planning stages. This means that an additional 1,000 residential lots should be planned in the next few years to keep up with demand.
10. **Owner Occupied Housing Rehabilitation.** Continue to support efforts to preserve existing housing.
11. **Acquisition/Demolition program.** Continue working to facilitate infill housing development.
12. **Diversity issues.** Develop programs aimed at increasing minority homeownership rates.
13. **Homeless.** Develop additional units of supportive housing as resources allow. This may include providing assistance to those who are coming out of non-permanent living facilities such as jails, hospitals and shelters to avoid discharging people into homelessness.
14. **Mobile Home.** Consider programs to address the condition of mobile home units.
15. **Hard-to-House Tenant issues.** Look for ways to expand tenant training programs to address barriers facing tenants with poor rental histories, problem credit and criminal backgrounds.
16. **Promote “fair share” approach to affordable housing development in Fargo metro area.** Work with communities throughout the metro area to ensure that affordable housing issues are addressed on a regional basis.

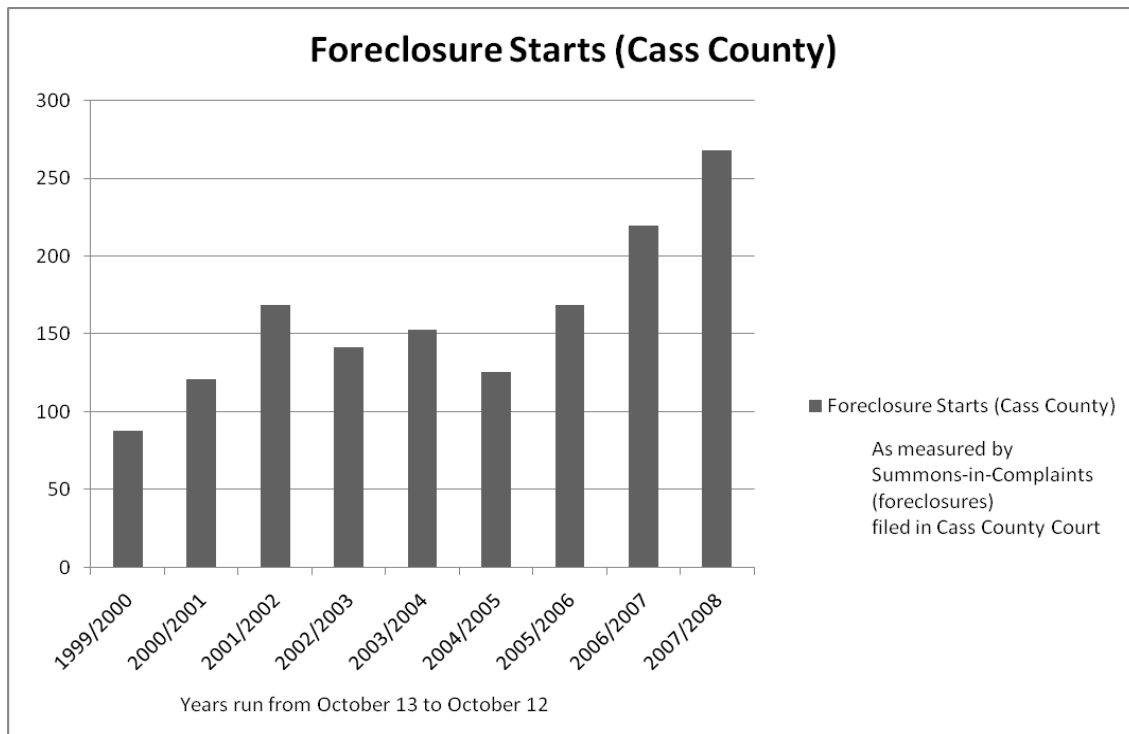
Foreclosure

Recently the Nation has endured a historic crisis of home foreclosures to which Fargo is not immune. Though the foreclosure rate in the area is smaller than in other parts of the country, there has been a marked increase in the number of foreclosures seen by the Cass County Court system. Nationally, mortgage foreclosure rates have increased nearly 3.5% since 2000 while Fargo's rate has increased 0.5%. While seemingly insignificant, the number is high for a community with a low level of subprime mortgage activity relative to the Nation,¹⁴ and affects the lives of many homeowners.

The ND Division of Community Services has provided information on the numbers of foreclosed properties on the market. The state as a whole had 312 foreclosed properties.¹⁵ The following list shows the breakdown for some of the larger communities.

- Cass County – 143 (46% of total)
- **Fargo – 83 (27% of total)**
- Grand Forks – 26 (8% of total)
- Bismarck – 19 (6% of total)

The following graph shows the number of properties in Fargo that have started in foreclosure from 10/13/1999 through 10/12/2008. Data was obtained from the Cass County Clerk of District Court's office, and is a tally of properties for which foreclosure Summons-in-Complaint documents have been issued. A sharp linear rise in foreclosures can be seen from the end of 2005 through the end of 2008.



Many of the foreclosures are directly related to subprime lending that has taken place with the recent boom in housing prices. In the City of Fargo, there were 587 subprime loans totaling \$51 million as of March, 2008. The total value of loans in "serious delinquency" totaled nearly \$6 million.

¹⁴ Local Market Report, 3rd Quarter 2009, National Association of Realtors

¹⁵ RealtyTrack, October 9, 2008

The practice of subprime lending refers to loans made to borrowers who have a heightened perceived risk of default, such as those who have a history of loan delinquency or limited debt experience. The following table shows information such as delinquencies, loan-to-value, types of interest, and other data on subprime loans in the City of Fargo, broken down by zip code. Although there are subprime loans throughout the City, a higher number of loans are found in the 58102 and 58103 zip code areas, which roughly correspond to the focus area for Fargo's ongoing neighborhood revitalization activities.

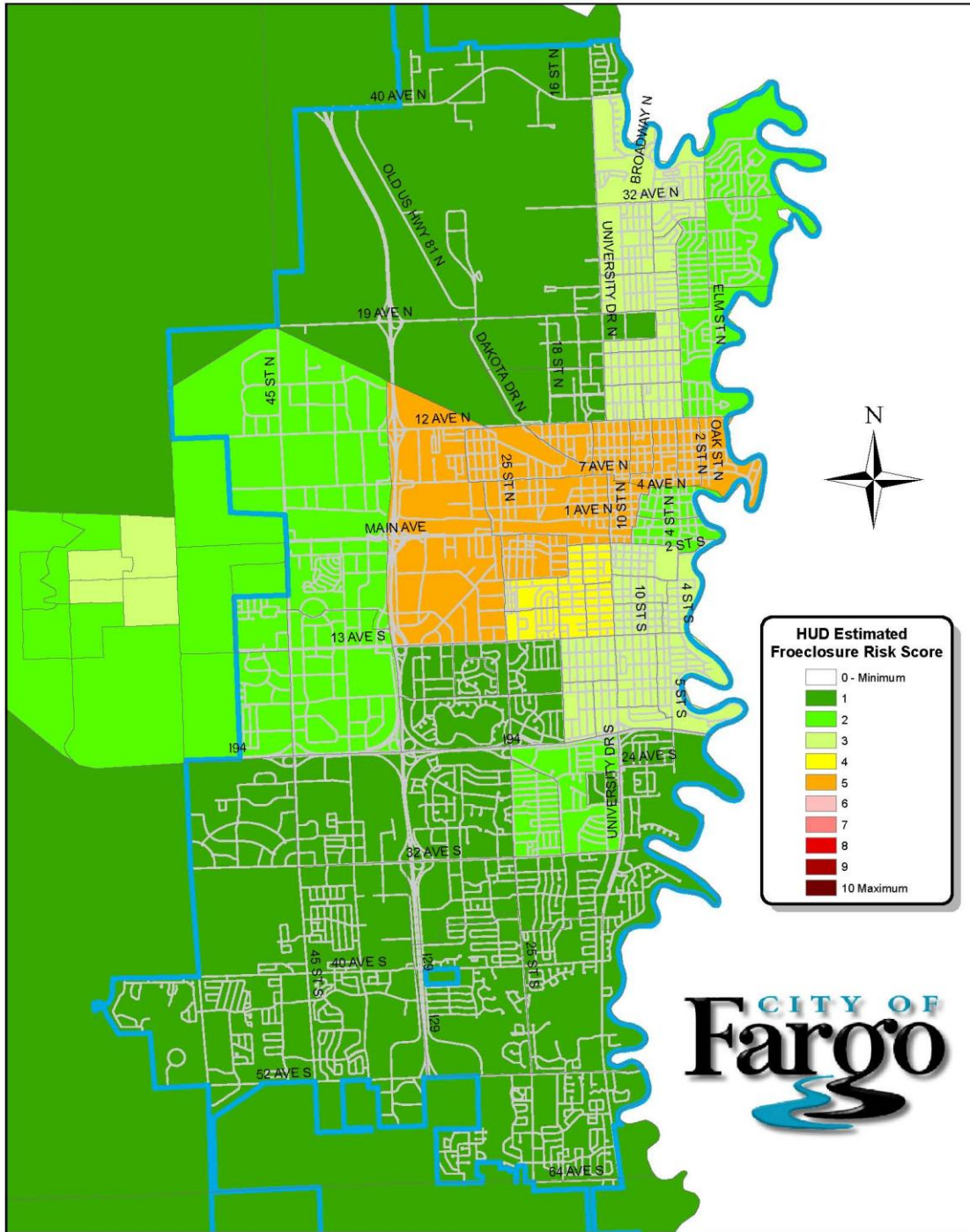
	City of Fargo	Fargo zip code	Fargo zip code	Fargo zip code
	Total	58102	58103	58104
Number of sub-prime loans	587	178	272	137
Total value of sub-prime loans	\$51,000,000	\$15,000,000	\$22,000,000	\$14,000,000
% of sub-prime loans 30 days delinquent	10.6%	3.14%	2.05%	5.44%
% of sub-prime loans 60 days delinquent	3.7%	1.48%	2.18%	0.08%
% of sub-prime loans 90 days delinquent	15.6%	3.33%	2.86%	9.42%
% of sub-prime loans in foreclosure	17.2%	9.17%	5.38%	2.61%
% of bank owned sub-prime loans	3.4%	1.77%	0.29%	1.31%
% of sub-prime loans in "serious delinquency"	36.1%	14.27%	8.53%	13.34%
Total value of loans in "serious delinquency"	\$5,884,700	\$2,140,500	\$1,876,600	\$1,867,600
Average interest rate	9%			
% with at least one late mortgage payment in 07	42.6%			
Average loan-to-value at origination	89.8%			
# of loans with variable interest rate	500			
# of loans with interest-only rate	100			
# of loans with a pre-payment penalty	400			
# of loans with a pre-payment penalty at origination	600			
% of loans with FICO score less than 600	39%			
% of loans with FICO score greater than 660	20.3%			
# of sub-prime loans that originated in 2007	100			
# of sub-prime loans that originated in 2006	200			
# of sub-prime loans that originated in 2005	200			
# of sub-prime loans that originated in 2004 or before	100			
% of all mortgages that have full documentation on file	73%			

Source: Author's calculations using Federal Reserve Board estimates based on data from First American Loan Performance, March 2008

HUD has developed a foreclosure and abandonment risk score to aid communities in targeting their areas of greatest need. The map on the following page to shows the distribution and foreclosure risk scores for all Fargo census tracts and block groups.

The City of Fargo is currently utilizing Neighborhood Stabilization Program (NSP) funds to address foreclosure needs within the community. Through the activities of Purchase/Rehabilitation, Infill and Homebuyer Assistance, the City expects to have a number of projects obligated by February 2010. However, it is likely that foreclosure-related needs will remain to be addressed after this date.

Fargo Foreclosure/Abandonment Risk By Census Tracts and Block Groups



Racial/ethnic minorities and low income families

Racial/Ethnic Minorities. When combining racial and ethnic minorities as traditionally defined by the Census, along with refugees of European descent (listed as “white”), minorities make up approximately 10 percent of Fargo’s population.

Low Income Families. 45 percent of the City’s households earn less than 80 percent of the area median income which, for a family of four in 2009, translates to an annual gross income of \$54,550.

The overall percentage of households experiencing housing problems declined between 1990 and 2000 but one in four households still experiences either overcrowding, substandard units, or cost burdens. Households that earn less than 30 percent of area median income face the most serious cost issues. Overcrowding and substandard housing are very small parts of the “housing problem” statistic in Fargo.

In Fargo, minority households are more likely to experience housing problems than non-minority households

Housing problems by race and income, All households, 2000

	Non-Hispanic			Hispanic	
	White	Black	Asian	American Indian	All Races
HH Income <=50% MFI	9,044	83	209	294	135
HH Income <=30% MFI	4,404	55	106	163	87
% with any housing problems	81.4%	100.0%	83.0%	76.7%	88.5%
HH Income >30% to <=50% MFI	4,640	28	103	131	48
% with any housing problems	58.6%	50.0%	56.3%	28.2%	91.7%
HH Income >50 to <=80% MFI	7,984	58	62	58	106
% with any housing problems	20.8%	34.5%	45.2%	41.4%	9.4%
HH Income >80% MFI	20,453	96	194	119	98
% with any housing problems	7.0%	14.6%	10.3%	3.4%	14.3%
Total Households	37,481	237	465	471	339
% with any housing problems	25.1%	43.5%	41.7%	40.3%	42.8%

The 2004 Housing Market Study conducted by Community Partners Research identified some of the barriers refugee and immigrant families in Fargo have in securing housing.¹⁶

- **Communication.** English language proficiency can be a barrier when searching for housing.
- **Cultural differences.** Cultural differences can conflict with “community norms” (ex. number of people living in a housing unit)
- **Short-term residency.** May not know how long they will live in the community
- **Financing practices.** Islamic cultures do not believe in paying interest and, currently North Dakota does not have *Lariba* lending alternatives available to Muslims.
- **Housing Unit Needs.** Many refugee families need large rental units, which are in short supply.
- **Transportation.** Location of housing is critical since many refugee families do not have a vehicle, drivers license, or insurance.
- **Assets.** Lack of funds for rental security deposit or down payment.

¹⁶ “Housing Study Update – City of Fargo”, Community Partners Research (April 2004), p. 145.

- **Discrimination.** Fair housing issues can factor into a refugee person's ability/inability to secure housing.
- **Low income.** Most refugee households are low income, meaning they face the same barriers to securing housing that other low income persons do.

Very low income renters are likely to experience housing problems, regardless of race or ethnicity

Housing problems by race and income, Renter Households, 2000

	Non-Hispanic			Hispanic	
	White	Black	Asian	American Indian	All Races
HH Income <=50% MFI	7,519	83	209	284	127
HH Income <=30% MFI	3,923	55	106	163	83
% with any housing problems	81.1%	100.0%	83.0%	76.7%	88.0%
HH Income >30% to <=50% MFI	3,596	28	103	121	44
% with any housing problems	60.0%	50.0%	56.3%	22.3%	90.9%
HH Income >50 to <=80% MFI	5,352	38	42	30	51
% with any housing problems	15.5%	52.6%	42.9%	13.3%	19.6%
HH Income >80% MFI	6,514	73	86	65	58
% with any housing problems	5.8%	13.7%	11.6%	6.2%	17.2%
Total Households	19,385	194	337	379	236
% with any housing problems	33.8%	51.0%	51.6%	42.2%	56.4%

Fargo homeownership patterns indicate a disparity in homeownership rates for minority and non-minority households

Housing problems by race and income, Owner Households, 2000

	Non-Hispanic			Hispanic	
	White	Black	Asian	American Indian	All Races
HH Income <=50% MFI	1,525	0	0	10	8
HH Income <=30% MFI	481	0	0	0	4
% with any housing problems	83.8%	n/a	n/a	n/a	100.0%
HH Income >30% to <=50% MFI	1,044	0	0	10	4
% with any housing problems	53.4%	n/a	n/a	100.0%	100.0%
HH Income >50 to <=80% MFI	2,632	20	20	28	55
% with any housing problems	31.4%	0%	50.0%	71.4%	0.0%
HH Income >80% MFI	13,939	23	108	54	40
% with any housing problems	7.5%	17.4%	9.3%	0.0%	10.0%
Total Households	18,096	43	128	92	103
% with any housing problems	15.7%	9.3%	15.6%	32.6%	11.7%
Homeownership Rate	48.3%	18.1%	27.5%	19.5%	30.4%

Source: CHAS Data book. Jurisdiction: Fargo (CDBG), North Dakota. Data current as of 1990 and 2000

Public and Assisted Housing

As of December 2009, the Fargo Housing and Redevelopment Authority (FHRA) owned 589 units of public housing and managed 1,170 Section 8 vouchers and 175 Homeless Program Vouchers. The FHRA commissioned a “Facilities Condition Assessment” in 2002 (completed by Anderson Architects) to help them determine overall condition of their properties and long range rehabilitation needs. The most significant finding in the Facilities Assessment was the deteriorated condition of the plumbing system in the High Rise. The estimated rehab cost for the High Rise was \$12 million. The FHRA is looking at options to address the rehab needs of this property, which contains 248 units of public housing. The remainder of the facilities assessment identified routine maintenance needs that have been incorporated into the FHRA’s annual capital improvement plans.

The FHRA completed a comprehensive Section 504 Needs Assessment in 1985 and has been reviewing the findings periodically since that time. Significant upgrades were made in response to the original Section 504 assessment to accommodate the needs of persons with sight, hearing, and physical disabilities. Seventeen percent of the city’s public housing units are completely wheelchair accessible (the 98 units at Pioneer Manor); this is triple the minimum requirement established by Section 504. The FHRA is committed to continuing to make accessibility improvements and incorporates upgrades into their rehab schedule whenever possible.

The FHRA is not only committed to improving the physical quality of the properties they own but they are also committed to continuously improving the management of those properties and the living environment of the residents of public housing. The FHRA is routinely classified as a “high performer” but their commitment to improving management includes ongoing updating of the equipment and staff skills needed to effectively manage public housing. There are several outstanding programs available to public housing residents:

- ESPM Center (Entrepreneurship for Single Parents and Minorities)
- English Language classes offered on site
- Computer labs at the High Rise and Pioneer Manor, available to all tenants
- Clothing & Connections, providing “interview” clothes to tenants seeking employment
- Training Program – Paint School
- Vocational training/work experience offered at Pioneer Manor
- Security cameras on all properties
- Support services of the ROSS grant, including meals and attendant 4 full time Social Workers, youth programs and van service
- Wellness rooms on site

Public Housing makes up 30% of the total number of deep subsidy units available in Fargo. All assisted units (non LIHTC) maintain waiting lists – vacancy rates are indicative of time delay in processing new tenants from waiting lists, not a mismatch in supply and demand.¹⁷

Public and Assisted Rental Housing Units by Bedroom Mix, 2009

Type of Occupancy/Project	0 BR/ SRO	1 BR	2BR	3 BR	4BR	Total	Vacancy Rate
General Occupancy							
Low Income Housing Tax Credit	0	136	450	247	20	853	6.3%
Public Housing	0	0	104	72	23	196	<1%
Sec 8 Mod Rehab	2	60	18	12	0	92	4.2%
HUD 236/Section 8	7	0	136	40	0	183	4.2%
Subtotal – General Occupancy	9	196	708	371	43	1,324	
Senior, Handicap, Disabled							
Low Income Housing Tax Credit	0	41	100	0	0	141	<1%
Public Housing	0	370	21	2	0	393	<1%
HUD 231/Section 8	0	90	0	0	0	90	2%
HUD 202/Section 8	75	0	0	0	0	75	2%
Sec 221(d)(4)/Section 8	0	39	2	0	0	41	2%
Subtotal – Senior, Handicap, Disabled	75	540	123	2	0	740	
Section 8 – Existing						1,345	n/a
Total	84	736	831	373	43	3,409	

Source: "Housing Study Update - City of Fargo", Community Partners Research (April 2004)

Updated Numbers 2009, Fargo Housing and Redevelopment Authority

*Most of the projects in this table, except Low Income Housing Tax Credit, are considered "deep subsidy" units, meaning that rent is based on 30% of tenant income.

Some of the first units developed under the Low Income Housing Tax Credit program have already left the tax credit program and others are due to expire every year (on average, approximately 30 units per year). It is possible that some of these units may convert to market at the end of their contract; however it is also likely that at least some of the units will reapply for tax credits to facilitate building upgrades.

The public housing stock has significant rehab needs and, without aggressive renovation of the High Rise in particular, the community is at risk of losing a portion of this extremely important housing resource.

¹⁷ Market rate rental units in Fargo exhibited vacancy rates of 6.8% for a similar time period, which is the highest annual rate of vacancy in several years. (2004 Fargo Housing Study Update, 79)

Special Needs Facilities and Services – Non-Homeless

There is a need to maintain and enhance housing and supportive services for persons with special needs. Special needs persons are not homeless but will typically require supportive services to maintain stable housing. The “special needs” populations include elderly, frail elderly, seriously mentally ill, developmentally disabled, physically disabled, persons with alcohol/other drug addictions, or persons with HIV/AIDS.

The expectation is that a disproportionate (and increasing) number of special needs individuals are extremely low income, compounding the need for housing facilities that provide appropriate services

Special Needs populations, Fargo, 2000-2009

	Population	Housing Facilities	Supportive Services	Priority
Elderly (age 65-85) <i>Source: Census, 2006-2008 ACS</i>	(2008) 7,830 (2000) 7,601	Market rate and subsidized senior-designated housing	Services are available in 376 assisted living market rate units. 163 subsidized units offer assistance on a contract basis.	M
Frail Elderly (age 85+) <i>Source: Census, 2006-2008 ACS</i>	(2008) 1,939 (2000) 1,528	Nursing homes, market rate and subsidized retirement communities, assisted living facilities	See note for “Elderly” population	H
Persons with a Disability (physical, mental, emotional) <i>Source: Census, 2000</i>	(2000) 12,729			
Seriously Mentally Ill <i>Source: SE Human Svc Ctr</i>	(2009) 3,249 (2003) 2,132	None specifically designated unless Dual Diagnosis affords access		H
Developmentally Disabled <i>Source: SE Human Svc Ctr</i>	(2009) 1,298 (2003) 923	Group homes operated by Fraser and Friendship, Inc.		L
Physically Disabled <i>Source: CHAS, 2000</i>	(2000) 4,289	Accessible market rate and subsidized housing (60% of this population rents housing)		M
Persons with alcohol/drug addictions <i>Source: SE Human Svc Ctr</i>	(2009) 1,271 (2003) 1,031	Dakotah Pioneer, Sister's Path, Centre, Inc.		M
Persons with HIV/AIDS <i>Source: ND Dept of Health/City of Fargo</i>	(2008) 65-70 ¹⁸	None specifically designated		L
Public Housing Tenants <i>Source: Fargo Housing Authority, 2009</i>	(2009) 1,024	589 housing units	Self sufficiency services, meals, attendant care, transp	H

Note: Southeast Human Service Center data from 2003 and 2009 fiscal year report. Assumption is that 90 percent of the southeast region's population is in city of Fargo.

In 2004 the Southeast Human Service Center established the Transitional Jobs Program that creates a working partnership between representatives from homeless shelters, human services, mental health and substance abuse, state correctional facilities, the ND state hospital, and the ND foster care system. This program evaluates the impact of discharges from ND institutions on homelessness, and facilitates the CoC's working partnership with state and local government to ensure that discharge policies are

¹⁸ The number of cases of HIV/AIDS is very low in North Dakota so statistics are not available on a detailed geographic basis. The estimate included in the table is based on the state's 2008 *HIV/AIDS Epidemiologic Profile* which states that approximately 188 people in North Dakota are living with AIDS; a total of 441 people have been diagnosed with HIV since 1984 (32 percent are known to have died). Fargo accounts for 14 percent of the state's population but is also home to a regional medical center and is the only urban area in the state. As such, the assumption is that the proportion of HIV/AIDS cases is higher in Fargo than population distribution would suggest.

being developed and implemented to prevent the discharge of persons from immediately resulting in homelessness.¹⁹

Perhaps most significant is the critical need for additional senior housing in Fargo, given the statistics on increasing elderly populations. As shown in the preceding chart, the population of elderly persons age 65-85 increased 3% from 2000 to 2008. In particular, the number of elderly persons identified as "frail," or over 85 years of age increased 27% over the same time period. The need for senior housing has been researched and summarized by Fargo staff, and has identified seven important areas of focus:

1. Top Priority. The 2004 ND Housing Needs Assessment recommended that the state of North Dakota give top priority to finding ways to address future elderly housing issues. The study recommendations indicate that "agencies should position themselves for a significant increase in demand for programs that address housing for extremely low, low, and moderate-income residents."

- Housing for "frail elderly" (age 85+) was identified as a high priority need in the 2005 Fargo Consolidated Plan

2. Aging Community. Fargo, like the rest of the country, will "age" as a community in the next 30 years. In Fargo, the number of people age 65+ is expected to increase by 91% between 2000 and 2015.²⁰

- 16% of Fargo pop age 60+ in 2010 – 28% by 2035²¹
- The City will still have in-migration from surrounding communities (75 mile "service area") but, more of the people moving to Fargo from those areas will be over age 60 than in the past.
- Note: 2020 is the 1st time we will see the true impact of the "aging society" we've been talking about for so long. The first Baby Boomer turns 65 in 2011.

3. Rental Options are Important. Affordable rental housing for seniors is important as renting is an increasingly popular option for households as they age.

- 33% of 55-64 year old householders are renters; that percentage rises to 43% for households over age 65. (2000 Census)

4. Affordability is a Challenge. Finding affordable housing is very difficult for households living in poverty.

- Almost 80% of households with income at or below the poverty level can be considered "cost burdened" (i.e., pay more than 30% of their income for housing). 58% of all households in this income bracket pay more than half of their total income for housing.²²
- In 2000, 8% of elderly households in Fargo lived in poverty (householder over age 65)

5. Disproportionate Need. By sub-population, it is more difficult for seniors to find affordable housing than for any other sub-population in Fargo.

- Nearly 47% of all renters age 75+ paid more than 30% of their income for housing (i.e., were "cost burdened") - this is the demographic in the metro area that was most likely to be cost-burdened as of the 2000 Census.
- In Fargo, large families and elderly renters are most likely to have a housing problem (i.e., cost burden, overcrowded, or substandard housing). 67% of elderly renters experienced a housing problem in 2000: 63% were cost burdened, 47% paid more than half of their total income for housing. The percentage of elderly renters with housing problems increased

¹⁹ *North Dakota 2004 Continuum of Care Application – Exhibit One*, North Dakota Coalition for Homeless Persons (July 2004).

²⁰ *North Dakota Statewide Needs Assessment*. North Dakota State Data Center. (November 2004)

²¹ Metropolitan Council of Governments 2006 Population Study

²² *HUD CHAS Databook 2000*

from 1990 to 2000.²³ The situation is similar for elderly homeowners: 75% paid more than 30% of income for housing and 49% paid more than half of their income for housing.

6. More Units Needed. The 2004 FM housing market study noted that the overall demand for subsidized housing (especially deep subsidy) exceeded supply. Highest priority for new units in the metro area is for young families with children (largest number of households with a cost burden) and seniors (higher proportion of the subpopulation cost burdened).

- Vacancy rates in subsidized housing projects targeted to senior and/or disabled tenants are extremely low (0-2%)

7. Fair Housing. Distribution of affordable housing across the community is necessary for access to housing to be fair.

- The principles embodied in the concept of fair housing are fundamental to healthy communities.
- The difficulties developers encounter when trying to site special needs housing facilities have an impact on fair housing choice.

²³ HUD CHAS Databook 2000

Barriers to affordable housing

Availability of both new and existing units of affordable housing has been an increasing challenge in Fargo, both for renters and owners. Fargo's approach to addressing affordability includes local regulatory review and coordination and development of local financing alternatives. Significant effort has been made to ensure that local regulation does not act as a barrier to housing affordability. The City's tax policies, zoning controls, building inspections and housing related incentives, for the most part, do not act as a barrier to affordable housing creation/preservation.

Tax policies. The City has a two-year property tax exemption for newly constructed owner occupied housing that is weighted more heavily toward affordable units. Fargo also has a property tax exemption for home remodeling projects that freezes the pre-rehab value for a period of 3-5 years, depending on the age of the home. In addition, the state of North Dakota has a Homestead tax credit that is designed to reduce the property tax burden on low income elderly and disabled homeowners. One potential issue with the homestead credit is the limit established by statute on the value of eligible property. The current statute says that the first \$100,000 of a property's value is eligible for exemption.

Zoning and Land use controls. Fargo does not have an outer ring growth boundary but is trying to encourage smart growth to allow for more efficient use of existing infrastructure systems. The Fargo Land Development Code outlines several categories of residential zoning that allow for variation in lot sizes and densities. In 2003, the City of Fargo adopted a new zoning category (SR-5) for the specific purpose of providing developers with an opportunity to build housing on smaller lots, with the end result often being an increase in affordability. The Code also allows for cluster housing development and other alternative development models, again, to facilitate the efficient use of land for the development of housing.

The process of applying zoning to property is an area that can prove challenging to developers, particularly developers interested in building affordable housing. The community often displays fears of density, in general, and affordability, in particular. This "classism" can sometimes prompt changes in subdivision design that negatively affect project affordability.

Building codes, fees, charges. The Building Inspections Department adopted the International Building Code (2006 edition) to govern rehabilitation of existing residential properties. This Code has helped to address some of the concerns that had been expressed about the application of new construction codes to older residential properties.

From a cost/process perspective, when compared to other communities, Fargo's Building Inspection and plan review process is both affordable and expedient. This means that the process itself is not a barrier to housing affordability. Also, the city's Rental Inspection program works to ensure that the community's rental housing stock is safe, sanitary and decent; fees are only applied if a property owner refuses to correct code violations. Some advocate that this is an impediment to continued affordability of certain units, but it is the city's position that affordability cannot come at the expense of safety.

Other Incentives. The city has an aggressive housing rehab program. Homeowners can qualify for loans or grants, depending on income and location of property. Rehab assistance is an important incentive to maintain because it is becoming more and more apparent that the City's existing housing stock is also its most affordable housing stock. Another incentive designed to aid in housing affordability is the downpayment assistance program available to low/mod homebuyers in the community. The city uses both CDBG and HOME funds to rehabilitate and/or create affordable rental housing units, with rents and income targeting guaranteed by pre-determined "periods of affordability". The City also aids in housing affordability through snow removal and special assessment assistance to elderly, disabled and income-qualified individuals and families.

Fair Housing

“The principles embodied in the concept of ‘fair housing’ are fundamental to healthy communities, and communities must be encouraged and supported to include real, effective fair housing strategies in their overall planning and development process, not only because it is the law, but because it is the right thing to do.”²⁴

The City of Fargo is committed to promoting fair housing choice in an affirmative manner. According to HUD, impediments to fair housing choice are:

- Any actions, omissions, or decisions *taken because* of race, color, religion, sex, disability, familial status or national origin which restrict housing choices or the availability of housing choices.
- Any actions, omissions, or decisions which have the affect of restricting housing choices or the availability of housing choices *on the basis* of race, color, religion, sex, disability, familial status or national origin.

The following is a summary of the impediments to fair housing choice in Fargo, as identified in the 2002 Analysis of Impediments²⁵ and more recent housing studies.

- 1. Education** . Individuals lack information on fair housing, specifically regarding their rights and their responsibilities on housing issues.
- 2. Historic Isolation.** The pattern of modern housing developments has effectively segregated people by income in many areas of the community. In some cases, it relates to the location of public housing and in others it is the patterns of private sector housing development that contribute to this isolation.
- 3. NIMBY.** As in many areas of the country, community resistance to the integration of diverse types of housing into existing neighborhoods is growing in Fargo. The Planning Commission and City Commission deal with “not-in-my-back-yard” arguments on a routine basis, relating to everything from the location of bike trails to group homes for persons with mental disabilities or for the homeless. The difficulties developers encounter when trying to site special needs housing facilities definitely have an impact on fair housing choice. The siting battle (or even the potential of a long and protracted battle) can influence the selection of a site and can even determine whether or not a housing project ever gets off the ground.
- 4. Affordability.** From 2006 to 2007, North Dakota experienced the Nation’s 16th highest home price increase at 7.1 %.²⁶ While the cost of construction and/or the rising cost of housing rehab limit housing choice, the way subdivisions are developed also has an impact on the cost of housing and segregation of individuals by income. The creation of a variety of types of lots for residential development is the first step in facilitating construction of new affordable housing, which has a direct impact on the community’s ability to develop diversity within its neighborhoods.
- 5. Accessibility.** The economic feasibility of retrofitting existing apartment buildings for accessibility can be seen as an impediment to fair housing choice in the community. Consistent integration of accessibility enhancements in newly constructed rental housing is also important to fair housing choice. Even when housing is made accessible, it is increasingly

²⁴ Ibid.

²⁵ “Analysis of Impediments to Fair Housing Choice”, Fargo Department of Planning and Development (July 2002).

²⁶ “State of Affordable Housing in North Dakota”, North Dakota Housing Finance Agency (2008)

difficult for a disabled person living on SSI payments to afford a modest one-bedroom or efficiency unit.²⁷

²⁷ "Priced Out in 2008: The Housing crisis for People with Disabilities", Technical Assistance Collaborative (April 2009)

Lead based Paint Hazards

Lead based paint poisoning is an environmental health problem that can pose health risks to young children. Blood lead levels (BLL) as low as 10 µg/dL are associated with harmful effects on children's learning and behavior. Very high BLLs (>=70 µg/dL) cause devastating health consequences, including seizures, coma, and death.²⁸

A recent CDC report on Childhood Lead Poisoning Prevention noted that approximately 40% of all U.S. housing units (about 38 million homes) have some lead-based paint, and 25% of all U.S. housing units (about 24 million homes) have significant lead-based paint hazards. Of units built before 1940, 68% have significant lead-based paint hazards, as do 43% of units built from 1940 to 1959. Nationwide, about 4.2 million units with some lead-based paint are occupied by families with children aged < 6 years. Young children in low-income families living in the 1.2 million housing units in the United States that have significant lead paint hazards as defined by HUD regulations are at highest risk for exposure to lead.²⁹

Sixty-one percent of all residential properties in the City of Fargo were built before 1979. While the possibility exists that any home built before 1979 contains lead based paint, the properties at highest risk for lead paint hazard are those built before 1950. Twenty-seven percent of the housing stock in the community was built before 1950. As would be expected, these homes are concentrated in the center city districts (older neighborhoods).

One in four Fargo residential properties was built before 1950

Residential properties by year built, Fargo

	<i>Single family detached</i>	<i>All other types of housing</i>	<i>Total residential properties</i>
Pre-1950	4,828	688	5,516
1951-1978	6,001	792	6,793
1979-2004	5,190	2,633	7,823
Total Pre-1978	10,829	1,480	12,309
Total Residential properties	16,019	4,113	20,132

Source: Fargo City Assessor's Department

Note: This calculation is based on residential properties, and not on residential housing units.

The City will continue to require testing for lead-based paint and leaded dust on all Housing Rehab projects on homes built prior to 1978. General contractors on rehab projects are required to have, at a minimum, persons certified by the North Dakota State Department of Health as Lead Abatement Supervisors. The contractor may also have workers certified by NDS DH as Lead Abatement Workers in which case a Certified Lead Abatement Supervisor must be able to be on site of at lead hazard reduction project within 2 hours.

The city will also continue to have clearance testing on all city funded rehab projects including lead hazard reduction work conducted by a City Health Department Environmental Health Practitioner who is a NDS DH Certified Lead Risk Assessor. The position of Housing Rehab Specialist will continue to require North Dakota State Department of Health certification as both a Lead Abatement Supervisor and Lead Risk Assessor in addition to training on the EPA's Renovation, Repair and Painting Program. The Rehab Specialist will also continue to be required to be an International Code Council Certified Building Inspector.

²⁸ [Screening Young Children for Lead Poisoning](#), Centers for Disease Control and Prevention (November 1997), 9.

²⁹ Centers for Disease Control and Prevention. "Preventing Lead Exposure in Young Children: A Housing-Based Approach to Primary Prevention of Lead Poisoning". Atlanta: CDC (2004), 23.

Summary of Need

The “Housing Market Analysis”, “Housing Needs Table” and “Non-Homeless Special Needs Table” are included in Appendix C in the form currently prescribed by HUD. The tables include annual goals which will be updated each year via the Annual Action Plan and Annual Performance Report. The following issues emerge from examining the information presented in the Housing Needs analysis.

- Significant rehab needs in public housing must be addressed to maintain the community’s inventory of subsidized units.
- Affordability concerns for households earning less than 30 percent of the area median income. The majority of this group rents, so rental affordability is key. Also, elderly households earning less than 30% of median income exhibit significant cost burden at high rates. Disabled persons who are receiving SSI payments as their primary income find that cost of rent is a significant burden.
- Homeownership rate is low, with disproportionately low rates of minority homeownership.
- Owner occupied housing costs are rising for all income ranges.
- Age-based projections through 2020 show younger population decreasing, with a large increase in middle-aged, empty-nester and senior households, which means shifting housing demand.
- Education on fair housing issues.
- Construction of new subsidized units (i.e., LIHTC) should target seniors and extremely low income households (less than 30 percent median income) as well as families with children and people with disabilities.

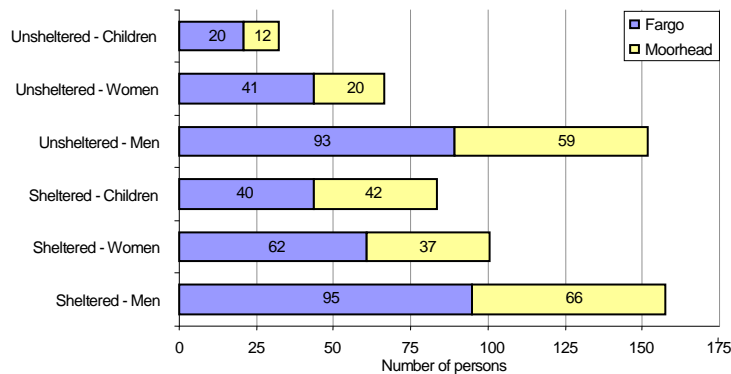
Homeless

Nature and Extent of Homelessness

The network of services for homeless individuals and families operates on a metropolitan basis. While a state line separates the communities of Fargo and Moorhead, the area's homeless population does not generally view the line as a barrier. They will travel to where necessary services are available. However, for the purpose of this report, homeless statistics and facilities are only discussed for the City of Fargo.

Fargo is home to 58 percent of homeless persons in Fargo Moorhead

Location and basic demographics by City, Wilder Survey, Oct 2006



There are three general types of homelessness: Chronic, Episodic and Transitional.

- **Chronic** homeless - protracted homeless experience, spells in the system are frequent and long³⁰
- **Episodic** homeless - use system with intermittent frequency but for short periods
- **Transitional** homeless - experience only one short spell of homelessness

	Shelter days consumed	Needed Solution
Chronically homeless	Stay for a "long time" 2.27 stays for 637 days	<ul style="list-style-type: none"> • Permanent supportive housing
Episodically homeless	4-5 stays (a lot of time but not in 1 block) 4.85 stays for 263 days	<ul style="list-style-type: none"> • "Low demand" or harm reduction models • Residential treatment/transitional housing
Transitional homeless	1-2 stays (2-60 days) 1.36 stays for 58 days	<ul style="list-style-type: none"> • Prevention • Help for a quick return to housing

Stats are based on cluster distribution of single homeless adults in New York, Corporation for Supportive Housing

³⁰ Chronic homelessness is defined as an **unaccompanied** homeless individual with a **disabling condition** who has either been continuously **homeless for a year** or has had at least **4 episodes of homelessness** in the past 3 years. The chronically homeless are estimated to be approximately 10 percent of the total homeless population but they use more than 50 percent of the total resources used by homeless persons.

Basic Characteristics

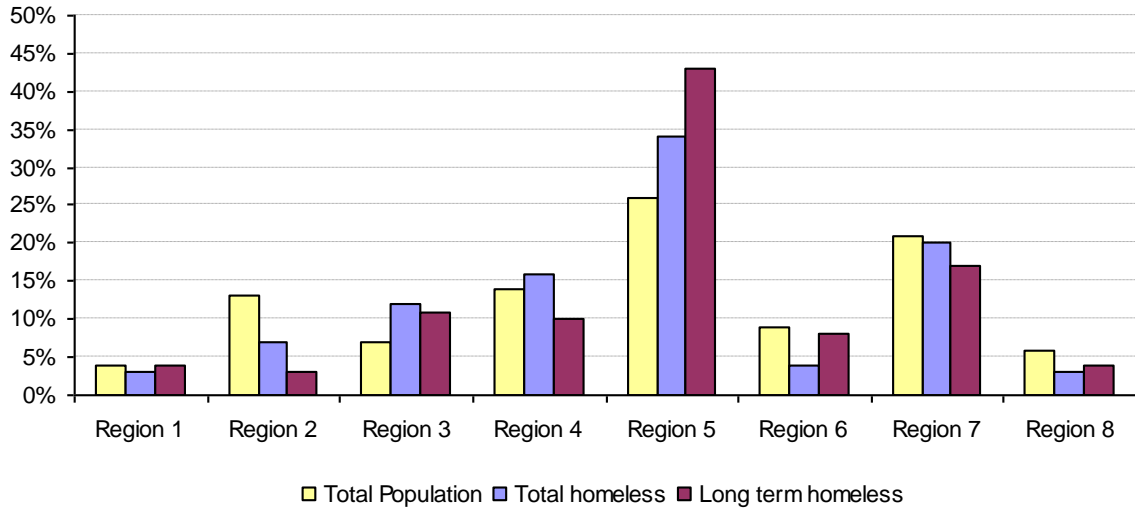
- **Age.** Two-thirds of the homeless persons in Fargo are men, with an average age of 44. The average age of a homeless woman in Fargo is 34.³¹
- **Marital Status.** Over half of those interviewed have never married (55%).
- **Veterans.** Veterans make up 36% of homeless males in Fargo.
- **Residency.** 38% of homeless persons in Fargo have lived in North Dakota for at least two years. The 62% that are more “recent” residents are most likely to come to North Dakota from Minnesota (39%) or have lived in North Dakota before (33%).
- **Children.** One third of the women (32%) in sheltered locations had at least one child with them.
- **Race/Ethnicity.** Fargo’s homeless population contains a disproportionate number of persons of color, particularly American Indian (26%). About two-fifths (39%) of Fargo’s homeless adults are persons of color.
- **Unsheltered.** Three out of four “unsheltered” homeless were men and almost half were American Indian.
- **Duration of Homelessness.** Thirty-six percent (36%) of the homeless population meet the Federal definition of chronic homelessness.
- **Education.** Almost 80% of Fargo’s homeless population has a high school diploma or GED – 30% have attended at least some college.
- **Employment.** Forty-one percent (41%) of homeless persons in Fargo is employed – 15% in a full time status. For those who are not working, the most common barriers are transportation (40%), physical health problems (33%), lack of housing (27%), and mental health problems (27%).
- **Income.** The average amount of income in Fargo that homeless persons received was \$449/month; the median income was \$400.
- **Affordability of Housing.** The average amount of rent that a homeless person surveyed said they could pay for rent was \$235/month (including utilities). Twenty-two percent (22%) of people surveyed could not afford to pay rent.
- **Health and well being.** Ninety-three percent (93%) of the long term homeless population, and 77% of the total homeless population, report having a mental illness, substance abuse disorder or chronic physical health problem. Forty-four percent (44%) of homeless adults in Fargo were told by a doctor in the last two years that they have a serious mental illness.³² Forty-three percent (43%) of homeless adults report that they consider themselves to be alcoholic or chemically dependent.

³¹ The statistics for the Homeless Needs Analysis are taken from: “Homeless adults and their children in Fargo, North Dakota and Moorhead, Minnesota: Regional survey of persons without permanent shelter”, Wilder Research Center 2006.

³² Mental illness as referenced in this survey includes: schizophrenia, manic-depression or bipolar disorder, some other type of delusional disorder, major depression, anti-social personality disorder or post-traumatic stress disorder.

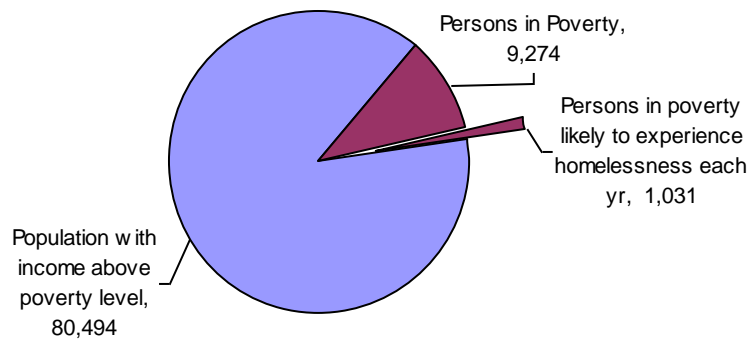
**Local data collection efforts are key - almost half of the state's
Long term homeless population lives in Fargo**

*Population distribution by region, 2006 ND Point in Time survey,
January 2006*



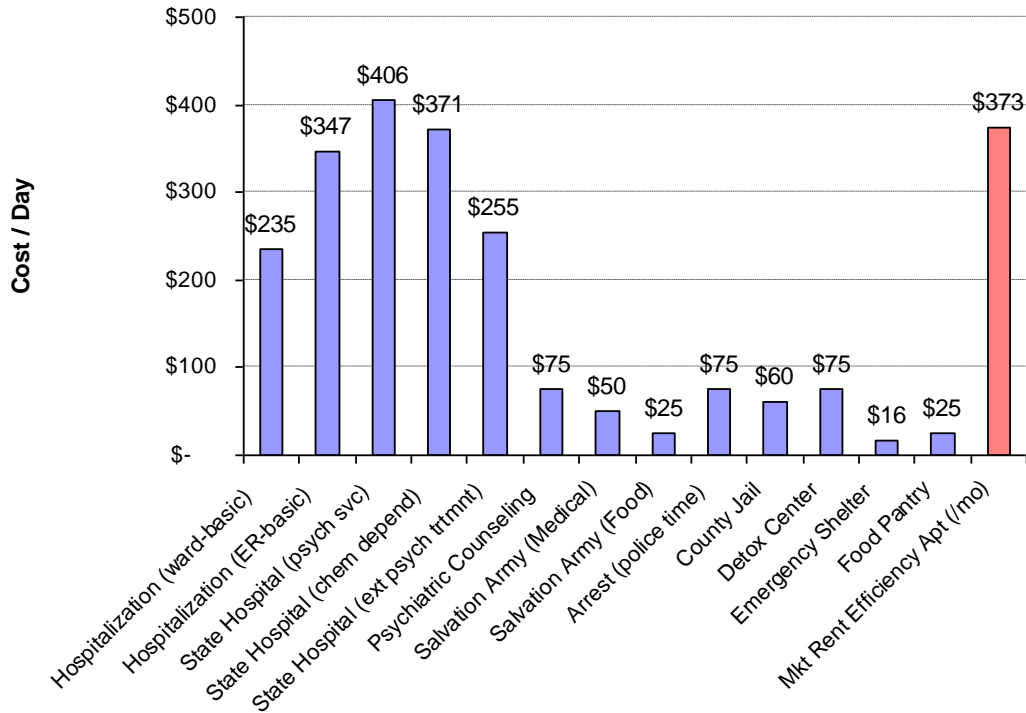
**Approximately 10% of people living in poverty will
experience homelessness in any given year**

2000 Census Poverty statistics, Fargo



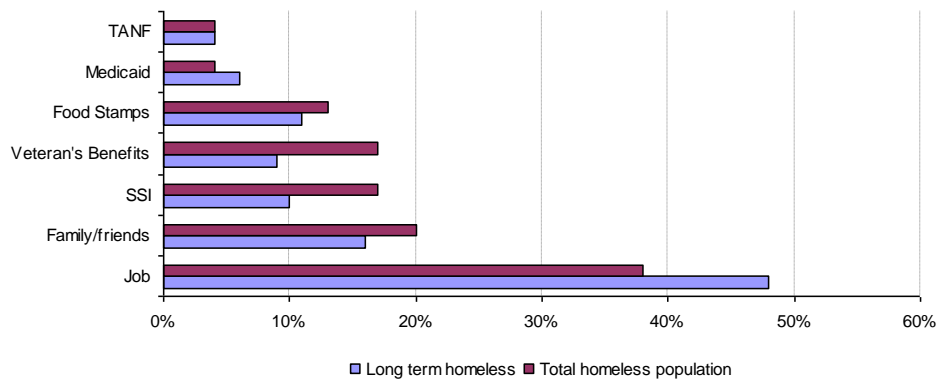
Crisis and Institution-based services tend to be expensive and the costs are distributed across many agencies

Estimated cost of providing services, Fargo-Moorhead/ND, 2006



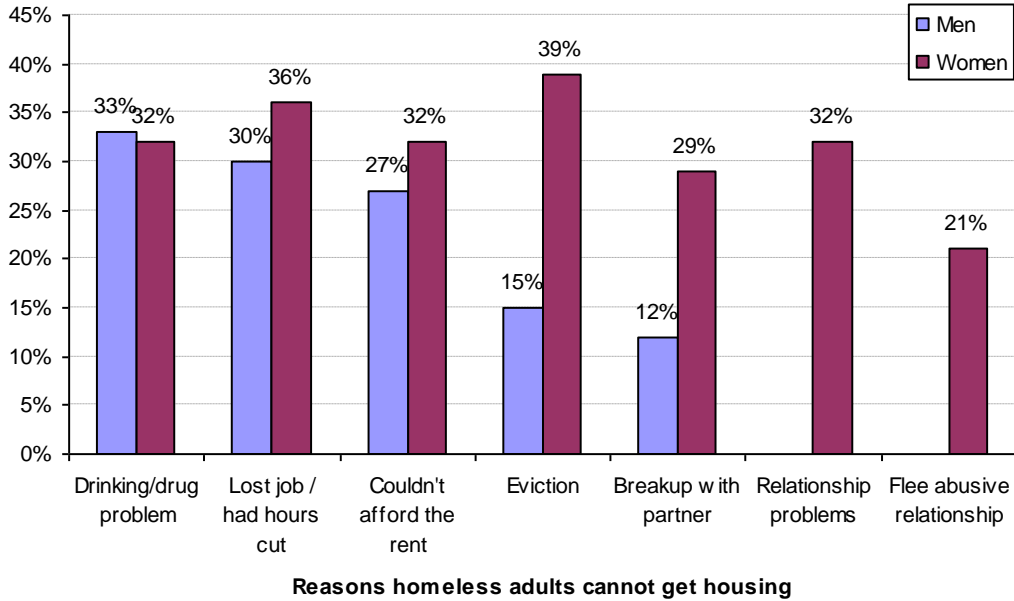
Employment is the most common source of income for Fargo's long term homeless population

Source of income, ND Point in time survey January 2006



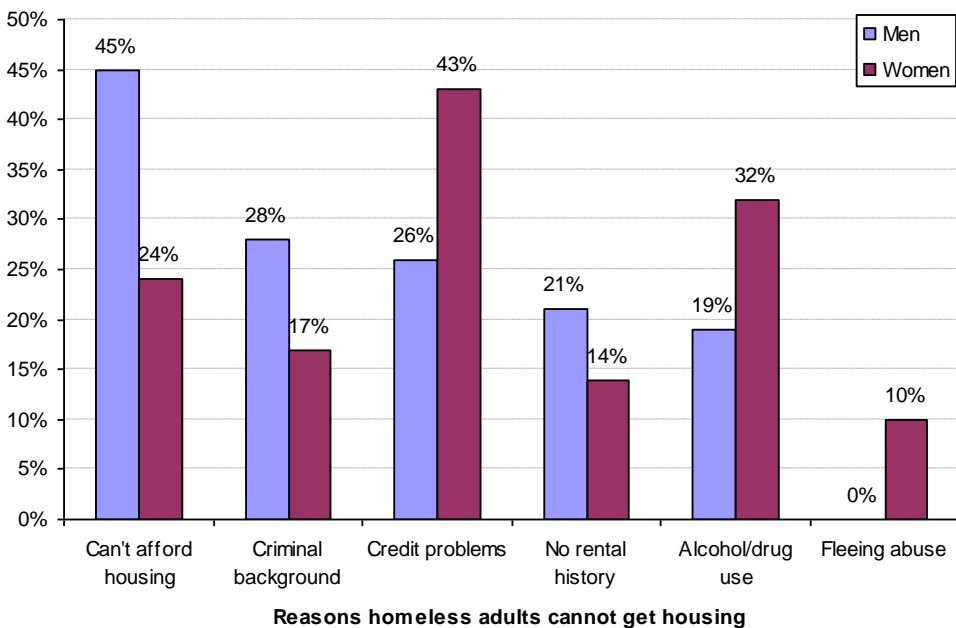
Economics and behavioral issues top the list of reasons homeless adults in Fargo left their last stable housing situation

Reason left last housing, Homeless adults, Fargo, October 2003



Credit problems are the number one reason homeless women in Fargo can't find housing; for men the primary reason is affordability

Reason cannot find housing, Homeless adults, Fargo, October 2003



Homeless Facilities and Services

Emergency shelter needs are generally being met with existing facilities. In times of high demand, local emergency shelters do what they can to make room for everyone that needs housing, even when they are at capacity. One of the challenges facing local shelters, however, is that the length of stay is increasing. A deficiency in one part of the system affects all of the other parts. People are staying longer in emergency shelter in part because there is a lack of transitional housing for shelter occupants to transition into or a lack of permanent housing that is affordable to the homeless family. Transitional housing has consistently been identified as a gap, as has housing that is affordable to poverty level households.

The key component for both transitional housing and for permanent supportive housing is the support. Housing that is tied to support services is the true gap in the City of Fargo. Fargo has a robust housing market so the availability of suitable units is less of an issue than is the availability of services to support existing housing units. However, units that are affordable to extremely low income households almost always require subsidy of some kind which justifies the priority placed on maintaining existing subsidized units and creating additional units to serve households earning less than 30 percent of median income.

Finding affordable housing is the end need for many homeless individuals and families but it is only one of the components of success for others. Some of the families and individuals who move from homelessness into permanent housing will need to be supported with self sufficiency training, case management, transportation and child care assistance. Some adults with mental illness and/or disabilities or serious medical conditions will require supportive services for an indefinite period of time if they are to successfully maintain a stable housing situation.

The bottom line is that even if the people described above can find housing that is safe, sanitary and affordable, they are unlikely to be able to maintain a stable housing situation for the long term. Many will be unable to be successful without follow-up services and support.

In addition, there are many in our community who are "hard to house". They are not formally "diagnosed" with a condition (SMI or DD) that gains them access to the case management system which increases their chance of falling through the cracks when it comes to finding a supported housing environment that will help them achieve long term success. Additionally, people with poor credit/rental histories, criminal backgrounds and behavioral issues (ex, chronic substance abuse) will have difficulty accessing housing even if affordability is not an issue, further exacerbating the risk of prolonged homelessness.

Several non-profit service providers operate housing facilities/programs for the community's homeless population

Homeless Housing Beds by type of occupancy, 2009

Type of Occupancy/Project	Emergency Shelter Men	Emergency Shelter Women & Children	Trans Housing families	Trans Housing non family	Perm Supp Housing families	Perm Housing non-families
SRO (S+C)						22
S+C (FHRA)					62	13
Vets Manor (SHP)						11
Sister's Path (LIHTC, SHP)					33	
Dakotah Pioneer (LIHTC)				31		
New Life Center	89		1	20		
YWCA		65	35	2		
Gladys Ray Shetler	25	10				
Project HART				48		
Youthworks				6		
Perry Center			10	13		
Total	114 (beds)	75 (beds)	46 (beds)	120 (beds)	95 (beds)	46 (beds)

**A 42 unit permanent supportive housing project is currently under construction by Beyond Shelter, Inc (Cooper House).*

Fargo's 10 Year Plan to End Long Term Homelessness

In Fargo, the January 2009 Point in Time Survey counted 352 homeless persons (291 adults, 61 youth under 18). Fifty-six (56) persons were identified as chronically homeless. The system that serves homeless people is designed to help facilitate a transition from a state of acute housing crisis to more independent, stable living. The continuum of emergency shelter, transitional housing, and permanent housing is generally very effective and works for the majority of the homeless population. However, there is a portion of the homeless population that is extremely difficult to house. This group, which locally represents about 30% of the local homeless population, is considered "long term homeless". These individuals had been homeless for an average of 1.4 years.

The primary contributing factors to chronic homelessness as revealed in the Point in Time survey were:

- Chronic health condition
- Serious mental illness (diagnosed or undiagnosed) with inconsistent use of meds/treatment
- Substance abuse disorders
- Unemployable or unable to keep job because of disability
- Limited or no social support network
- Discharge from jail, prison, hospital, shelter, Detox, treatment, foster care
- Poor rental histories and criminal backgrounds

As a result, the City of Fargo decided to take steps to end long term homelessness because:

- The **traditional system** that serves the homeless does **not** appear to be particularly **successful for this group**, as evidenced by their repeated and extended periods of homelessness.
- **Scarce system resources** are being **disproportionately used** by a relatively small portion of the population. To illustrate – 43% of emergency shelter space is occupied by long term homeless individuals; 75% of detox users and 19% of jail inmates are homeless. In addition, this population tends to use emergency medical care to treat the multitude of health issues that they are experiencing.
- Fargo is home to almost half of the long term homeless in the state of North Dakota and should, therefore, be integrally involved and **contributing to statewide efforts** to end homelessness.
- It is **unacceptable** for a progressive community **to turn away** from chronic homelessness. Disability and poverty should not sentence someone to a life of long term homelessness.

To end long term homelessness in Fargo, we will need to identify housing and service supports for 224 households. We will not develop another need-based model but instead, create a demand-based model that offers the housing options our target tenants want. Housing options/programs must be attractive to the long term homeless population – you cannot mandate participation and expect to succeed. This Plan outlines a 7-point strategy to eliminate the housing crises that create long term homelessness in our community.

1. Increase the availability of permanent supportive housing.

Housing that is both affordable and available to homeless people is in short supply. Connecting people to existing housing units by working together to mitigate perceived landlord risk will open many possibilities.

2. Improve consumers' ability to pay for housing.

The gap between these tenants' ability to pay for housing and the rents commanded in the market is never likely to close completely, which means that rent subsidies must be more available to this population for the long term. In addition, to maintain long term housing stability, it will be necessary to increase the personal income of formerly homeless individuals and families by pursuing employment placement, benefit management and financial planning/education.

3. *Develop partnerships that will move people into housing first.*

Chronically homeless individuals and families “regard housing as an immediate need” and the traditional continuum of care as a series of hurdles that they are unable or unwilling to overcome.³³ Moving people into housing first will immediately end their homelessness, demonstrate a commitment to and respect for consumer choice, and be more likely to lead to better physical and mental health because the assistance is being offered in a way that makes sense to consumers.

4. *Make outreach to long term homeless more effective.*

For the long term homeless more than for any other group, engaging with the “system” does not come easily. Respect and responsiveness are likely to generate trust and allow a chronically homeless person to accept the help that will help them end their homelessness.

5. *Stop discharging people into homelessness.*

People leaving institutional settings face many challenges at discharge; finding stable housing is one of the key components of success in almost every case.

6. *Enhance the coordination and availability of prevention services.*

Intervening in the lives of those most at-risk of long term homelessness before their housing crisis pushes them into homelessness is definitely the best, most effective, way to end future homelessness.

7. *Collect data and share information about homelessness in the metro area.*

Accurate and timely information is necessary for policymakers and the community to understand the issue of homelessness in our metro area and to measure our progress in ending it.

The City of Fargo’s plan to end long term homelessness is intended to be part of a region wide solution – not “the” solution. Fargo is in the center of a metropolitan area that needs to address homelessness in a coordinated fashion and is just one community in a State that that must address both rural and urban homelessness issues. With deliberate and active collaboration, Fargo’s plan can become part of a fabric of ideas that will truly affect the lives of the long term homeless living in our communities.

³³ “Housing First, Consumer Choice, and Harm Reduction for Homeless Individuals with a Dual Diagnosis”, Sam Tsemberis, Leyla Gulcer and Maria Nakae. *American Journal of Public Health* April 2004, Vol 94 No. 4, 651.

Precariously housed non-homeless

People who work with the homeless and with low income people always remind users of homeless data that the number of people in the homeless system at any given point in time is only half of the issue that needs to be addressed. The “hidden homeless” are commonly described as the people who are “doubled up” with friends or relatives but have no permanent home of their own. This group will typically represent approximately same number of people that are staying in emergency shelter at any given point in time.³⁴

The “precariously housed” or people “at risk” of becoming homeless represent the “front door” to homelessness that must be closed if communities are to make progress on reducing or even eliminating homelessness as a social problem. Research has shown that approximately 10 percent of people living in poverty will cycle through the homeless system in a given year.³⁵

For the precariously housed individuals in our community, eviction may be imminent, or marginal personal economics may mean that an inability to afford housing will trigger a homeless episode. Outreach to poverty level families via case workers, self sufficiency programs or other means could help ensure that intervention happens early enough to actually prevent homelessness from occurring. Actual intervention assistance like emergency rent or utility assistance or even assistance with security deposits is another means of homelessness prevention that is proven effective but is difficult to fund.

Summary of Need

The following issues emerge from examining the information presented in the Homeless Needs analysis.

- Develop permanent supportive housing to effectively transition people out of homelessness
- Find housing options for hard to house populations (bad credit, criminal background, behavioral issues, et al)
- Ensure culturally appropriate housing and support service solutions to maximize successful reduction in homelessness, particularly for the American Indian population which makes up a disproportionate share of the community’s homeless
- Provide support to extremely low income households (<30 percent area median income) because they are the most precariously housed non-homeless
- Support efforts of the Continuum of Care and State agencies to bolster discharge planning practices to prevent newly discharged individuals from becoming homeless
- Increase public awareness of homelessness and the needs of this population

³⁴ “Homeless Adults and their Children”, Wilder Research Foundation November 2004 (p. 8-9)

³⁵ “*Estimating the Need*”, Corporation for Supportive Housing (p. 15).

Non-Housing

The following section addresses some of the priority needs identified in the major areas of community development activity in Fargo: downtown, neighborhoods, refugees/immigrants, and self sufficiency.

Downtown

Ensuring neighborhood sustainability requires ongoing effort. The implementation of the Renaissance Zone in 1999 has served as a catalyst for investment in downtown. This state/local tax incentive combined with consistent investment of community development funds has spurred over 93 million dollars of investment in downtown Fargo since its inception.

The City's Blight Study has identified four "deteriorated areas" in downtown Fargo. Much effort has been focused on the Broadway/NP Deteriorated and East NP areas in the last five years. Broadway in particular has seen significant improvements to its streets, sidewalks and building facades. This has helped to encourage greater investment and increased pedestrian traffic. The continued investment of resources (both public and private) in these and other identified areas will help move the community toward sustainability for this unique mixed use neighborhood.

Refugees and Immigrants

"Those communities experiencing rapid immigrant population growth may find certain community resources – housing, schools, social services – strained in the future, but with that growth comes expansion in their local workforces, tax bases, and markets for goods and services."³⁶

In 2009, Fargo is still a relatively homogenous community but that appears to be changing. 75 percent of the City's foreign born population entered the community in the 1990s - since 1990, more than 5,000 refugees from 40 countries have been formally re-settled in Fargo. Since 2000, it is estimated that 27 percent of the City's population growth is attributable to New Americans. Refugees make up the largest portion of the community's foreign born population.

The Center for New Americans is a cooperative ministry of Lutheran Social Services (LSS) and the Episcopal Diocese of North Dakota. Together they help refugees resettle into North Dakota communities. The United Nations defines a refugee as:

A person who is outside his or her country of origin and is unwilling or unable to return to their home country because of documented persecution or a well-founded fear of persecution based on race, religion, nationality, membership in a particular social group or political opinion.³⁷

Refugees pay the same income taxes, sales taxes, property taxes, and social security taxes as a U.S. citizen does. Refugees are legally admitted into the U.S. and as such, have many of the same rights and responsibilities as residents.

Since the mid-1990s, the largest refugee populations coming to Fargo have been Bosnian, Sudanese (approximately 100 languages spoken in this country), Bhutanese, Iraqi, Liberian, Somalian, and Kurdish. In the 1970s and 80s, the largest refugee population came from Vietnam. Currently we are

³⁶ "The New Neighbors", 21.

³⁷ "Center for New Americans" brochure, (Lutheran Social Services).

seeing the highest monthly number of refugees coming to Fargo since the September 11th attacks, many of whom are Bhutanese and Iraqi.

Very few of the refugees that resettle in the U.S. return to their homelands. Many do not have the option to return (continued threat of persecution); Kosovars are an exception to that rule, as they were given the option of returning home. There is a fair amount of movement between communities within the United States; refugee families sometimes move to other cities because of personal preference or because other family members have been settled in other parts of the country. In Fargo, the Bosnian, Vietnamese, Somali and Sudanese populations are starting to reach a level where there is a substantial community network. These core numbers help new refugee families feel more comfortable in the community and oftentimes increase the chance that they will stay in the community. As a result, Fargo is seeing an increasing number of grocery stores, markets and other services catering to a variety of ethnicities within the community.

Some of the needs of the refugee community as identified by citizens and by service providers are:

- Transportation and child care assistance to facilitate work
- English language and citizenship training made available by native speakers
- Leadership development and technical assistance for new non-profit organizations
- Neighborhood-based spaces to both educate and connect people
- Fair housing education for landlords and tenants
- Education on law enforcement issues
- Assistance for entrepreneurs, particularly within the refugee community
- Targeted homeownership education for refugee families firmly established in the community
- Education on immigration and naturalization issues

Self Sufficiency

The needs of low income individuals in the community are very much the same as the needs of refugee families in the community. The primary difference is the addition of the language barrier for people for whom English is a second language.

Self Sufficiency enhancement requires service providers to work together to take a comprehensive view of a person's needs. The transportation and child care needs identified in the refugee section of the document apply for all low income households. Assistance for entrepreneurs and homeownership assistance and education are also relevant for all low income households, providing them with the means to increase personal wealth and consequently, long term self sufficiency.

Neighborhoods

Neighborhood empowerment is one of the main tenets of the community building philosophy. Building strong neighborhoods has numerous community wide benefits. Citizens are more involved in the political process and are better able to help policy makers make better decisions about their neighborhood.

The City of Fargo has defined 34 residential neighborhoods within city limits. These neighborhoods generally include an average of 3,000 people, 1,300 housing units all on one square mile of land.

There are a wide variety of community development activities that will further the neighborhood building philosophy. An important first step in many neighborhoods is to go through a neighborhood planning process. The purpose of a neighborhood plan is to bring the residents of an area together to talk about shared goals and concerns. The result of the process is a document that captures citizen priorities and links them to a specific set of actions, with the intent of achieving the goals outlined in the plan. These

plans are used to provide input to policy makers throughout the community when decisions regarding a particular neighborhood are under consideration.

In addition to a neighborhood planning program, the city can continue to support neighborhood revitalization by assisting with needed infrastructure upgrades wherever possible, helping to maintain a solid housing stock, and providing general “capacity building” support for fledgling and existing neighborhood organizations.

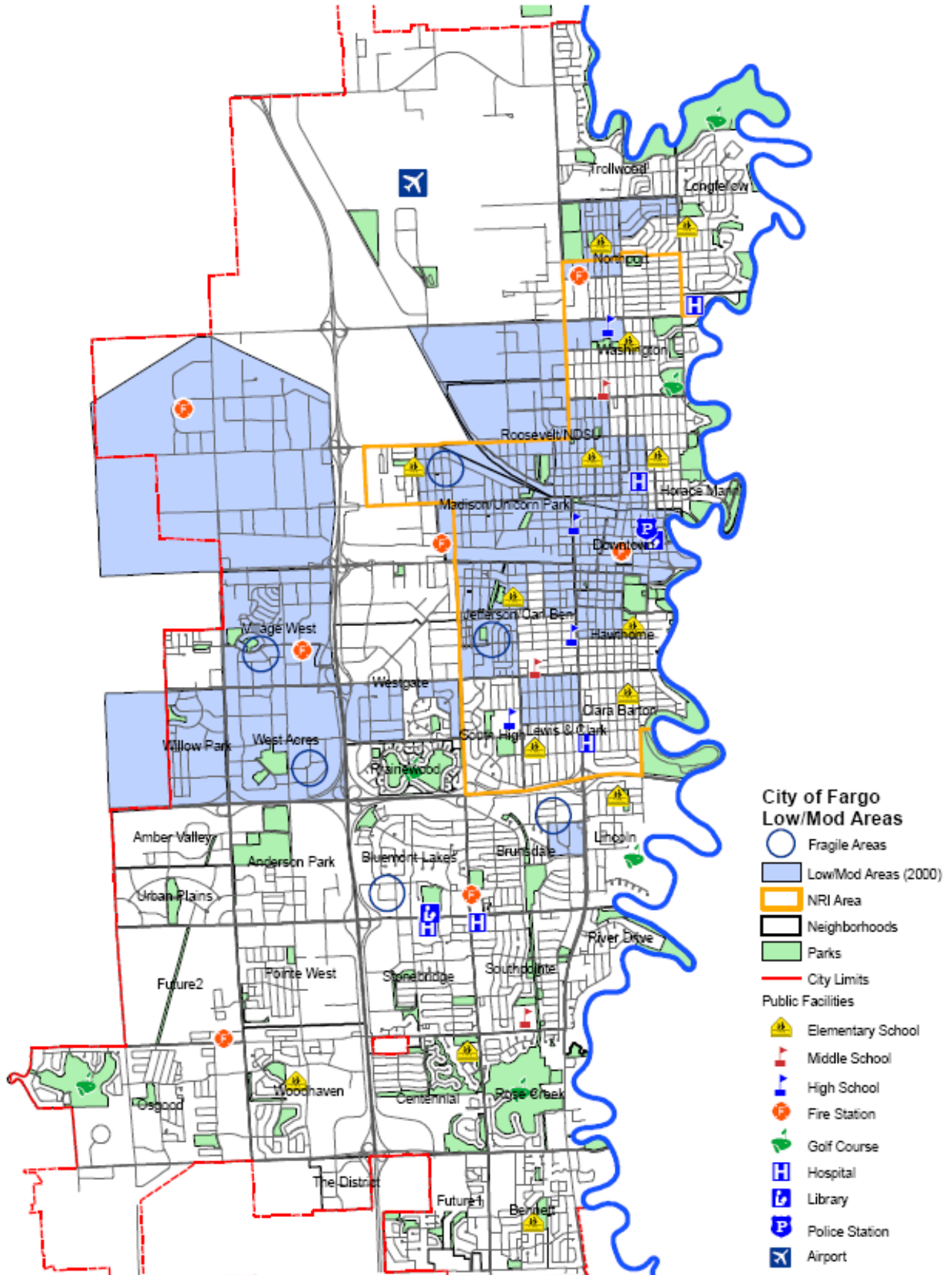
Much of the foundational work of neighborhood building can happen community wide. There are however, special facility needs that may need to be considered in the community’s low income and/or fragile neighborhood and sub-neighborhood areas³⁸ (see map on following page). Neighborhood Resource Centers may provide a solution in some areas; in others the necessary improvement may be a playground or recreational amenity. Some neighborhoods (such as Madison) may have schools that are recipients of school-wide “No Child Left Behind” funds, which indicates a greater need and a higher poverty rate in the surrounding neighborhood. In any case, the intent is to provide residents with a point of commonality to facilitate community building while also providing an enhancement to the quality of life for the people living in the targeted neighborhood.

Summary of Need

A “Community Development Needs Table” is included in Appendix C in the form currently prescribed by HUD. The table includes annual goals for various types of facilities and services eligible for CDBG funds. The goals will be updated each year via the Annual Action Plan and Annual Performance Report. The following issues emerged from the city’s analysis of community development needs.

- Self sufficiency enhancement, particularly for extremely low income households (English language training, transportation, job skills, entrepreneurship, microenterprise support)
- Continued leadership development within local ethnic communities (i.e., New Americans) to facilitate self determined activity and successful integration into the community fabric
- Neighborhood based youth/family facilities in low income and/or “fragile” neighborhoods
- Elimination of deteriorated property and blighted conditions in both residential neighborhoods and the central business district

³⁸ A “fragile” area is defined here as an area that is lacking in public facilities/amenities, has a high concentration of housing that is generally affordable to households under 60% area median income (rental or owner), has issues with crime (either emerging or already present), and a low homeownership rate. These areas oftentimes coincide with HUD-designated low/mod areas but sometimes pockets of need are evident only at the “sub-neighborhood” level, which is smaller than a census block group and can be lost amidst a larger area of a different character.



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Strategic Plan

The Consolidated Plan analyzes local context, linkages, organizational structures, and community development needs for the purpose of laying out a specific course of action for community development activities. It is the guidebook that a community uses to effectively allocate and utilize community development dollars.

The Department of Housing and Urban Development has embraced three basic goals for successful community development:

1. Provide Decent Housing

- Assisting homeless persons obtain affordable housing
- Assisting persons at risk of becoming homeless
- Retention of affordable housing stock
- Increase the availability of affordable permanent housing to low and moderate income families, particularly to members of disadvantaged minorities
- Increasing the supply of supportive housing, which includes structural features and services to enable persons with special needs to live in dignity and independently
- Providing affordable housing that is accessible to job opportunities

2. Encourage a Suitable Living Environment

- Improving the safety and livability of neighborhoods
- Increasing access to quality public and private facilities and services
- Reducing the isolation of income groups within areas through spatial deconcentration of housing opportunities for lower income persons and the revitalization of deteriorating neighborhoods
- Restoring and preserving properties of special historic, architectural, or aesthetic value
- Conservation of energy resources

3. Expand Economic Opportunities

- Job creation and retention
- Establishment, stabilization, and expansion of small businesses (including microbusinesses)
- Provision of public services concerned with employment
- Provision of jobs to low income persons living in areas affected by those programs and activities, or jobs resulting from carrying out activities under programs covered by the plan
- Availability of mortgage financing for low income persons at reasonable rates using non-discriminatory lending practices
- Access to capital and credit for development activities that promote the long term economic and social viability of the community
- Empowerment and self-sufficiency for low income persons to reduce generational poverty in federally assisted housing and public housing

The above-stated goals represent activities that span the practice of community development. The provision of decent housing, a suitable living environment, and expanded economic opportunities for people in all income groups and geographic areas of the city will make the community stronger. It will help further efforts to prevent crime, build livable neighborhoods, attract businesses and new residents, and continue the economic expansion that Fargo has enjoyed in the past.

The goal of the City of Fargo is to enhance, maintain and sustain a livable community that includes a vibrant downtown integrated with surrounding neighborhoods that offer a wide range of housing choices and mixed uses. The 2010-2014 strategic plan outlines Fargo's priorities, the way we will measure progress, and the strategies the city will pursue to make it happen.

Findings

An examination of community characteristics (relative to other Midwestern communities) and the findings outlined in the City's Needs Assessment helped identify priority needs that should be addressed with community development funds.

- **Homeownership rates** in Fargo are low. The City is likely to have a low homeownership rate relative to the state and national rates because of some of the characteristics of the population (high percent of student and elderly households, small household size) but the fact remains that the rate could be increased. Efforts to encourage minority homeownership and homeownership for low income households (50-80% of median income) are key initiatives. Additionally, working to ensure a variety of homeownership options throughout the community will encourage increases in homeownership across all income and age groups.
- Relatively speaking, housing in Fargo is **affordable**. Rents in Fargo have not increased, in real dollars since 1970 and incomes appear to be rising faster than housing costs. However, certain segments of the population do face significant affordability issues. Most rental households earning less than 30 percent of area median income face a severe cost burden. And for homeownership to remain within reach for households earning less than 120 percent of area median income, additional new construction of affordable owner occupied housing is needed.
- **Homelessness** is an issue that has a different scale in North Dakota and in the City of Fargo than it does in larger, more urbanized, areas. The most recent survey of homelessness in Fargo counted 352 homeless persons, 16 percent of whom could be considered chronically homeless. Even though Fargo is home to approximately 15 percent of the state's population, it is home to more than one-third of the state's homeless population. The City has a good emergency shelter system, some transitional housing and a permanent supportive housing development under construction. However, continuing the work to address crisis housing situations and to provide a robust continuum of housing options will allow people to prevent homelessness and maintain housing stability.
- Fargo is becoming a more **diverse community**. Immigrants come from two distinct groups – a highly educated and relatively affluent group associated with the metro area's universities medical institutions, and a relatively disadvantaged group of refugees that have been resettled to the United States to avoid persecution in their native lands. In addition, Native Americans exhibit the most need (as measured by poverty, education levels, homeownership). Community systems and residents must continue to adjust to accommodate this diversity of language, culture, and need.
- A **neighborhood's physical and social infrastructure** combine to show the strength and long term viability of a place. Continued investment in the physical infrastructure of the City's neighborhoods (housing, streets, utilities, neighborhood facilities, parks and open space) and aggressive elimination of blight will encourage vitality in older and more fragile neighborhoods. In addition, investing in social infrastructure may be just as important. Social infrastructure involves leadership development and support for the activities of grass roots organizations (ex. neighborhood groups, ethnic communities).
- Efforts to **reduce poverty levels** by increasing earning power and family self sufficiency have a major impact on community and individual well being. HUD's definition of "extremely low income" (less than 30 percent of area median income) is roughly equal to the federal poverty level. All of the data included in this report shows that extremely low income households face the most extreme cost burdens and overall life challenges. They are unlikely to own a home and as such, are unlikely to be accumulating wealth in the form of a housing asset. Their lack of personal financial resources increases the difficulty associated with meeting basic food and shelter needs, as well as transportation and child care needs. In general, this group of people is living in a precarious situation. Efforts to support stability for extremely low income/poverty households are important because this is the group in greatest need.

Housing Needs

- Significant rehab needs in public housing must be addressed to maintain the community's inventory of subsidized units.
- Affordability concerns for households earning less than 30 percent of the area median income. The majority of this group rents so rental affordability is key. Also, elderly households earning less than 30% of median income exhibit significant cost burden at high rates.
- Homeownership rate is low, with disproportionately low rates of minority homeownership
- Owner occupied housing costs are rising for all income ranges
- Age-based projections through 2020 show younger population decreasing, with a large increase in senior, middle-aged, empty-nester households, which means shifting housing demand with a strong future bias toward home ownership.
- Education on fair housing issues.
- Construction of new subsidized units (i.e., LIHTC) should target extremely low income households (less than 30 percent median income) as well as families with children and seniors.

Homeless Needs

- Develop additional permanent supportive housing to effectively transition people out of homelessness
- Find housing options for hard to house populations (bad credit, criminal background, behavioral issues, et al)
- Ensure culturally appropriate housing and support service solutions to maximize successful reduction in homelessness, particularly for the American Indian population which makes up a disproportionate share of the community's homeless.
- Provide support to extremely low income households (<30 percent area median income) because they are the most precariously housed non-homeless
- Support efforts of the Continuum of Care and State agencies to bolster discharge planning practices to prevent newly discharged individuals from becoming homeless.
- Increase public awareness of homelessness and the needs of this population

Non-Housing Community Development Needs

- Self sufficiency enhancement, particularly for extremely low income households (English language education, transportation, job skills, entrepreneurship, microenterprise support)
- Leadership development within local ethnic communities (i.e., Native and New Americans) to facilitate self determined activity and successful integration into the community fabric
- Neighborhood based youth/family facilities in low income and/or "fragile" neighborhoods
- Elimination of deteriorated property and blighted conditions in both residential neighborhoods and the central business district

Goals

To address the priority needs identified in the City's 5 Year Consolidated Plan for Housing and Community Development, Fargo has identified the following six goals. Specific objectives are provided to further define each of these goals.

1. Affordable Housing and Homeownership

Create and maintain affordable housing options and increase homeownership in the City of Fargo

- (H-1) Rehabilitate older owner occupied housing
- (H-2) Work with local partners to create new and rehabilitate affordable housing throughout the community, including the preservation of the existing subsidized housing
- (H-3) Assist low income homeowners with infrastructure assessments to help maintain the affordability of homeownership
- (H-4) Increase public awareness of affordability concerns and the needs of at-risk populations
- (H-5) Provide opportunities for housing education to potential and recent homeowners and tenants
- (H-6) Provide downpayment assistance to low/moderate income homebuyers
- (H-7) Increase homeownership rates for minorities

2. Homelessness

Participate in collaborative efforts to reduce and prevent homelessness in the community

- (HO-1) Work to end chronic homelessness through Fargo's 10 Year Plan
- (HO-2) Provide a continuum of housing options for Fargo's homeless populations and encourage the development of supportive housing partnerships

3. Neighborhoods

Make sure that all Fargo neighborhoods are neighborhoods of choice

- (CD-1) Eliminate blighted conditions from the downtown business district and Fargo's central residential neighborhoods
- (CD-2) Foster the establishment of strong neighborhoods through the implementation of neighborhood revitalization efforts

4. Fair Housing and Diversity

Promote the principles of fair housing and acceptance of diversity

- (CD-3) Provide education on fair housing issues

5. Poverty Reduction

Reduce poverty by supporting efforts to increase the self sufficiency/self determination of low and moderate income households and individuals in the community

- (CD-4) Support skill-building and other opportunities designed to improve self sufficiency and personal success (i.e., access to healthcare, job training, financial literacy, English language, driving skills, pre-GED, community gardening, leadership training)
- (CD-5) Support metropolitan efforts to address the transportation and other barriers to work that affect low income individuals (i.e., child care, education, etc)

6. Administration

Administer the Community Development program to meet community needs and Federal grant requirements

- Overall Community Development program administration

Objectives

The following table provides more detail on the objectives that will help the City of Fargo address its priority needs in the areas of housing, homelessness and non-housing community development.

Summary of Specific Homeless, Housing and Non-housing Community Development Objectives

Priority Need Category Housing

Goal Affordable Housing

Specific Objective Rehabilitate older owner occupied housing

Number H-1

One of the key factors in promoting homeownership is helping low and moderate income families maintain their homes. The City has focused many of its housing and neighborhood building efforts through the locally designated “Neighborhood Revitalization Initiative” (NRI). The NRI area encompasses the majority of pre-1920 housing in the City of Fargo; it is made up of the residential areas that surround the downtown business district. Much of the NRI area is considered to be low/mod (see map on page 58). NRI neighborhoods are often facing challenges with respect to the conversion of single detached owner occupied housing to rental housing. The erosion of homeownership opportunities in these neighborhoods has far-reaching effects. The City should continue to focus housing rehab efforts in NRI areas utilizing existing programs and exploring ideas for new homeownership incentives that may further encourage new homeowners to compete more strenuously with investors in the acquisition of single family housing in the neighborhood.

The City will continue to fund the housing rehab program with both CDBG and HOME funds. The proposed output for objective H-1 is to rehab approximately 75 housing units over the next five years; \$1.5M HOME, \$250K CDBG, which is \$300K/year HOME and \$50K/year CDBG. HUD’s Neighborhood Stabilization Program (NSP), Officer Next Door and Teacher Next Door programs have been a valuable piece of the City’s strategy in NRI areas. We will continue to coordinate these tools with other revitalization efforts to the greatest extent possible.

**Summary of Specific Homeless, Housing and
Non-housing Community Development Objectives**

Priority Need Category Housing

Goal Affordable Housing

Specific Objective Work with local partners to create new and rehabilitate affordable housing throughout the community, including the preservation of the existing subsidized housing

Number H-2

Fargo is growing at a rate of 1-2 percent each year. Over the past 20 years, the City experienced growth of more than 25 percent. That means that almost 1,000 new households are formed in the community each year. The City recognizes, with its community development plan, that it is important to create affordable owner and renter occupied housing throughout the entire community. There are opportunities to work with local non-profit housing organizations (i.e., Beyond Shelter, Inc, Habitat for Humanity, faith organizations) to create new affordable owner occupied housing units in both new and existing neighborhoods. The City has several for- and not-for-profit developers that are responsible for creating the vast majority of affordable housing that is created in the community. The City should continue to look for ways to effectively partner with the development community to ensure the distribution of and creation of affordable housing in Fargo.

In addition, subsidized housing is the backbone of the community's affordable housing inventory. Subsidized units are typically income and/or rent restricted; public housing and Section 8 provide rent subsidies to ensure affordability for the community's lowest income households. Tax credit housing provides an inventory of units that are guaranteed to be available to low income households at affordable rents. Section 811, Section 202, Continuum of Care Supportive Housing Program, Shelter+Care and other types of subsidized housing provide low income and homeless individuals access to both the housing and services that are needed to achieve housing stability. In many cases the subsidies attached to these units (either at construction or at the tenant level) cannot be replaced; their loss would mean real dollars to the community and the individuals in need.

Rental housing is also an important source of affordable housing in the Fargo Moorhead area. It is important not only as a housing principle but as a component of continued economic success. Housing and job creation are two economic indicators that routinely go together. In other words, it is rare that a community can be strong in one and not the other. Approximately 55% of all housing units in the community are rental units. It is important to make sure that rental units throughout the community are maintained and in good condition. In the five year period covered by the Consolidated Plan, the proposed output for objective H-2 is to rehab or construct approximately 350 housing units; \$800K HOME, \$200K CDBG.

Priority Need Category Housing

Goal Affordable Housing

Specific Objective Assist low income homeowners with infrastructure assessments to help maintain the affordability of homeownership

Number H-3

In Fargo, infrastructure costs are "special assessed" to properties that benefit from the work that is done. This affects new housing as infrastructure is first installed in an area and it affects housing in older neighborhoods when infrastructure upgrades or repairs are necessary to maintain system integrity. The cost of special assessments can be high and is a threat to sustainable homeownership for many low and moderate income families. For example, a typical residential lot in an older neighborhood could be assessed \$3,600 for water main replacement and associated street repair, which would translate into a payment of \$28 per month. For the last several years, the City has used CDBG funds to provide special assessment assistance to low and moderate income households in older neighborhoods. The intent is to help homeowners stay in their homes. The proposed output for Objective H-3 is to assist approximately 250 households over the 5 year Consolidated Plan period with the cost of special assessments; \$100K CDBG.

**Summary of Specific Homeless, Housing and
Non-housing Community Development Objectives**

Priority Need Category Housing

Goal Affordable Housing

Specific Objective Increase public awareness of affordability concerns and the needs of at-risk populations

Number H-4

Developing affordable and special needs housing is a difficult task. The financing mechanisms are complicated because developers need to bring several sources of money to the table to get the units built. Finding funding to support ongoing operation of the facility, including support service to tenants, is equally difficult. However, another challenge in the development process has nothing to do with money. Public opposition to these kinds of projects can prove to be as significant a barrier to developing a solution as any financial hurdle may be.

The City feels that increasing public awareness of affordability concerns and the needs of at-risk populations is an important part of any effective solution. There are many misconceptions and stereotypes about “affordability” that can cloud public debate. There is also a lack of understanding of the facts regarding homelessness, certain subpopulations, the nature of poverty, what it means to be “working poor”, and the role “affordable housing” plays in a successful housing market.

In a functioning democracy, people need to have access to adequate information if they are to make informed decisions about particular issues. Information is one of the tools that may be most effective in fighting the fear that accompanies change and difference. There are no specific outputs identified for Objective H-4, but activities might include a discussion of the role of group living and other publicly assisted/low income facilities, dissemination of information on homelessness, the nature of poverty and affordable housing and its impact on the community.

Priority Need Category Housing

Goal Affordable Housing

Specific Objective Provide opportunities for housing education to potential and recent homeowners and tenants

Number H-5

Homebuyer education helps potential homebuyers find out if they are ready for homeownership, as does tenant education for renters. However, the need for information does not stop once the transaction is complete. The City currently sponsors homebuyer and tenant education courses at the Village Financial Service Center. Future efforts may also involve a more concerted effort to provide information to homeowners and renters, which could include information on lead based paint, predatory lending, protecting home equity, basic home maintenance, etc. These activities will be accomplished via administrative activities. The proposed goal of this effort is to offer at least 14 homebuyer and tenant education classes each year and serve 1,800 individuals over 5 years; \$175K CDBG, \$25K HOME.

**Summary of Specific Homeless, Housing and
Non-housing Community Development Objectives**

Priority Need Category Housing

Goal Homeownership

Specific Objective Provide downpayment assistance to low income households

Number H-6

Fargo is one community in a metro area that is home to three universities – more than 17 percent of the City's residents are enrolled in college. As such, the homeownership rate is more comparable to urban areas and other “college communities” than it is to the national average. Rental housing surveys have indicated that 90 percent of renters are not interested in purchasing a home in the short term. In fact 41 percent of Fargo renters have owned homes in the past but have chosen, for one reason or another, to rent.

It is the City's belief that both rental and owner occupied housing are important to a healthy community that is attractive to people of all walks of life. The City is committed to making sure that homeownership is an option for those who are interested in pursuing it. The City will continue to encourage homeownership by providing downpayment and closing cost assistance to eligible low and moderate income households. The program goal is to provide financial assistance to approximately 140 households over 5 years using HOME funds; \$700K HOME, approximately \$140,000 per year.

Priority Need Category Housing

Goal Homeownership

Specific Objective Increase homeownership rates for minorities

Number H-7

Fargo's minority population is relatively small but the community is diversifying at a pace that exceeds historic rates. Homeownership is, at the present time, less likely to occur in minority than it is in non-minority households in Fargo (reference chart on page 32). Many of the community's “first generation immigrants” have been in the country for five or more years and are good candidates for homeownership. To increase the homeownership rates for minorities, the City will work with local partners (lenders, non-profits) to provide targeted outreach and homebuyer education. Efforts will be specific to different ethnic groups, recognizing both language and cultural barriers that may exist. The City will also work with the local realtors and homebuilders associations to explore ideas for effective outreach to potential minority homeowners. Having meaningful opportunities to engage with the community can help accomplish social, economic and cultural integration. Participating in parent/child activities is one mechanism of engagement. Homeownership, entrepreneurship, leadership, citizenship are all measures of community integration.

Community Development efforts should continue to support leadership development and skill building programs developed and operated by local non-profits, as well as opportunities for outreach and connection with ethnic communities and new immigrants. The proposed goal of this program is to provide outreach and/or education to at least 25 minority households each year, with approximately 20 of the households moving into the home buying market by the end of the education process; \$100K HOME, \$20,000 per year.

Summary of Specific Homeless, Housing and Non-housing Community Development Objectives

Priority Need Category Homelessness

Goal Homelessness

Specific Objective Work to end chronic homelessness through Fargo's 10 Year Plan

Number HO-1

In 2006, the City initiated a strategic planning process focused on ending long term homelessness in our community in 10 years (2016). As has much of the nation, the City of Fargo has increased the amount of attention paid to the issue of chronic homelessness in the last several years. The City of Fargo participated in the federally-sponsored Policy Academy training process in 2003 and holds a chair on the North Dakota Interagency Council on Homelessness (established in spring 2005).

Fargo's 10 Year Plan was approved by the City Commission in August 2006. The planning process included representatives from more than 40 organizations from across the metro area and identifies effective solutions for housing the long term homeless population living in this community. Additionally, Fargo's plan was a precursor to the State of North Dakota's 10 Year Plan and eight other 10 year plans throughout the State of North Dakota. These include the first 10 year plans in the Nation's tribal areas. Fargo's full plan is available on the City's website at: <http://www.cityoffargo.com/Homelessness>.

Ending chronic homelessness takes a commitment to a full continuum of housing and services needed to provide housing stability to a subpopulation that is typically very hard to house. Recent surveys of homelessness indicate that 114 long-term homeless individuals live in Fargo at any given point in time. This represents 32 percent of the total homeless population in the City. Almost all of the chronic homeless have some underlying characteristic or behavior that makes them difficult to house (behavior, disability, chronic substance abuse, mental illness). Permanent Supportive Housing is invariably the answer when one asks the question, "How can we end chronic homelessness?" The level of service will vary by population but there will be a need for some type of ongoing support; for most that support will be indefinite. For some, the stability gained by getting off the street and into housing will prompt a life change that will allow for true independent living.

Understanding the nature and extent of homelessness must be the first tool in the community's toolbox to end homelessness. The City must continue to collaborate with local partners to develop potential housing solutions to this problem. The City will work with other entities in the development of partnerships that make supportive housing possible and provide assistance to projects that develop as is appropriate, as well as strengthen potential partnerships with area landlords willing to rent to long-term homeless individuals. The other side of the issue requires a conscious effort to prevent chronic homelessness from ever taking hold in a person's life. The City should support programs/efforts that intervene before a housing crisis develops (ex. discharge planning, eviction prevention).

The City will help sponsor a regular survey of the homeless population in the metro area. The survey is coordinated locally by FM Homeless Coalition and is likely to cost the City of Fargo \$5,000 every three years.

The City will also actively participate in the development of the North Dakota Continuum of Care each year and in the work with the State's Interagency Council on Homelessness, which is charged with overseeing the State's 10 Year Plan to End Chronic Homelessness. In addition, the City will continue to support Project Homeless Connect events and work to humanize the issue of homelessness in the Fargo Moorhead area. For Objective HO-1, the City will assist approximately 225 individuals by continuing to work out of its 10 Year Plan to End Long-Term Homelessness.

**Summary of Specific Homeless, Housing and
Non-housing Community Development Objectives**

Priority Need Category Homelessness

Goal Homelessness

Specific Objective Provide a continuum of housing options for Fargo’s homeless populations and encourage the development of supportive housing partnerships

Number HO-2

The homeless population is not homogenous in need or circumstance. Families and individuals will have different needs with respect to ending their homelessness. For some, emergency shelter is an adequate intervention. For others, emergency shelter is the first stop, but transitional or permanent supportive housing and that type of housing’s supports are required to end the episode of homelessness. Availability of housing that is affordable to extremely low income households is an appropriate solution for a portion of the homeless.

A homeless person is also a low income person. Service providers are now finding ways to engage a homeless person with some of the existing mainstream resources that are already available to serve low income persons because it is an efficient use of resources that does not require “new money” for homeless services. Eligibility barriers may require changes in how programs are administered but addressing regulatory issues is one way of developing “new” supportive housing partnerships.

The bottom line is that a community needs to have a full continuum of housing options available if it is to expect success in ending homelessness by filling the need of the people in the homeless system. The City should monitor needs of the homeless subpopulations and work with agencies that serve homeless and special needs populations to provide appropriate assistance when facility needs arise. The expectation is that approximately 30 households will be served in 5 years.

Priority Need Category Non-Housing Community Development

Goal Neighborhoods

Specific Objective Eliminate blighted conditions from the downtown business district and Fargo’s central residential neighborhoods

Number CD-1

The City will undertake activities to eliminate blighted conditions from Downtown Fargo. This effort will possibly include the provision of matching grants for Storefront rehabilitation and participation in other special redevelopment projects that eliminate blight downtown. These two activities have the dual benefit of enhancing the downtown environment and thus, the desirability of the district, and also helping property owners maintain and/or restore their historic properties.

As far as dealing with “problem properties”, specifically in Fargo’s older neighborhoods, strategy should include proactive code enforcement on rental properties and utilization of the City’s Inspections Division to take code related action on dilapidated and dangerous properties where the owner has not demonstrated a willingness to cooperate. Another strategy may include acquisition and demolition of dilapidated properties that are beyond repair and subsequent development of new housing/neighborhood facilities in place of the blighted property. Finally, rehab of older residential properties can do more to prevent blight from taking hold than clean-up programs can ever hope to correct.

The City will be aware of opportunities to leverage local funds with federal dollars, where appropriate. The City currently budgets approximately \$200,000 per year for these types of activities and is likely to continue to do so, within the constraints of the grant cap. It is estimated that these funds will support 15 projects over a 5-year period.

**Summary of Specific Homeless, Housing and
Non-housing Community Development Objectives**

Priority Need Category Non-Housing Community Development

Goal Neighborhoods

Specific Objective Foster the establishment of strong neighborhoods through the implementation of neighborhood revitalization efforts

Number CD-2

Cities with strong neighborhoods are interesting, vital, healthy places to live. A system of strong neighborhoods provides citizens with mechanisms for regular input into the public process and empowers people to effect change. The City will work to establish strong neighborhoods in Fargo by supporting both organizations and facilities.

Interested neighborhoods can work with the Planning Department to develop a unique action plan that addresses their neighborhood's assets and challenges. The priority of planning staff is to facilitate comprehensive planning processes in all low/mod and NRI neighborhoods. Plans are funded from the Administration budget (hard cost of approximately \$500-\$3,000 per plan in addition to staff time). To further support the development of neighborhood organizations, the City will provide various forms of capacity building assistance (organizational assistance, publication assistance, mailings, and/or assistance with project coordination and development).

Some neighborhoods may require enhanced or additional public facilities to become stronger. The City will actively evaluate needs in the community's neighborhoods and will take action as appropriate, either through the direct provision of financial assistance or by facilitating discussions with other entities.

Neighborhood facilities are particularly important for youth because socialization issues contribute to "at-risk" status of low income youth. Youth who become disconnected from mainstream systems have very different day-to-day lives than those of the typical American adolescent. "These youth are vulnerable to further failures and continued disconnection from society, often resulting in lifelong economic and social hardship."³⁹ Some of the factors that contribute to at-risk status, particularly for youth, are high incidences of criminal activity in the neighborhood, lack of community linkages, and lack of community support services or response. These community factors, in addition to the familial factors of socioeconomic status, dysfunctional home life and lack of parental involvement, high mobility, and being in a non-English speaking household all come together to define the neighborhood characteristics that justify a concerted place-based intervention in the lives of youth and adults.

The City will be aware of needs and opportunities in low-to-moderate income neighborhoods and leverage funds to meet those needs. Over the next 5 years, the City has budgeted \$500,000 for neighborhood facility activities, and hopes to benefit 8 neighborhoods and approximately 32,000 households.

³⁹ "Education Alternatives for Vulnerable Youth", Laudan Y. Aron and Janine M. Zweig (The Urban Institute, November 2003), p. 3.

**Summary of Specific Homeless, Housing and
Non-housing Community Development Objectives**

Priority Need Category Non-Housing Community Development

Goal Fair Housing and Diversity

Specific Objective Provide education on fair housing issues

Number CD-3

The City of Fargo is committed to furthering fair housing choice. The Fargo Human Relations Commission, Fargo Native American Commission and the staff associated with the commissions are good local resources on fair housing issues. However, with the loss of the Tenant Hotline, previously staffed by the local Community Action Agency and funded by HUD, the need for landlord/tenant education is increasing. Working with Fair Housing of the Dakotas, the Human Relations and Native American Commissions and others to provide education on fair housing choice in the community will remain a priority, as will efforts to develop landlord and tenant education programs and materials on rights and responsibilities of tenants and landlords, cultural diversity issues, and fair housing practices. The City will also continue to fund a tenant education program provided free by the Village Financial Service Center (approx \$20,000 per year, CDBG) which will benefit approximately 400 individuals over a 5-year period.

In addition, housing accessibility is one of the impediments to fair housing choice identified in the City's last Analysis of Impediments review. Taking a more proactive role in providing both local housing professionals and the public with information about accessibility in housing, universal design, and related concepts should help shape community perspective on this issue. Activities that require funding are likely to be part of the annual Administration budget; \$2,500 CDBG.

Priority Need Category Non-Housing Community Development

Goal Poverty Reduction

Specific Objective Support skill building and other opportunities designed to improve self sufficiency and personal success

Number CD-4

Anti-poverty strategies must be sustained if they are to be effective. Short-term interventions rarely have the impact that is necessary to interrupt the cycle of poverty and stabilize a family's situation. Self-improvement opportunities for youth and adults offered in a positive, "safe" environment allows families to address a myriad of the issues they may be facing. Skill building, adult education, access to healthcare, targeted job training, leadership development, entrepreneurship training – all are interventions that can improve self sufficiency and personal success.

Poverty reduction *for limited English speakers* almost always includes opportunities for developing language skills (written and oral). However, transportation barriers, family obligations, and proposed increases in work participation requirements for those on TANF and other forms of public assistance can make it even more difficult for immigrants and refugees to receive language or vocational training in conjunction with maintaining steady employment.⁴⁰ Providing opportunities for in-neighborhood/easy-to-access language skills development offered by local adult education programs and also for language development that is directed by ethnic groups themselves should greatly increase access to and effectiveness of English language skill building activity.

Although there are no specific projects identified at this time, the City will continue its work to address the needs of low-to-moderate income households. Over the next 5 years, the City has budgeted \$350,000 for poverty reduction, skill building and self-sufficiency activities with the hopes of benefitting 50,000 individuals.

⁴⁰ "Immigrants and TANF: A Look at Immigrant Welfare Recipients in Three Cities", Karen C. Tumlin and Wendy Zimmerman (The Urban Institute, October 2003).

**Summary of Specific Homeless, Housing and
Non-housing Community Development Objectives**

Priority Need Category Non-Housing Community Development

Goal Poverty Reduction

Specific Objective Support metropolitan efforts to address the transportation and other barriers to work that affect low income individuals

Number CD-5

Transportation has been identified as a barrier to employment for low and moderate income families in our community for years. The Metropolitan Council of Governments has spearheaded a metropolitan-wide transportation effort – the Metropolitan Transportation Initiative (MTI). MTI received federal funding that must be matched with local dollars. The City of Fargo is using CDBG funds to provide direct assistance to low income households to utilize public transportation in conjunction with this program. The effort will continue to help to coordinate the range of transportation programs already available in the community and will fill specific gaps in service, as related to employment for low income individuals. The City may also consider job training, child care and other employment-related issues for CDBG funding; \$50K CDBG over 5 years is expected to benefit approximately 1,500 individuals.

Performance Measurement

“Program outcome measurement is focused on measuring whether or not a program is meeting its intended purpose. A program goal is a measure of productivity – a statement of accomplishments. For example, the goal of a housing rehab program may be the rehabilitation of fifteen units of substandard housing. The intended outcomes may be to revitalize a neighborhood or make it safer.”⁴¹

The 2010-2014 Consolidated Plan outlines a baseline system the City of Fargo will use to measure performance of local community development programs and progress toward achievement of goals. Specific measures of program achievement (outputs) are outlined in the Objectives section of the document.

Program Outcomes

Program outcomes will be measured by a series of fifteen indicators that are intended to identify changes in neighborhood/community quality of life. Measures 1-4 are included at HUD’s request; measures 5-8 are locally initiated.

Measure #1	Homeownership rates in targeted neighborhoods/community (Census/ACS/City)
Measure #2	Total # of minority households expected to be assisted in becoming homeowners
Measure #3	Change in property values as result of rehab (constant dollars/s.f.) (City)
Measure #4	Number of unit years of affordability in rental projects (City)
Measure #5	Number of housing units where rehab eliminated at least one significant health/safety deficiency (City)
Measure #6	Percent of residential parcels that are single family detached or twinhomes (City)
Measure #7	Percent of parcels abandoned/non-revenue producing/tax delinquent (City)
Measure #8	Number of chronically homeless individuals (City)

“The forces acting to change economic viability of a neighborhood for better or for worse are complex. They can be captured to some degree by quantitative analysis but they are also the sum of the perceptions of those who live, work, and otherwise have a stake in the neighborhood. An accurate portrait of change requires both objective and subjective inputs...”⁴² As such, to provide a quantifiable measure of perceptions, the City may also consider implementing a citizen survey in the future.

Indicators of community development efficacy and neighborhood quality of life

“Two of the most important factors affecting neighborhood trends are the **rate of homeownership** and the **strength of neighborhood institutions**, such as community organizations and churches.”⁴³ Increasing homeownership rates is often seen as an effective means for improving neighborhoods because it addresses several interrelated problems. Homeownership gives residents a greater stake in working to improve their neighborhoods, it increases their equity by increasing property values, and

⁴¹ “Measuring Up: Productivity and Performance in the HOME program”, Department of Housing and Urban Development, prepared by ICF Consulting (2003), 29.

⁴² “Measuring the Economic Impact of Community-based Homeownership Programs on Neighborhood Revitalization”, Lindley R. Higgins. LISC Center for Homeownership and George Mason University School of Public Policy (April 2001).

⁴³ Ibid., Chapter 3

generates greater neighborhood stability, increased political activity and improved social behavior within neighborhoods.

“Residential real estate prices may be the best indicator of neighborhood revitalization since they show the increased desire of people to invest and live there.”⁴⁴

“Attracting private investment to a neighborhood, including the **purchase of market-rate homes and retail establishment start-ups**, may be the primary determinant of whether a development threshold occurs.”⁴⁵

“The two elements of a “good neighborhood” mentioned most often by almost all the groups were **safety and good upkeep of properties**. Mentioned almost as frequently was a cluster of characteristics related to good neighbors (known, friendly, watching out for each other, cohesive as a group), quality schools, accessibility, and a high rate of owner occupancy.”⁴⁶

Can commonly available indicators serve as proxies for the six common, valid dimensions of neighborhood quality of life? The Urban Institute developed statistical models that show that certain generic measures have high explanatory power, predicting changes in the six dimensions of neighborhood quality of life.

- The **mortgage approval rate** is predictive of the Social Disadvantage and Prestige factors and is reasonably predictive of the Crime factor.
- **Median dollar amount of mortgages** is a strong predictor of the Prestige factor and Social Disadvantage factor.
- **Median sales price of homes** is a good indicator of Social Disadvantage and Prestige factors but it’s redundant to median mortgage amount so is not necessary if HMDA data is representative in your community.
- **Number of businesses** is extremely predictive of Business and Jobs factor.
- **Number of mortgage loan application records** is modestly predictive of housing type and tenure.
- Together these three Census statistics provide decent explanatory power for Social Disadvantage, Housing type and tenure, Prestige, Crime, and Housing Vacancy factors - **% of households with children headed by females, % of housing units with no vehicle available, and Unemployment rate.**⁴⁷

⁴⁴ Ibid., Chapter 5

⁴⁵ Ibid., Chapter 8

⁴⁶ “The Impact of CDBG Spending on Urban Neighborhoods”, Prepared for the U.S. Department of Housing and Urban Development, Office of Policy Research and Development by the Urban Institute (October 2002), 29.

⁴⁷ Ibid.

Other Considerations

Displacement

It is the policy of the City of Fargo to avoid the displacement of individuals whenever possible and minimize displacement in all situations. Every project involving federal dollars will require a statement to the file on relocation issues as they pertain to the project.

A “displaced person” is a person that moves from real property permanently as a direct result of the rehabilitation of said real property. Displacement occurs if the owner issues a vacate notice to the person or refuses to renew an expiring lease in order to evade the responsibility of providing relocation assistance.

The property owner and/or the grantee should communicate with affected tenants as early in the rehab process as possible, providing general information about the project and a Notice of Displacement/Non-displacement as soon as the determination has been made.

Obstacles to meeting underserved needs

The City of Fargo has not identified any underserved needs in the Consolidated Plan.

Anti Poverty strategy

The City will continue to work to reduce poverty in the community by committing to helping families enhance self sufficiency and by working to ensure that a full continuum of housing opportunities are available to residents of the community.

These goals are most likely to be accomplished by working in partnership with other agencies of similar mission. These partners include the Fargo Housing and Redevelopment Authority, Job Service of North Dakota, CHARISM Community Centers, Cultural Diversity Resources, Southeast ND Community Action, Presentation Partners in Housing, and other local service providers and social service agencies.

Institutional Structure

A five Member City Commission governs the City of Fargo. All of the commissioners are elected at large and serve four-year terms.

The City of Fargo is the responsible entity for the development of the Consolidated Plan. Fargo is a CDBG entitlement community and a participating jurisdiction under the HOME program. Previously, the City received HOME funds via an allocation from the State of North Dakota.

The Community Development Committee recommends the specific allocation of funds and oversees the administration of community development programs for the city of Fargo. City Commission appoints this Committee. The Committee consists of eight voting members, which include the two city commissioners, City Administrator, two at-large community representatives, Housing Authority Director, Planning Commission Chair, and a member of the Fargo School Board. Ex officio members include the United Way, FM Home Builders Association, and Downtown Community Partnership. All budgetary decisions are made final at the City Commission level.

The Fargo Housing and Redevelopment Authority (FHRA) is governed by a five-member Board of Directors, which is appointed by Mayor and confirmed by the City Commission.

The Department of Planning and Development is the lead agency in the implementation of the City of Fargo's community development program. The above public entities work in cooperation with various non-profit, public and private entities to further the goals of Decent Housing, a Suitable Living Environment, and Expanded Economic Opportunity.

Coordination

The City is an active participant in the F-M Homeless Coalition and statewide Continuum of Care Planning Committee, as well as other community wide partnerships that discuss a variety of housing issues facing the metropolitan area. The City works closely with the Fargo Housing and Redevelopment Authority to meet the housing needs of low income households in the community.

We are actively involved with local housing organizations and have promoted the utilization of non-profit development organizations to address housing needs of the community. The City provides technical assistance whenever possible with the intent of developing organizational capacity, and also serves as an integral link between agencies.

Recapture / Resale Requirements for HOME Funds

Resale and/or recapture policies must be put in place to assure that HOME-assisted housing units remain affordable. This is accomplished via deed restrictions, covenants attached to the land, mortgages, or other similar mechanisms. The City of Fargo typically accomplishes this by using a Land Use Restriction Agreement.

Resale and recapture determinations will be made for each project that is proposed in an annual action plan. However, most City of Fargo HOME funded projects will be subject to the recapture provision, as opposed to the resale provision. The recapture option follows the provisions in 24 CFR 92.254(a)(5)(ii), which allows for recapturing the entire amount of HOME investment or a prorated amount based on specific criteria that are established for each project. Any recaptured funds must be used to carry out eligible HOME activities. If the form of HOME assistance rendered a project is not subject to recapture, the resale option must be used.

Fargo does not intend to use HOME funds to refinance existing debt that is secured by housing that is being rehabilitated with HOME funds (as per 92.206(b)).

Affirmative Marketing policy

For any HOME-assisted project with five or more units, the City commits to taking actions that will provide information to attract eligible persons from all racial, ethnic, and gender groups in the housing market area that is assisted by HOME funding. **All correspondence**, notices and advertisements related to the HOME Program, **will contain** the Equal Housing Opportunity **logo or slogan**.

Participants in the HOME Program will be required to use affirmative fair housing marketing practices in soliciting renters or buyers, determining their eligibility, and concluding all transactions. Any HOME-assisted housing must comply with the following procedures for the required compliance period, depending on the program used.

- Owners **advertising** vacant units **must include the equal housing opportunity logo or statement**. Advertising media may include newspapers, radio, televisions, brochures, leaflets, or a

sign in a window.

- The owner will be required to **solicit applications for vacant units from persons in the housing market who are least likely to apply for the HOME-assisted housing** without the benefit of special outreach efforts. In general, persons who are not of the race or ethnicity of the residents of the neighborhood in which the rehabilitated building is located, shall be considered those least likely to apply. Special outreach efforts will include contacts with community action agencies, human service centers and county social service offices.
- The owner must maintain a **file containing all marketing efforts** (e.g., copies of newspaper ads, memos of phone calls, copies of letters, etc.) and the records to assess the results of these actions are to be available for inspection by the DCS.
- The owner shall maintain a **listing of all tenants residing in each unit** from the time of application through the end of the compliance period.

Appendix A: Citizen Participation

Citizen Participation Plan

This plan outlines the citizen participation process that will be used by the City of Fargo in the planning and implementation of housing and community development programs. These programs include the Community Development Block Grant Program, the HOME Program (including the American Dream Downpayment Initiative), and other HUD programs being implemented by the City of Fargo.

General

Citizen participation is of great use to the City in identifying community development needs, assessing the effectiveness of ongoing housing and community development programs, and developing community development priorities.

Citizens are encouraged to participate in the development of the strategic and action plans, decisions on the amendment of the plans, and review of the annual performance report. In addition, citizen input is used to formulate local plans (not required by statute) related to housing and community development.

Participation by low and moderate income persons, residents of blighted areas, residents of predominantly low and moderate income neighborhoods, minorities, non-English speaking persons, and persons with disabilities are especially encouraged. When the Planning and Development Department is notified that a significant number of non-English speaking persons are interested in participating in a community development meeting, contacts will be made to obtain interpreter assistance.

The City of Fargo will provide citizens, public agencies, and other interested persons with reasonable and timely access to information and records relating to housing and community development plans and programs and the use of housing and community development funds. Documents related to Fargo Housing and Community Development programs will be made available to citizens upon request. Information will also be distributed to persons and organizations with an interest in housing and community development, through newsletters, the internet, brochures, and news media. There will be open access to all community development meetings.

Development of Consolidated and Action Plans

Information about Process. The City will distribute information that outlines the process to be used in developing housing and community development plans. Information will be distributed to citizens through an advertisement in the *Fargo Forum*, the Department's web site, and mailings to persons and organizations working in housing and community development. The Planning and Development Department will hold at least one public meeting to explain housing and community development plans and programs, giving the public no less than two weeks notice of the meeting. The meeting will be held at a convenient time and location for potential beneficiaries of the programs.

Information distributed will include a description of the process that will be used to develop the annual action plan and budget, the amount of assistance expected to be available, the range of activities that can be implemented, any known displacement to occur, and the City policies to minimize displacement.

Proposals. Citizens/organizations will be invited to submit specific proposals for review in the budgeting process. In addition the City may initiate and develop projects and programs based on citizen comments.

The City will provide technical assistance to groups representative of persons of low and moderate income that request such assistance in developing proposals for funding assistance under any of the programs covered by the housing and community development plan, with the level of assistance to be determined by the Planning and Development Department. The assistance will not include the provision of “grant writing” funds to the groups.

Input. It is important to use all available methods to determine community development needs, assess effectiveness of existing programs, and develop community development plans. The City of Fargo may also obtain citizen input from interviews with people working in housing and community development, citizen public opinion surveys, waiting lists for housing assistance, and information from other city departments.

During the development of the Consolidated Plan, the Department will consult with providers of assisted housing, health services, social services, child welfare agencies, housing and redevelopment authorities, and adjacent units of local governments, in an effort to better ascertain Fargo’s community development needs.

Plan Development. The Planning and Development Department will be responsible for determining if an activity is eligible for inclusion in the annual action plan. The Community Development Committee will be responsible for evaluating proposals considered for the annual action plan. The Committee will be assisted by the Planning and Development Department staff responsible for researching proposals and preparing staff reviews of each proposal under consideration for the annual budget. The Committee may establish criteria to prioritize specific proposals under consideration for funding under Neighborhood Activities and Low Income Client Activities and use that criteria to rank proposals. The Committee will also recommend a process for the allocation of Downtown Development Funds. Citizens have an opportunity to make comments to the Committee on proposed projects and programs.

Review and Approval of proposed Plan. The Community Development Committee will propose an annual action plan with funding levels for projects and programs and recommend that plan to the City Commission. This Action Plan will also be referred to the Planning Commission for review and comment on the conformance of the plan with the Comprehensive Plan, the Downtown Area Plan, and adopted Neighborhood Plans.

An Action Plan summary will be published in the *Fargo Forum*, distributed to persons interested in housing and community development, distributed to the news media, made available on the Department’s web site, and distributed by other available methods. The notice will explain the contents and purposes of the plan, locations where the plan is available for review, and how to obtain a copy of the proposed plan. The City will provide a reasonable number of free copies of the plan to citizens or groups who request it.

There will be a 30-day period for public comment on the proposed action plan. The City Commission will hold a public hearing on the proposed plan after this comment period at which time they will review and consider all comments received on the proposed plan during the public comment period and at the public hearing. The City Commission will decide what will be included in the final annual action plan and budget. An explanation will be made available for public review of all written comments and public hearing comments not accepted. A summary of these comments will be attached to the final plan.

Action Plan Amendments

During the year between the time when action plans are approved, it may be necessary to amend the action plan and budget. The Plan must be amended if there is a change in the purpose, scope, location, or beneficiaries of an activity, if a new activity (not previously included in the Action Plan) is to be funded, or if there is a change in allocation priorities or method of funds distribution. An amendment can be deemed to be minor, substantial, or emergency. An amendment will be considered to be "substantial" if a new activity is funded, an activity is canceled, if there is a budget amendment that transfers an amount greater than \$50,000, or if the Planning and Development Department determines that it is a substantial amendment to the plan. An "emergency" amendment is developed in response to a local emergency and will typically be consistent with HUD's "urgent need" criteria. All other amendments will be deemed "minor" plan amendments.

Substantial Amendment. The Community Development Committee and the Planning Commission will review and comment on all proposed substantial changes. Notice of proposed substantial changes will be distributed to the news media, distributed to persons interested in housing and community development, and published in the Fargo Forum at least 30 days prior to the City Commission meeting at which the change will be considered. The City Commission prior to taking action will consider all comments on the proposed change. The City Commission may make the proposed change, reject the proposed change, or make a modified change. An explanation will be made available for public review of written comments and other public comments not accepted by the City Commission.

Minor Amendment. Minor plan amendments will be placed on the City Commission Agenda. This agenda is published in the newspaper prior to the meeting. Citizens may attend the City Commission meeting and comment on the proposed change.

Emergency Plan Amendment. Notice of proposed emergency changes will be published in the newspaper at least 7 days prior to the City Commission meeting at which the change will be considered. The City Commission prior to taking action will consider all comments on the proposed change. The City Commission may make the proposed change, reject the proposed change, or make a modified change. An explanation will be made available for public review of written comments and other public comments not accepted by the City Commission.

Annual Performance Reports

The Planning and Development Department will be responsible for preparing all reports on the programs which are part of the Housing and Community Development Plan. Prior to submitting annual performance reports to HUD, the reports will be available for public comment and distributed to the Community Development Committee, the Planning Commission and City Commission. Notice of the availability of the report will be published in the newspaper at least 15 days prior to submitting the report to HUD. All comments will be considered by the Department prior to submitting the report, and a summary of all written comments will be included with the report.

Process for Comment or Complaint

Persons who have a concern or complaint on housing or community development programs should contact the Fargo Planning and Development Department, 200 North Third Street, Fargo, ND. Phone 241-1474. Telephone calls will be provided a verbal or written response as determined by the Department. Written complaints will be provided written responses within 15 working days, where practicable.

Citizen Participation Documentation

Attached are a number of documents relating to citizen participation in the 2010-2014 Consolidated Planning process. Included are the following:

- Copy of the Public Notice for Hearing on September 29, 2009
- Copy of the Public Notice for public review and comment (February 4, 2010 through March 5th, 2010) and public hearing March 8, 2010
- Community Development Mailing List, notified of September 29th Public Hearing for input on the 2010-2014 consolidated planning process
- Region V comments received for the Statewide Consolidated Plan, September 17, 2009
- Community Development Committee Minutes from December 17, 2009
- Community Development Committee Minutes from January 28, 2010
- Certified minutes from public hearing on March 8, 2010

Appendix B: Priority Needs Tables