

# CITY OF FARGO

## 5-YEAR CONSOLIDATED PLAN SUMMARY

### HOUSING AND COMMUNITY DEVELOPEMNT

#### Findings

An examination of community characteristics helped identify priority needs that should be addressed with community development funds.

- **AFFORDABILITY**

The City of Fargo and surrounding communities are fortunate to have a cost of living that is low compared to most other urbanized areas. However, a more in depth examination of the personal economic picture of area households would reveal affordability concerns for the lower income portion of the population. 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, new construction of affordable owner-occupied housing is needed.

- **HOMEOWNERSHIP**

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 in Fargo. Additionally, working to ensure a variety of homeownership options throughout the community will encourage increases in homeownership across all income and age groups.

- **HOMELESSNESS**

Homelessness is also 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 446 homeless persons, 29% of whom could be considered chronically homeless. Even though Fargo is home to approximately 16% 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 permanent supportive housing units. 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.

- **DIVERSITY**

Fargo is 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 American people 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.

- **INFRASTRUCTURE**

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 (i.e. neighborhood groups, ethnic communities).

- **POVERTY**

Efforts to reduce poverty levels by increasing earning power and family self sufficiency have a major impact on community and individual well being. In Fargo, as well as throughout the State of ND, 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 childcare. 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.

# Needs Assessment

## HOUSING NEEDS

- Significant rehab and replacement 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. A priority should also be made for young families with children because this group has the largest number of households showing a cost 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 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 AND SPECIALS NEEDS

- Special needs populations continue to have unmet housing needs. Develop additional permanent supportive housing to effectively transition people out of non-permanent living facilities (hospitals, jail, treatment, shelters) in order to avoid discharging people into 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 and precariously housed population
- 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

## Community Development Goals and Objectives

To address the priority needs, Fargo has identified the following goals. Specific objectives are provided to further define each of these goals.

1. **Affordable Housing** – 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
  - Increase homeownership rates for minority populations
2. **Homelessness** – Participate in collaborative efforts to reduce and prevent homelessness in the community
  - Work on Fargo's 10 Year Plan to End Long-Term Homelessness
  - Support a continuum of housing and emergency solutions for Fargo's population facing homelessness
  - Encourage the development of supportive housing partnerships
3. **Neighborhoods** – Ensure that all Fargo neighborhoods are neighborhoods of choice
  - Eliminate blighted conditions from the downtown business district and Fargo's central residential areas
  - Foster the establishment of strong neighborhoods through the implementation of revitalization efforts
4. **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, entrepreneurship, 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)
5. **Planning, Administration and Fair Housing** – Administer the Community Development program to meet community needs and Federal grant requirements
  - Oversee Community Development program administration
  - Promote the principles of fair housing, as well acceptance and respect for diversity

## Total Anticipated Allocation FY 2015-2020

**CDBG** = \$3.4M over 5 years/\$680,000 annually      **HOME** = \$2.0M over 5 years/\$400,000 annually

**TOTAL** = \$5.4M over 5 years/\$1.08M annually

	<b>CDBG</b>	<i>% of CDBG</i>	<b>HOME</b>	<i>% of HOME</i>	<b>TOTAL</b>	<i>% of Total</i>
1. Affordable Housing	\$400,000	<b>12%</b>	\$1,600,000	<b>83%</b>	\$2,000,000	<b>37.0%</b>
2. Homelessness	\$300,000	<b>9%</b>	\$200,000	<b>7%</b>	\$500,000	<b>9.3%</b>
3. Neighborhoods	\$1,500,000	<b>44%</b>	\$0	<b>0%</b>	\$1,500,000	<b>27.8%</b>
4. Poverty Reduction	\$500,000	<b>15%</b>	\$0	<b>0%</b>	\$500,000	<b>9.3%</b>
5. Planning & Administration	\$700,000	<b>20%</b>	\$200,000	<b>10%</b>	\$900,000	<b>16.6%</b>
<b>Total</b>	<b>\$3,400,000</b>		<b>\$2,000,000</b>		<b>\$5,400,000</b>	