

2011 ANNUAL ACTION PLAN

City of Fargo, North Dakota

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EXECUTIVE SUMMARY

The 2011 Fargo Community Development Action Plan addresses the City's allocation of \$1.36 million in federal funds for the purpose of furthering the creation and retention of affordable housing, revitalizing blighted areas, and assisting low income households and neighborhoods.

The activities included in the Plan address priority needs in the areas of housing, homelessness and non-housing community development. Specific goals focus on affordable housing and homeownership, homelessness, neighborhoods, fair housing and diversity, and poverty reduction.

All of the anticipated HOME funds will benefit low/mod households and, an estimated 80 percent of CDBG funds will provide a low/mod benefit. The majority of activities address the HUD objective of decent housing, but there are also activities in the areas of economic opportunity and suitable living environment. The following table summarizes the distribution of Fargo's FY2011 projects by HUD's Performance Measure System.

OBJECTIVE / OUTCOME	Suitable Living Environment	Decent Housing	Creating Economic Opportunities
Availability/ Accessibility		CHDO Housing Project Workforce Housing Activities Housing Education Programs	Job Training
Affordability	Snow Removal Assistance Fargo Emergency Food Pantry	Housing Rehab-Owner Homebuyer Assistance	
Sustainability: Promoting Livable or Viable communities	Emergency Shelter Homeless Liaison Neighborhood Project		Downtown Slum and Blight Projects

The City of Fargo has exhibited a commitment to these issues in previous action plans and has demonstrated capacity in successfully implementing the proposed projects. The 2011 Annual Action Plan outlines the City's approach to subrecipient and self-monitoring, which includes regular file monitoring and periodic on-site monitoring of funded projects.

Introduction

The City of Fargo is a CDBG entitlement community and a HOME participating jurisdiction. This plan will address the following topics related to the use of CDBG and HOME funds in the City of Fargo in the 2011 program year (May 1, 2011 to April 30, 2012).

- Source of Funds, including expected grant and program income receipts
- Specific Consolidated Plan Objectives met by 2011 activities
- Summary of 2011 Budget and programmatic expenditure limits
- Description of Projects included in 2011 budget
- Geographic Distribution of the projects
- A summary of special considerations, including discussion on the topics of homeless and other special populations, public housing, poverty reduction strategies, lead paint hazards, minority concentrations, underserved needs, removing barriers to affordable housing, partnerships, and efforts to further fair housing.
- Local plans for monitoring sub-recipients and HUD-funded activities in general

Source of Funds

Federal Resources

This document develops a budget for the annual CDBG and HOME funds received by the City of Fargo. The following describes Federal resources as well as several other annually appropriated federal housing resources that are utilized in the community.

CDBG. The City of Fargo anticipates a total of \$700,000 in Fiscal Year 2011 with a grant allocation of \$670,000 and program income estimated at \$30,000.

HOME. The City anticipates a HOME budget of \$660,000 to work with in 2011. The grant allocation to the City is \$560,000 and program income is estimated to be \$100,000.¹

FY2011 Budget

	CDBG 11 proposed	HOME 11 proposed
Grant	\$670,000	\$560,000
Program Income	\$30,000	\$100,000
<i>Total</i>	<i>\$700,000</i>	<i>\$660,000</i>
<i>Total CDBG + HOME</i>		<i>\$1,360,000</i>

Section 8. As of September 2010, the City of Fargo, through the Fargo Housing and Redevelopment Authority, has access to \$4.6 million in Section 8 voucher funding. The HRA can issue approximately 1,194 vouchers with that budget authority. On average 76-82% of FHRA voucher holders earn less than 30% area median income.

In addition to the voucher program, the HRA manages one project-based Section 8 project: the Full Circle SRO (69 4th St, 22 units for people who are homeless and have a disability, \$56,364).

¹ The State has agreed, via a Memorandum of Agreement, to allow the City to keep program income and recaptured funds that were generated from the activities funded with HOME dollars that originated from the state of North Dakota (funds expended from all grant years up to, and including, the 2002 grant year).

Low Income Housing Tax Credits. The allocation of tax credits in North Dakota takes place in April and, if there are additional credits available, again in June. The City of Fargo expects to review several credit applications for the 2011 round but, at the time this plan is being written, no applications have been submitted. There is an estimated \$2.46 million in LIHTC available statewide for 2011, 60% of which will be directed to 18 energy impacted counties in western North Dakota and 40% of which could be utilized in Fargo. The Fargo Housing and Development Authority expects to apply for 25% of the of the ND total for renovation of the Lashkowitz Apartments (\$616,250).

McKinney-Vento Homeless Assistance Act programs. There are four projects in Fargo that are current recipients of SHP renewal funds. These renewal dollars total approximately \$609,624 (Sister's Path - \$150,000, YWCA Transitional Housing - \$214,781, YWCA Supportive Housing Program - \$75,948, Cooper House for the Long-Term Homeless - \$168,895). HUD will likely be processing new applications in March of 2010, but the distribution of those funds is currently unknown.

The FHRA administers 35 Shelter + Care certifications for homeless persons in the City of Fargo, 26 Chronic Shelter + Care certificates, and 70 Veteran Affairs Vouchers.

ESGP. Five local service providers access ESGP dollars through the State of North Dakota. These grant applications are due in May, and the 2011 anticipated allocation is not yet known. The 2010 allocation totaled \$403,000. Approximately 32% or \$129,666 was received by Fargo. The agencies that apply for ESGP funds in Fargo are the New Life Center, YWCA, Centre Inc, the Southeast ND Community Action Agency, the Gladys Ray Emergency Shelter and Youthworks. At the time of writing, the North Dakota Division of Community Services estimated that the 2011 allocation would be of a similar nature, and therefore \$100,000 is estimated.

HPRP. In the latter half of 2009, organizations in Fargo were awarded Homelessness Prevention and Rapid Re-Housing Program (HPRP) funds through the American Recovery and Reinvestment Act of 2009. Allocations totaled \$811,186 and included \$441,667 to the Gladys Ray Shelter (Approximately \$200,000 remaining), \$228,333 to YWCA Cass Clay (Approximately \$15,000 remaining), \$70,800 to Youthworks (Approximately \$35,000 remaining) and \$70,386 to Lutheran Social Services (Approximately \$1,000 remaining).

FY2011 Budget – Other Federal Housing Programs

	Annual \$	Funds Allocated by:
Section 8 – Voucher	\$4,600,000	HUD to Fargo Housing and Redevelopment Authority
Section 8 – Project Based	\$56,364	HUD to Fargo Housing and Redevelopment Authority
Low Income Housing Tax Credit	n/a	ND Housing Finance Agency
McKinney Vento – SHP	\$609,624	HUD to ND Coalition for Homeless Persons to Service Providers
McKinney Vento – S+C	\$150,000	HUD to ND Coalition for Homeless Persons to Fargo Housing and Redevelopment Authority
ESGP	\$100,000	HUD to ND Division of Community Services to Service Providers
HPRP	\$251,000	HUD to ND Division of Community Services to Service Providers
TOTAL	\$5,766,988	

Specific Objectives

The City of Fargo intends to focus efforts on the six goals that were identified in the 2010-2014 five-year Consolidated Plan.

1. Affordable Housing
2. Homeownership
3. Homelessness
4. Neighborhoods
5. Fair Housing and Diversity
6. Poverty Reduction

The 2011 Action Plan addresses the following priority needs objectives that have been identified in the 2010-2014 Consolidated Plan.

Priority Needs / Objectives Addressed – 2011 Action Plan		
Priority Need Objective		Priority Need (Goal)
H-1	Rehabilitate older owner-occupied housing	Housing (Affordable Housing)
H-2	Work with local partners to create new affordable housing in the community	Housing (Affordable Housing)
H-4	Increase public awareness of affordability concerns and the needs of at-risk populations	Housing (Affordable Housing)
H-5	Provide opportunities for education to potential and recent homeowners	Housing (Affordable Housing)
H-6	Provide downpayment assistance to low/moderate income homebuyers	Housing (Affordable Housing)
H-7	Increase homeownership rates for minorities	Housing (Affordable Housing)
HO-1	Work to end chronic homelessness through Fargo's 10 Year Plan	Homelessness (Homelessness)
HO-2	Provide a continuum of housing options for Fargo's homeless populations and encourage the development of supportive housing partnerships	Homelessness (Homelessness)
CD-1	Eliminate blighted conditions from the Downtown business district and Fargo's central residential neighborhoods	Community Dev (Neighborhoods)
CD-2	Foster the establishment of strong neighborhoods through the implementation of neighborhood revitalization efforts	Community Dev (Neighborhoods)
CD-3	Provide education on fair housing issues	Community Dev (Fair Housing/Diversity)
CD-4	Support skill building opportunities designed to improve self sufficiency and personal success	Community Dev (Poverty Reduction)
CD-5	Support metropolitan efforts to address transportation and other barriers to work that affect low income individuals	Community Dev (Poverty Reduction)

Summary of 2011 Budget

The 2011 budget continues to place a high priority on housing and homelessness, as well as neighborhood improvement and job skills training. The City of Fargo's 2011 CDBG budget indicates that more than 80% of non-Admin funds will be spent on activities that benefit low income persons. It is likely that funds spent in the 2011 program year (and thus reported in the 2011 CAPER) will follow a similar pattern, which is to expect between 75-80% of funds expended to benefit low/mod households.

SUMMARY		
FY2011 Community Development Budget – proposed		
	CDBG	HOME
Housing		
1. Housing Rehabilitation – Owner	92,000	350,000
2. Homebuyer Assistance		100,000
3. CHDO Housing Project		100,000
4. Workforce Housing Activities		49,000
Downtown		
5. Downtown Slum/Blight Projects	100,000	
Public Service Projects		
6. Housing Education: Tenant and Homebuyer	30,000	5,000
7. Emergency Shelter	40,000	
8. Snow Removal Assistance	2,500	
9. Job Training	13,500	
10. Homeless Liaison - Fargo Police	20,000	
Facilities and Capital Projects		
11. Fargo Emergency Food Pantry	250,000	
12. Neighborhood Project	12,000	
Administration/Planning		
13. Admin & Planning (Continuum of Care coordination, New American community, Fair Housing Activities, Homeless Connect and Housing Market Study)	140,000	56,000
Total Budgeted	\$700,000	\$660,000
2011 Grant	670,000	560,000
Anticipated Program Income	30,000	100,000
Total Available	\$700,000	\$660,000
Unallocated	\$0	\$0

HOME Recapture/Resale Requirements

Resale and/or recapture policies must be in place to assure that HOME-assisted housing units remain affordable through 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 (LURA) (see example in Appendix B).

All HOME funded projects in Fargo's 2011 Action Plan are 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 is not subject to recapture, the resale option must be used. In the case of CHDO proceeds, the City of Fargo permits Beyond Shelter, Inc to retain any CHDO proceeds resulting from the HOME investment with the condition that the proceeds be used to develop additional affordable housing in the City of Fargo (24 CFR 92.3000(a)(2)). In addition, all CHDO proceeds and uses will be reported to the City.

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)). The City will use only the forms of investment described in 24 CFR 92.205(b) (grants, deferred payment loans, non-interest bearing loans).

Expenditure Caps

The City's 2011 community development budget allocation is consistent with the programmatic expenditure caps outlined in HUD regulations. For CDBG, actual compliance with expenditure cap limits is measured on the basis of funds actually spent during a particular program year. For HOME, compliance is measured on the basis of the allocation/expenditure of funds that can be attributed to a particular grant year.

CDBG Grant program restrictions

Max Admin expenditure	Proposed	\$140,000
20% of 2011 grant, plus 2011 program income	Cap amount	\$140,000
<ul style="list-style-type: none"> Project #13 - Administration - \$140,000 		
Max Public Service expenditure	Proposed	\$106,000
15% of 2011 grant, plus 2011 program income	Cap amount	\$105,000
<ul style="list-style-type: none"> Project #6 – Housing Education: Tenant and Homebuyer Project #7 – Emergency Shelter Project #8 – Snow Removal Assistance Project #9 – Job Training Project #10 – Homeless Liaison – Fargo Police 		\$30,000 \$40,000 \$2,500 \$13,500 \$20,000
Max Slum/Blight expenditure	Proposed	\$100,000
30% of program expenses over 3 years (2009, 2010 & 2011)	Cap amount	\$210,000
<ul style="list-style-type: none"> Project #5 – Downtown Slum/Blight Projects - \$100,000 		

HOME Grant program restrictions

Max Admin expenditure	Proposed	\$56,000
10% of 2011 grant, plus 2011 program income (excludes recap. funds)	Cap amount	\$56,000
<ul style="list-style-type: none"> Project #13 – Administration - \$56,000 		
Min CHDO set-aside	Proposed	\$100,000
15% of annual allocation	Req set-aside	\$84,000
<ul style="list-style-type: none"> Project #3 – CHDO Housing Project - \$100,000 		

Description of Projects

This section includes a detailed description of each proposed project. The narratives include a general project description, discussion of the Priority Needs and specific objective(s) addressed, proposed performance indicators, as well as a project timeline and expected outcomes.

The City will follow its adopted Affirmative Marketing policy for any HOME-assisted projects with five or more units, as described in the 2010-2014 Consolidated Plan (p. 89). The City is committed to working with minority, women-owned, and small businesses in the conduct of its activities related to the provision of affordable housing.

The City will partner with their eligible Community Housing Development Organization (CHDO), Beyond Shelter, Inc. on one of the following projects in order to meet the CHDO requirements set forth by the HOME program.

Project Title
Action Plan ID
Local Project ID

Housing Rehab – Owner Occupied

1

Applicant's name
Project Description

Various
 Program to rehabilitate existing owner-occupied houses that are at least 40 years old and have a value of less than \$135,000, or occupied by elderly or disabled persons. Eligible properties can be single family residences, including manufactured homes permanently attached to real property, and two-unit structures where the owner lives in one of the units and rents the other to a tenant (must be a legal rental unit and have been in existence for 10 years). Most of the houses that are rehabilitated are located in Fargo's older low/mod neighborhoods.

Location
Priority Need
Con Plan Objective Number

Citywide
 Housing
 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
 CD-1, Eliminate blighted conditions from Fargo's residential neighborhoods

HUD Matrix Code
 CDBG Citation
 CDBG National Obj
 HUD Obj/Outcome
 Start Date
 Completion Date

14A (Rehab – single unit residential)
 570.202
 Low/Mod Housing
 Affordability for the purpose of providing decent housing
 May 1, 2011
 April 30, 2012

Performance Indicators

- Direct Benefit - Low and moderate income homeowners
- Indirect Benefit - Residents of affected older neighborhoods (well maintained housing stock)
- Repair/Rehabilitate approximately 25 homes that are at least 40 years old or occupied by elderly or disabled persons.

Units at completion
 Program income

25
 This activity will generate program income and recaptured funds (HOME). Some of the funds will be repaid because the assistance is given in the form of a low-interest amortized loan. Some of the granted rehab funds may be repaid if a sale or other circumstance triggers repayment of the assistance.

HOME Match

This activity is expected to generate some match, in the form of tax exemptions granted to HOME assisted properties and below-market interest rates associated with city NRI funds. All match will be documented and reported to HUD.

Resale/Recapture

Recapture – loans either forgiven over 10 year period or have 5-15 year amortization

Funding Sources	
CDBG	\$92,000
ESG	
HOME	\$350,000
HOPWA	
Total formula grant funds	\$442,000
Prior year funds	
Assisted housing	
Other funding	
Total	\$442,000

The primary purpose of the project is to help:

The homeless _____ Persons with HIV/AIDS _____ Persons with disabilities _____ Public Housing Needs _____

Project Title Homebuyer Assistance
Action Plan ID 2
Local Project ID n/a
Applicant's name Various (administered by the City)
Project Description This program offers down payment and closing cost assistance to low and moderate income households that are trying to purchase a home. Over the last two years, the average purchase price of a home in this program was just over \$100,000. The City requires each applicant to complete an approved homebuyer education program prior to making an offer to purchase a home.

Location Citywide
Priority Need Housing
Con Plan Objective H-6, Provide downpayment assistance to low/moderate income homebuyers
Number H-7, Increase homeownership rates for minorities
HUD Matrix Code 13 (Homeownership Assistance – Direct)
CDBG Citation 570.201(n)
CDBG National Obj LMC
HUD Obj/Outcome Affordability for the purpose of providing decent housing
Start Date May 1, 2011
Completion Date April 30, 2012
Performance Indicators

- Assist approximately 20 households in purchasing a home

The majority of families served by this program are classified as moderate income families. Typically, 10-15 percent of the families served have been low income families, and those families had an income between 40 and 50 percent of median. Over the last two years, 68 families have been served, 7 of which were 30-50 percent of median income and 61 who were 51-80 percent median. Assuming a similar client mix as is typically served, we expect to benefit 2 low income households (30-50 percent of median), and 18 moderate income households (50-80 percent of median).

Units at completion N/A
Program income This activity is likely to generate recaptured funds (HOME).
HOME Match This activity is expected to generate match in the form of below-market interest rates on first mortgages.
Resale/Recapture Recapture – loans due on sale of the home with mortgage due to be calculated based on net proceeds of sale.

Funding Sources	
CDBG	
ESG	
HOME	\$100,000
HOPWA	
Total formula grant funds	
Prior year funds	
Assisted housing	
Other funding – ADDI DCS	
Total	\$100,000

The primary purpose of the project is to help:
The homeless _____ Persons with HIV/AIDS _____ Persons with disabilities _____ Public Housing Needs _____

Project Title CHDO Housing Project
Action Plan ID 3
Local Project ID

Applicant's name Beyond Shelter, Inc.

Project Description Beyond Shelter, Inc. is currently the only CHDO authorized to receive HOME CHDO set aside funds. The City will work with Beyond Shelter on the critical repair and renovation of the Lashkowitz High Rise, which houses seniors and persons with disabilities that are low and moderate income. The project will include major plumbing repair/replacement, as well as other improvements to the interior and exterior of the building. After project completion, the Lashkowitz will have approximately 165 housing units serving the needs of those listed above.

Location 101 2nd Street South
Priority Need Housing

Con Plan Objective Number H-2, Work with local partners to create new affordable housing in the community
HUD Matrix Code 14C (Public Housing Modernization)
CDBG Citation 570.202
CDBG National Obj N/A
HUD Obj/Outcome Availability/Accessibility for the purpose of providing decent housing
Start Date May 1, 2011
Completion Date April 30, 2012
Performance Indicators Complete the renovation of affordable housing units to serve households at or below 50% AMI
Units at completion 165
Program income This activity is not expected to generate program income.
HOME Match This activity is expected to generate match that can be used toward the 25% match requirement. All match will be documented and reported to HUD.
Resale/Recapture Recapture

Funding Sources	
CDBG	
ESG	
HOME	\$100,000
HOPWA	
Total formula grant funds	\$100,000
Prior year funds	
Assisted housing	
PHA	
Other funding	
Total	\$100,000

The primary purpose of the project is to help:
 The homeless Persons with HIV/AIDS Persons with disabilities Public Housing Needs

Project Title **Workforce Housing Activities**
Action Plan ID 4
Local Project ID

Applicant's name Various
Project Description The City of Fargo is involved in a metropolitan-wide initiative to address workforce housing needs. The Community Development Committee would like to set funds aside with the intention of making activity-specific funding allocations once the planning processes are complete. This will allow the City to target resources to areas of designated priority.
Location To be determined
Priority Need Housing
Con Plan Objective Number H-2, Work with local partners to create new affordable housing in the community
HO-1, Work to end chronic homelessness in Fargo
HO-2, Encourage the development of supportive housing partnerships
HUD Matrix Code TBD
CDBG Citation TBD
CDBG National Obj TBD
HUD Obj/Outcome Availability/Accessibility for the purpose of providing decent housing
Start Date May 1, 2011
Completion Date April 30, 2012
Performance Indicators Provide funding to projects that will further the goals established in the Workforce Housing initiatives that are underway in the community.
Units at completion To be determined
Program income This activity is not expected to generate program income.

Funding Sources	
CDBG	
ESG	
HOME	\$49,000
HOPWA	
Total formula grant funds	
Prior year funds	
Assisted housing	
PHA	
Other funding	
Total	\$49,000

The primary purpose of the project is to help:
The homeless _____ Persons with HIV/AIDS _____ Persons with disabilities _____ Public Housing Needs _____

Project Title
Action Plan ID
Local Project ID

Downtown Slum and Blight Projects

5

Applicant's name Various
Project Description The Community Development Committee wishes to set aside funds for potential projects in the Downtown area that will address slum and blight conditions. Included among these potential projects will be storefront rehabilitation grants to property owners which must be matched one-for-one with private dollars and be utilized for façade renovation. Other activities undertaken with the intention of eliminating blighted conditions in designated areas may be considered as well. At this time, specific projects are yet to be determined.
Location Downtown Fargo, designated blighted areas (generally, Census Tract 7, Block Groups 1 and 2)
Priority Need Non-housing community development
Con Plan Objective Number CD-1, Eliminate blighted conditions from the downtown business district
 CD-2, Foster the establishment of strong neighborhoods through the implementation of neighborhood revitalization efforts
 HUD Matrix Code 14E (Rehab – publicly or privately owned commercial)
 CDBG Citation 570.202
 CDBG National Obj SBA (Slum/Blight Area)
 HUD Obj/Outcome Sustainability for the purpose of creating economic opportunity
 Start Date May 1, 2011
 Completion Date April 30, 2012
 Performance Indicators Provide grants to eliminate blighted conditions at a yet-to-be-determined number of properties.
 Units at completion To be determined
 Program income This activity is not expected to generate program income.

Funding Sources	
CDBG	\$100,000
ESG	
HOME	
HOPWA	
Total formula grant funds	\$100,000
Prior year funds	
Assisted housing	
PHA	
Other funding – ADDI DCS	
Total	\$100,000

The primary purpose of the project is to help:
 The homeless _____ Persons with HIV/AIDS _____ Persons with disabilities _____ Public Housing Needs _____

Project Title **Housing Education Programs: Tenant and Homebuyer**
Action Plan ID 6
Local Project ID

Applicant's name The Village Family Service Center
Project Description The Village's Financial Resource Center provides educational courses for both new homeowners and tenants of rental housing. The homebuyer training program is a two-day (8 hour) education program and a one-hour financial counseling session. The tenant education program also includes 8 hours of classroom time and a one-hour counseling session. The tenant education program provides new renters with the skills to find and keep a decent, safe and affordable home as well as educating those with poor rental histories in becoming more marketable tenants.

Location Citywide
Priority Need Housing

Con Plan Objective Number H-5, Provide opportunities for education to potential and recent homeowners and tenants

CD-3, Provide education on fair housing issues
 HUD Matrix Code Tenant: 05K (Tenant/Landlord Counseling)
 Homebuyer: 05R (Homeownership Assistance – Not Direct)

CDBG Citation Tenant: 570.201(e)
 Homebuyer: 570.204

CDBG National Obj Low/Mod Clientele
 HUD Obj/Outcome Accessibility for the purpose of providing decent housing
 Start Date May 1, 2011

Completion Date April 30, 2012

- Performance Indicators Tenant:
- Provide at least 16 separate tenant education sessions.
 - Provide tenant education training to at least 400 low/moderate income households in Fargo that are at-risk for housing crisis/homelessness.
- Homebuyer:
- Provide at least 20 separate homebuyer education training sessions.
 - Provide homebuyer education to at least 200 Fargo households (at least 110 of whom are low and moderate income individuals)

Units at completion n/a

Program income These activities are not expected to generate program income.

Funding Sources	
CDBG	\$30,000
ESG	
HOME	\$5,000
HOPWA	
Total formula grant funds	\$35,000
Prior year funds	
Assisted housing	
PHA	
Other funding – ADDI DCS	
Total	\$35,000

The primary purpose of the project is to help:

The homeless _____ Persons with HIV/AIDS _____ Persons with disabilities _____ Public Housing Needs _____

Project Title **Emergency Shelter**
Action Plan ID 7
Local Project ID

Applicant's name City of Fargo
Project Description Provide operating support for the Emergency Shelter.
Location Citywide
Priority Need Homelessness

Con Plan Objective Number HO-1, Work to end chronic homelessness in Fargo
 HUD Matrix Code 03T (Operating Costs of Homeless/AIDS Patients Programs)
 CDBG Citation 570.207(b)(2)
 CDBG National Obj Low/Mod income, Limited Clientele (Homeless Persons)
 HUD Obj/Outcome Sustainability in order to create a suitable living environment
 Start Date May 1, 2011
 Completion Date April 31, 2012
 Performance Indicators Provide operating funding for emergency shelter, which has been developed to assist long-term homeless individuals and help meet the needs stated in Fargo's 10 year Plan to End Long Term Homelessness
 Units at completion n/a
 Program income n/a
 HOME Match n/a
 Resale/Recapture n/a

Funding Sources	
CDBG	\$40,000
ESG	
HOME	
HOPWA	
Total formula grant funds	\$40,000
Prior year funds	
Assisted housing	
PHA	
Other funding	
Total	\$40,000

The primary purpose of the project is to help:
 The homeless Persons with HIV/AIDS Persons with disabilities Public Housing Needs

Project Title **Snow Removal Assistance**
Action Plan ID 8
Local Project ID

Applicant's name City of Fargo
Project Description Project to assist with snow removal for low income seniors and persons with disabilities. Snow removal service includes one path to the front door, and the sidewalk in front of the house.
Location Citywide
Priority Need Non-Housing Community Development

Con Plan Objective Number CD-4, Support skill building opportunities designed to improve self sufficiency and personal success
HUD Matrix Code 05A (Senior Services)
CDBG Citation 570.201(e)
CDBG National Obj Low/Mod Clientele
HUD Obj/Outcome Affordability in order to create a suitable living environment
Start Date May 1, 2011
Completion Date April 31, 2012
Performance Indicators This project will benefit an estimated 12 senior/disabled households. All will be at or below 50% of the area median income.
Units at completion n/a
Program income n/a

Funding Sources	
CDBG	\$2,500
ESG	
HOME	
HOPWA	
Total formula grant funds	
Prior year funds	
Assisted housing	
PHA	
Other funding	
Total	\$2,500

The primary purpose of the project is to help:
 The homeless Persons with HIV/AIDS Persons with disabilities Public Housing Needs

Project Title **Job Training**
Action Plan ID 9
Local Project ID

Applicant's name Various
Project Description The Skills and Technology Training Center, in cooperation with Cass County Social Services and North Dakota Job Service, will offer a targeted job skills development program for refugees and low income individuals. The Giving + Learning Program will also offer English language tutoring and workforce training to refugees in preparation for CNA certification.
Location Citywide
Priority Need Public Service
Con Plan Objective Number CD-4, Support skill building opportunities designed to improve self sufficiency and personal success
HUD Matrix Code 05H (Employment Training)
CDBG Citation 570.201(e)
CDBG National Obj Low/Mod Clientele
HUD Obj/Outcome Availability/Accessibility for the purpose of creating economic opportunity
Start Date May 1, 2011
Completion Date April 30, 2012
Performance Indicators Provide training to 10 low/moderate income adults. Program participants must either be underemployed or be classified as a refugees.
Units at completion n/a
Program income This activity is not expected to generate program income.

Funding Sources	
CDBG	\$13,500
ESG	
HOME	
HOPWA	
Total formula grant funds	\$13,500
Prior year funds	
Assisted housing	
PHA	
Other funding	
Total	\$13,500

The primary purpose of the project is to help:
 The homeless Persons with HIV/AIDS Persons with disabilities Public Housing Needs

Project Title
Action Plan ID
Local Project ID

Homeless Liaison – Fargo Police

10

Applicant's name
Project Description

City of Fargo
 CDBG funds will be used to support a part-time Police Department liaison to Fargo's homeless population. The Homeless Liaison position will utilize the expertise of a former police officer who has worked as a Downtown Resource Officer. The Homeless Liaison will use their existing expertise and experience with the homeless community to make the necessary connections between the Police Department and the City of Fargo in their work to complete tasks in Fargo's 10 Year Plan to End Homelessness.

Location
Priority Need
Con Plan Objective Number

Citywide
 Homeless
 HO-1 Work to end chronic homelessness through Fargo's 10 Year Plan

HUD Matrix Code
 CDBG Citation
 CDBG National Obj
 HUD Obj/Outcome

03T (Operating Costs of Homeless/AIDS Patients Programs)
 570.201(c)
 Low/Mod income
 Sustainability: Providing livable and viable communities to create a suitable living environment

Start Date
 Completion Date
 Performance Indicators

May 1, 2011
 April 31, 2012
 Help to support one half-time Homeless Liaison to the Fargo Police Department

Units at completion
 Program income

n/a
 This activity is not expected to generate program income.

Funding Sources	
CDBG	\$20,000
ESG	
HOME	
HOPWA	
Total formula grant funds	\$20,000
Prior year funds	
Assisted housing	
PHA	
Other funding	
Total	\$20,000

The primary purpose of the project is to help:

The homeless Persons with HIV/AIDS Persons with disabilities Public Housing Needs

Project Title **Fargo Emergency Food Pantry**
Action Plan ID 11
Local Project ID

Applicant's name Fargo Emergency Food Pantry
Project Description CDBG funds will be utilized to assist with the relocation of the existing Fargo Emergency Food Pantry
Location 1438 10th Street North
Priority Need Non-Housing Community Development

Objective Number CD-5, Support metropolitan efforts to address transportation and other barriers to work that affect low income individuals
 HUD Matrix Code 03 (Public Facilities)
 CDBG Citation 570.201(c)
 CDBG National Obj Low/Moderate Income
 HUD Obj/Outcome Affordability for the purpose of creating a suitable living environment
 Start Date May 1, 2011
 Completion Date April 30, 2012
 Performance Indicators Move the existing Fargo Emergency Food Pantry to a new location that has more storage space.
 Units at completion n/a
 Program income This activity is not expected to generate program income.

Funding Sources	
CDBG	\$250,000
ESG	
HOME	
HOPWA	
Total formula grant funds	\$250,000
Prior year funds	
Assisted housing	
PHA	
Other funding	
Total	\$250,000

The primary purpose of the project is to help:
 The homeless _____ Persons with HIV/AIDS _____ Persons with disabilities _____ Public Housing Needs _____

Project Title **Neighborhood Project**
Action Plan ID 12
Local Project ID

Applicant's name To be determined
Project Description The Community Development Committee would like to set aside CDBG funds for a potential project that will help to enhance and improve a low/moderate income neighborhood.
Location To be determined, low/moderate income neighborhood
Priority Need Non-housing community development

Con Plan Objective Number 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
 HUD Matrix Code 03E (Neighborhood Facilities)
 CDBG Citation 570.201(c)
 CDBG National Obj Low/Moderate Income
 HUD Obj/Outcome Sustainability for the purpose of creating a suitable living environment
 Start Date May1, 2011
 Completion Date April 31, 2012
 Performance Indicators Complete one or more projects that improve the appearance and livability of a blighted neighborhood. (Additional performance indicators may be added when the final project is determined.)
 Units at completion n/a
 Program income This activity is not expected to generate program income.

Funding Sources	
CDBG	\$12,000
ESG	
HOME	
HOPWA	
Total formula grant funds	\$12,000
Prior year funds	
Assisted housing	
PHA	
Other funding	
Total	\$12,000

The primary purpose of the project is to help:
 The homeless _____ Persons with HIV/AIDS _____ Persons with disabilities _____ Public Housing Needs _____

Project Title Administration and Planning
Action Plan ID 13
Local Project ID

Applicant's name City of Fargo
Project Description Funds are used for the administration of community development programs and general planning activities.

HOME funds pay for administration of the Home Buyer Assistance program and some of the delivery costs of the housing rehabilitation program. CDBG funds pay for administrative costs of the personnel that work on the planning and delivery of these community development programs, in addition to special plans and studies, including a Housing Market study. \$2,000 of these funds will be granted to Fair Housing of the Dakotas to hold a Fair Housing workshop in Fargo.

Location Citywide
Priority Need Planning and Admin (Administrative funds are used to develop and implement all approved community development activities. However, specific admin activities will address the following priority needs objectives.)

Objective Number H-4, Increase public awareness of affordability concerns and the needs of at-risk HO-1, Work to end chronic homelessness in Fargo
 HO-2, Provide a continuum of housing options for Fargo's homeless population and encourage the development of supportive housing partnerships
 CD-3, Provide education on fair housing issues

HUD Matrix Code 21A (General Administration)
 21H (Admin costs of a PJ)
 CDBG Citation 570.206
 CDBG National Obj N/A

Start Date May 1, 2011
 Completion Date April 30, 2012
 Performance Indicators n/a
 Units at completion n/a
 Program income This activity is not expected to generate program income.

Funding Sources	
CDBG	\$140,000
ESG	
HOME	\$56,000
HOPWA	
Total formula grant funds	\$196,000
Prior year funds	
Assisted housing	
PHA	
Other funding	
Total	\$196,000

Geographic Distribution of Projects

The primary beneficiaries of all listed projects are low/moderate income households in the City of Fargo. In Fargo, most of the low/mod areas are concentrated in the core of the City, which are also some of Fargo's oldest neighborhoods.

The City's strategy for prioritizing community development activities is to target neighborhoods that are low/mod, where affordable housing is available, and that are older (developed pre-1920).

These neighborhoods typically share a number of characteristics that warrant community development interventions. There are opportunities for comprehensive neighborhood planning efforts that identify issues in a strategic way while at the same time empowering residents to act in concert with the City to address those needs. The housing stock is generally in good condition but is in need of re-investment/improvement. Oftentimes residents concerns about safety and public service provision are beginning to emerge. It is at this point that the City feels it can be most effective in using community development resources to affect the lives of the citizens of these neighborhoods as well as the quality of life in the community as a whole.

In addition to targeted low/mod and affordable existing neighborhoods, the City also considers it important to assure a fair distribution of affordable housing across the community (new and existing neighborhoods). Some of the new housing projects in this and future budget years will reflect this priority.

GEOGRAPHIC DISTRIBUTION SUMMARY FY2011 Community Development Projects

	Location
1. Housing Rehabilitation – Owner	Citywide – housing stock must be over 40 years old and/or occupied by elderly or disabled persons
2. Homebuyer Assistance	Citywide
3. CHDO Housing Project	Census Tract 7, Block Group 2
4. Workforce Housing Activities	Citywide
5. Downtown Slum/Blight Projects	Census Tract 7, Block groups 1 and 2
6. Housing Education : Tenant and Homebuyer	Citywide
7. Emergency Shelter	Citywide
8. Snow Removal Assistance	Citywide
9. Job Training	Citywide
10. Homeless Liaison – Fargo Police	Citywide
11. Fargo Emergency Food Pantry	Relocation to Census Tract 6, Block Group 1
12. Neighborhood Project	Census Tract 2, Block Group 2
13. Administration and Planning	Citywide

Summary of Special Considerations

The following is a summary of how the Fargo 2011 Community Development Action Plan addresses the special considerations that have been identified by HUD.

Homeless and Other Special Populations

The City Planning Department continues to be involved in local and statewide Continuum of Care efforts and regularly provides CDBG funds to support the planning process. In addition, the Planning Department continues to move forward with the goals and objectives of Fargo's "10-Year Plan to End Long Term Homelessness", which brings together public and private partners from the metropolitan area to craft a local strategy for addressing the needs of this population. Funds are set aside in the 2011 budget to support project ideas that have come out of that process (See Project #7 and #11 above).

CDBG funds continue to be directed to the recently developed Gladys Ray Emergency shelter in Fargo. These funds will help to support operations at the shelter. The 2011 Action Plan also includes funding for the Tenant Education program, which is aimed at helping individuals avoid housing crisis situations. CDBG will also be used to assist the Fargo Emergency Food Pantry with relocation to a facility large enough to support its increasing need for food storage. HOME dollars will also be used to support the major rehabilitation of the Lashkowitz High Rise in downtown Fargo, which will provide necessary improvements to a critical housing resource serving elderly and disabled persons.

Public Housing

The City is supporting the Fargo Housing Authority's commitment to scattered site housing, family self sufficiency programs, enhancement of properties and resident opportunities, as well as the ongoing housing disposition plan. The City continues to be involved in discussions with the Fargo Housing and Redevelopment Authority about the significant future capital needs of the community's public housing stock. As mentioned above, the City will be assisting with the rehabilitation of the Lashkowitz High Rise apartment building utilizing 2011 CDBG funds. The project will result in the repair/replacement of the building's plumbing systems and the renovation and size increase of apartments that have not been improved to a significant degree since the 1970's.

Lead based paint hazards

The City will continue to work to raise public awareness of lead based paint hazards. The City will also work with all sub-recipients and applicants for community development funds in ensuring that lead based paint hazards are appropriately addressed. Program applicants for rehab and homebuyer assistance receive materials on lead paint and the Department maintains locally-specific information on our web site.

Anti-poverty strategy – Reducing the number of poverty level families

The City supports the Fargo Housing and Redevelopment Authority's efforts to provide a number of self-sufficiency programs that are aimed at increasing a family's economic independence. The Housing and Redevelopment Authority works closely with Job Service of North Dakota to provide necessary training opportunities to poverty level families. The City will also be granting 2011 CDBG funds to the Skills and Technology Training Center for targeted job skills development among refugees and low income individuals and to the Giving + Learning Program for education and workforce training of refugees and New Americans (#9 above). The City will continue to coordinate anti-poverty efforts with local service providers and social service agencies.

Minority Concentrations

The 2008 American Community Survey (ACS) indicated that Fargo's minority population has grown significantly. 2.5 percent of residents were listed as a race "other than white" in the 1990 Census; the proportion of minority residents had grown to 9 percent by the 2008 ACS. However, there are no areas in the community having minority concentrations to a level that warrants concern or action. Certain census tracts have a slightly higher percentage of minority residents than others (percent of minority residents per census tract ranges from 2 to 15 percent) but the differentials are relatively small and do not contribute to an unhealthy environment.

Underserved Needs

The City's current Consolidated Plan does not identify any underserved needs. As such, no specific action to address underserved needs is proposed at this time.

Urgent Needs

From time to time there may be urgent needs that develop in the community for which CDBG funding must be utilized. The City of Fargo reserves the right to use up to 30% of the available funding for emergency activities that may come up due to an emergency event such as flooding, tornados or other natural disasters.

Other Actions – Removing Barriers to Affordable Housing

The 2011 Action Plan demonstrates significant support for the maintenance and creation of affordable housing in the community. The Homebuyer downpayment assistance and Housing Rehab programs help remove barriers to homeownership. Also, the Rebuilding Together housing renovation program and the additional NRI funding through Community Works ND will help to further maintain affordable housing throughout the community in 2011. The City has also allocated funds to focus on workforce housing needs within the community.

The City of Fargo has worked to address the problem of increased foreclosures in the area through the Neighborhood Stabilization Program (NSP), which was authorized by Congress under Title III of the Housing and Economic Recovery Act of 2008. Fargo received nearly \$5 million to acquire and redevelop foreclosed and abandoned properties that might otherwise have become sources of abandonment or blight. The NSP funds have been an excellent source of funding to address increasing numbers of foreclosed or vacant properties. The funds allocated to the City have been obligated and spent, however approximately \$250,000 in program income remains and can be utilized to address foreclosures and abandoned property. Additional program income may be acquired during 2011.

Other Actions - Partnerships

The City is an active participant in the F-M Homeless Coalition, statewide Continuum of Care Planning Committee, the ND Interagency Council on Homelessness, as well as other community wide partnerships that discuss a variety of housing issues facing the metropolitan area.

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 we see ourselves as a link and partner with area organizations. Specifically, we have partnered with the Fargo Housing and Redevelopment Authority to develop a Tenant-Based Rental Assistance program (TBRA), which has provide greatly needed housing assistance to the long list of families in need. The 2011 Action Plan includes a number of critical partnerships with community organizations to maintain existing affordable

housing. These include working with the “Rebuilding Together” Program of the FM Rotary to maintain housing for the elderly and disabled, and Community Works of North Dakota to provide low-interest loans for low and moderate income families wishing to make significant renovations to their home (Both under Activity #1, Housing Rehab).

Other Actions – Furthering Fair Housing in Fargo

Fargo has recently updated its Analysis of Impediments to Fair Housing Choice (AI), and continues to work toward identifying and addressing those impediments where possible. The AI begins with a detailed analysis of the City’s demographic profile, and proceeds with an assessment of the ways in which underserved and minority populations are impeded from obtaining fair housing within the community. Specifically, impediments to fair housing choice in Fargo include lack of education, the historic isolation of minority populations, the “not in my back yard” (NIMBY) phenomenon, the rising cost of renting and purchasing a home, lack of physical accessibility, and in some areas of the City, a lack of adequate public transportation. The AI continues with a description of its efforts to combat these impediments through a variety of efforts and local collaborations, and this Action Plan includes the direct application of CDBG funds toward educating the public regarding Fair Housing laws and regulations (see project #9 above).

It is expected that the Fair Housing workshop taking place in Fargo in 2011 will help to educate and inform up to 50 landlords, renters, realtors and other persons interested in fair housing laws and regulations. \$2,000 of CDBG Admin funding will be allocated to this workshop to be administered by Fair Housing of the Dakotas.

Monitoring

The City of Fargo Department of Planning and Development is responsible for monitoring progress made on community development projects that have been funded with federal dollars.

Each recipient of community development funds will sign a written agreement that outlines program goals and objectives, the statement of work to be completed, in addition to a timeline and the list of expected accomplishments. Planning Department staff will schedule an annual site visit with selected sub-recipients to examine records on site. Many sub-recipients will also be asked to submit quarterly progress reports to the Planning Department.

In addition to monitoring sub-recipient activity, the City is also committed to monitoring progress on identified community development needs. The annual report will be used to measure specific project accomplishments and to measure program-wide accomplishments as well. The 2010-2014 Consolidated Plan outlines a series of performance measures that the City will use to evaluate program performance. Overall program design can be adjusted in accordance with the information received via the evaluation process.

The Community Development Committee will review information received from Planning Department staff, and will make recommendations, with regard to community development activities, to the Fargo City Commission.

Appendix A: Public Process – 2011 Budget

Appendix includes the following information that describes the public process used to develop the 2011 CDBG and HOME budgets.

- Minutes – September 23, 2010 Community Development Committee meeting (budget overview, budget recommendation)
- Minutes – December 2, 2010 Community Development Committee meeting (budget overview, final budget recommendation)
- Notice for public hearing and public comment on 2011 Action Plan (published January 4, 2011).

(Agenda and Minutes from Public Hearing to be included here when available)

Mr. Mahli updated the CD Committee on the Neighborhood Revitalization Initiative (NRI) area in and around downtown. He stated the City has done a great deal of work to support older neighborhoods and core areas of the City. He stated, the City has partnered in the construction of 1,820 new and rehabbed housing units in Fargo's older neighborhoods and values have more than doubled (from a total value of \$75 million in 2000 to \$171 million in 2010). He continued, of the 1,820 housing units assisted, 488 are new infill housing units. The remaining 1332 are rehab projects. Mr. Zavoral suggested Mr. Mahli present this information to the Fargo Public School Board

Mr. Paulsen noted neighborhood associations seem much stronger today. Ms. Mayo confirmed this appears to be true. Mr. Mahli added a new neighborhood plan is currently being developed with neighbors in the Unicorn Park area.

Mr. Mahli spoke on a workforce housing handout. He stated there is a need for affordable workforce housing. Generally, in order for individual households to afford renting a home, an individual or household has to make \$13/hour. Currently, almost half of the metro area workforce is employed in non-professional service occupations and the typical wage for these 50,000 workers ranges from \$7.11/hour (food prep/service) to \$13.13/hour (protective service).

In addition, while renting is the housing pattern of choice for thousands of households in the area, the City is committed to encouraging homeownership for those who are interested. He added this can be a stretch for low-to-moderate income households in the community. As an example, he mentioned a starter home that sells for \$115,000 would be easily affordable to a household earning \$50,000/year (approx wage of \$24/hour), barely affordable to a household earning \$37,000/year (approx wage of \$18/hour), and not at all affordable to a household earning \$25,000/year (\$12/hour).

He spoke about a summary handout of why housing supply and demand can be mismatched and what to do about it. The information is based on a survey and interviews with employers/business owners, local workforce, private and public housing developers, real estate brokers, lenders, elected officials, local government staff and others. Mr. Mahli also presented a map showing the City's low to moderate income areas in greater detail. He added the reason for the background information is to set a framework for the 2011 Community Development budget cycle.

Item 2. Review 2010 Sustainable Homes and Communities Conference

Mr. Mahli stated HUD sponsored a Sustainable Homes and Communities Conference in Fargo on August 31, 2010, with over 500 individuals in attendance. Mr. Mahli distributed booklets from the City sponsored housing tour.

Item 3. Review Proposal from CommunityWorks ND

Mr. Mahli stated there has been talk of establishing a housing rehab loan pool with CommunityWorks ND to invest in the City's older neighborhoods. He added the City currently has a housing rehab program in place to rehabilitate older homes and address code and safety issues, but there are limits on how much can be invested into these properties. To address this, he said the City has been working with CommunityWorks to provide additional loan funds to cover the work that needs to be done. Mr. Mahli stated he would like to formalize the relationship. Rob Knoll, Multifamily Program Director of CommunityWorks ND, has been working to create a housing rehab loan pool.

Mr. Knoll stated CommunityWorks ND is a non-profit organization established to create housing opportunities throughout the state and to help families obtain and maintain home ownership. He said, in 2000, CommunityWorks became part of NeighborWorks America, a Federally chartered non-profit which receives funding for operating, development projects, and to capitalize loan pools.

He continued, CommunityWorks' programs have been expanding statewide but its signature program, the DREAM fund (which stands for: downpayment and closing costs; rehabilitation; emergency repairs; any other; and mortgage assistance, to cover income and appraisal gaps) is a single-family program offered in 43 counties within North Dakota. Recently, he said, CommunityWorks received a grant which has allowed it to come into Fargo. Mr. Knoll stated CommunityWorks would like to work with the City to establish a Neighborhood Revitalization Initiative loan pool structured towards housing affordability.

Mr. Mahli distributed a housing rehab loan proposal between the City of Fargo and CommunityWorks ND to provide low interest loans in Fargo for home improvements. He asked for a recommendation to forward the request to the City Commission.

Ms. Coates moved to approve the housing rehab loan proposal between the City and CommunityWorks ND and to consider supporting the loan pool with CDBG funds. Second by Mr. Paulsen. All members present voted aye and the motion was declared carried.

Item 4. Other Business

Mr. Mahli stated there will be an informational meeting on the update to the City's Comprehensive Plan on Monday, September 27 at 4:00 p.m. at the Fargo Theatre. He said a request for qualifications has been published and he invited all Members to attend. He added the process of updating the Comprehensive Plan is expected to take a year and a half.

The meeting adjourned at 4:23 p.m.

**COMMUNITY DEVELOPMENT COMMITTEE
MINUTES**

Regular Meeting:

Thursday:

December 2, 2010:

The Regular Meeting of the Community Development Committee of the City of Fargo, North Dakota, was held in the City Commission Room at City Hall at 3:30 p.m., Thursday, December 2, 2010.

The Community Development Committee Members present or absent were as follows:

Present: Commissioner Tim Mahoney, Commissioner Dave Piepkorn, Steve Stoner, John Paulsen, Pat Zavoral, Linda Coates, Lynn Fundingsland, Linda Klebe

Also Present: Dan Mahli, Rocky Schneider, Jim Gilmour, Monica Graber, Dawn Mayo, Nate Bailly

Absent: None

Vice Chair Piepkorn welcomed Members and called the meeting to order.

Item 1. Approval of Minutes: Regular Meeting of September 23, 2010

Mr. Paulsen moved to approve the minutes of the September 23, 2010 meeting as presented. Second by Mr. Stoner. All Members present voted aye and the motion was declared carried.

Item 2. Review 2011 Community Development Budget

Dan Mahli reviewed the 2011 Community Development budget including CDBG and HOME funding awarded from the Federal Government. He anticipates a 10% cut in CDBG funds, and HOME and City of Fargo general funds to remain the same as last year.

Chair Mahoney present.

Mr. Mahli explained the City of Fargo awards funding in four categories – housing, neighborhoods, facility/capital improvements, and social/public services and arts. He continued, the housing rehab program keeps homeowners of low-to-moderate income in their homes, and eliminates code and safety issues which spawns redevelopment in the neighborhoods where work has been done. According to Mr. Mahli, HOME funds require the City to allocate 15% on a housing authority organization, and this year the focus will be on the Lashkowitz High Rise.

Dan Madler of Beyond Shelter spoke on the Lashkowitz High Rise project and distributed a handout for informational purposes on sources and uses of funds. He stated, it is a struggle to line up sources of funding as Beyond Shelter needs approximately \$11 million for the renovation of the Lashkowitz High Rise. He continued, grants from affordable housing projects and HOME funds are needed. He said Beyond Shelter is budgeting \$200,000 in HOME funds but a gap of \$750,000 remains. He stated more sources of funding are being pursued.

Commissioner Piepkorn asked how residents will be shifted during renovation. Mr. Madler replied, when a unit becomes vacant they will not be releasing the unit. According to Mr. Madler, the goal is to rehab 3-4 floors at a time, starting with 60 units so residents won't need to relocate offsite. He said the process has already started and he expects to have 60 vacant units by December 2011. He noted the plumbing is the main problem, there is

asbestos on the steel, exterior walls need to be insulated, and new windows will be installed. He stated the initial costs per square foot will be high but the energy efficiency will have payback.

Mr. Madler presented the "Initial Impact Report" based on a Cooper House study on the impact of supportive housing for North Dakota's chronic homeless population. He said the study represents the cost savings within a three month window of housing the homeless as opposed to keeping someone on the street.

Dan Mahli presented the S & P Case Shiller Home Price Index Comparison chart showing single family residential median price changes for Fargo and other cities, of which Fargo has stayed steady since 2007.

HOUSING RECOMMENDATIONS

- Housing Rehabilitation - \$370,000 to be used for the rehabilitation of existing owner-occupied homes. (\$350,000 HOME, \$20,000 CDBG)
- Homebuyer Assistance - \$100,000 to assist low-to-moderate income households with downpayment and closing costs to purchase a home. (HOME)
- Beyond Shelter - \$381,000 to assist in the renovation in the Lashkowitz High Rise. (CHDO) (\$332,000 CDBG, \$49,000 HOME)

Dan Mahli spoke on the Fargo Emergency Food Pantry and presented a handout as background. Currently, he said, all services and support are transacted throughout a location that is not suitable. He is asking the City to help find another location. He stated, the Cooper warehouse might be a viable option for relocation. He explained the warehouse would provide increased square footage, a loading dock, and enough space for volunteers to work inside and keep food storage and distribution in separate areas.

Pat Zavoral stated an estimate has been given in regards to getting the building up to code and doing necessary renovations. He said other food bank organizations do not have enough space and this building would provide a needed opportunity to relieve space issues. He added, a push for private donations will be done. Mr. Mahli followed, stating the Bremer Foundation and Walmart Foundation are interested in making donations.

DOWNTOWN SLUM & BLIGHT RECOMMENDATION

- \$100,000 allocated for downtown projects and eliminating slum and blight conditions. (HOME)

FACILITIES, CAPITAL & NEIGHBORHOODS

- Habitat for Humanity - \$xx to support land acquisition for future projects. (xxxx)
- Rebuilding Together - FM Rotary Foundation - \$20,000 to provide home renovation services for low-income populations. (CDBG)
- CommunityWorks ND - \$50,000 to assist with NRI housing rehab loan funding above and beyond the maximum the City can support. (CDBG)
- Fargo Emergency Food Pantry - \$250,000 to assist with the relocation of the existing Fargo Emergency Food Pantry. (CDBG)
- Neighborhood Project/Fargo Public Schools - \$12,000 for a neighborhood improvement project at McKinley Elementary schoolyard. (CDBG)
- American Red Cross Minn-Kota Chapter - \$xx for facility improvements for a Certified Nursing Assistants training program. (xxxx)
- Immigrant Development Center – to assist in the renovation of an International Market Plaza.

- YWCA Emergency Shelter - \$xx for security system upgrades at the emergency shelter. (xxxx)

Dan Mahli spoke specifically on The Arts Partnership in relation to social services and arts funding. He stated the City contributes to The Arts Partnership which, in turn, supports administration and re-grants funds to area non-profit arts organizations. Members agreed that The Arts Partnership council should continue to decide and distribute funds accordingly.

SOCIAL SERVICES RECOMMENDATIONS

- The Arts Partnership of the Red River Valley - \$85,000 to Support The Arts Partnership's re-grant program to nonprofit arts organizations in Cass and Clay counties. (CITY)
- CHARISM - \$25,000 to support development programs for youth and skill building. (CITY)
- Children's Museum - \$4,000 to support the "Hands On" educational programming for children. (CITY)
- Cultural Diversity Resources - \$20,000 to offer diversity training, annual conference, leadership building, education, and events. (CITY)
- Fargo Moorhead Community Bike Workshop - \$5,000 to support self sufficiency by promoting alternate transportation. (CITY)
- Fargo Moorhead Coalition for Homeless Persons - \$5,000 to administer emergency taxi ride program and assist in the implementation of Fargo's 10 Year Plan. (CITY)
- Fargo Moorhead Native American Center - \$10,000 to support Native American programming and provide match for a grant. (CITY)
- Fargo Senior Services - \$30,000 to support the Meals on Wheels program. (CITY)
- Fargo Youth Commission/Boys & Girls Club - \$5,000 to offer scholarships to low-income youth to participate in before/after school programs. (CITY)
- First Link - \$5,000 to fund the information and crisis services program. (CITY)
- Handi-Wheels Transportation- \$20,000 to provide accessible and affordable transportation to people with disabilities and the elderly. (CITY)
- LSS of ND-Daily Bread & Great Plains Food Bank - \$5,000 to assist in the recovery and distribution of donated food items to provide hunger relief.
- Metro Interpreter Resource Center - \$10,000 to support interpreter resources in the FM area. (CITY)
- New Life Center - \$10,000 to provide shelter, meals, clothing, and other basics of life services. (CITY)
- Nokomis Child Care Center - \$5,000 to support scholarship program for low-income families. (CITY)
- North Dakota Coalition for Homeless People - \$5,000 to support the development of HUDs Continuum of Care application for housing programs across the state. (CITY)
- RSVP/Metro Youth Partnership - \$10,000 to support the community's partnership with youth, leaders and volunteers. (CITY)
- Rape and Abuse Crisis Center of FM - \$15,000 to provide crisis support and follow-up services for victims of domestic violence and assault.
- Red River Human Services Activity Center - \$12,000 to support educational and social activities for people with developmental disabilities. (CITY)
- YWCA Cass Clay-YWCA Emergency Shelter - \$15,000 to assist with operations at the emergency shelter and services for women and children facing homelessness. (CITY)
- Fair Housing of the Dakotas - \$2,000 to provide education and outreach to residents and housing providers on housing discrimination. (CDBG)

- Fargo Planning and Development - \$2,500 to offer emergency snow removal assistance for low-income senior households. (CDBG)
- Fargo Police Department - \$20,000 to support homelessness liaison position in the Fargo Police Department. (CDBG)
- Giving+Learning Program - \$5,000 for operational support for transportation programs, education, and workforce training. (CDBG)
- Gladys Ray Shelter - \$40,000 to support operations that serve long-term homeless individuals. (CDBG)

John Paulsen moved to approve the CDBG and HOME funding recommendations as presented for housing, neighborhoods, and facility/capital improvements, publish for a 30 day public comment period, and recommend approval to the City Commission. Second by Ms. Coates. All Members present voted aye and the motion was declared carried.

Mr. Paulsen moved to approve the social/public services and arts funding recommendations. Second by Steve Stoner. All Members present voted aye and the motion was declared carried.

Item 3. Discuss Special Assessment Assistance

According to Mr. Mahli, the Special Assessment Assistance Program assists homeowners at or below the median income by paying their annual assessment for principal only. Mr. Mahli stated sewer repair projects are not an eligible item for assistance and is asking it be added to better serve households at or below 80% of the average median income. Discussion followed.

John Paulsen moved sewer repairs be eligible for assistance for those at or below 60% of the average median income. Second by Commissioner Piepkorn. All Members present voted aye and the motion was declared carried.

Item 4. Update on Unicorn Park Neighborhood Plan

Mr. Mahli tabled discussion on the Unicorn Park Neighborhood Plan to the next meeting.

Item 5. Other Business

No other business was presented.

The meeting adjourned at 4:26 p.m.

**City of Fargo
Community Development Notice**

The City of Fargo Planning and Development Department has available for public review and comment an Action Plan for housing and community development resources. The 2011 Action Plan will be used in the next fiscal year in accordance with the community's Consolidated Plan update. Fargo anticipates \$700,000 in Community Development Block Grant (CDBG) funds and \$660,000 in HOME funds to be available. Activities in the 2011 Action Plan include the following:

- **HOUSING REHABILITATION-Owner Occupied** - \$440,000 to be available for rehabilitation of existing owner-occupied housing units. This includes \$90,000 in CDBG and \$350,000 in HOME funds.
- **HOMEBUYER ASSISTANCE** - \$100,000 in HOME funds to be available to assist lower income families purchase homes.
- **AFFORDABLE HOUSING PROJECTS**
 - **Beyond Shelter, Inc. CHDO Projects** - \$100,000 in HOME funds for renovations at 101 2nd St. S.
 - **Workforce Housing** - \$49,000 in HOME funds for housing and related projects that address priorities established around workforce housing.
- **DOWNTOWN PROJECTS** - \$100,000 in CDBG funds for projects that address slum and blight conditions in downtown Fargo.
- **PUBLIC SERVICE PROJECTS**
 - **Homebuyer and Tenant Education** - \$30,000 in CDBG and \$5,000 in HOME funds to support the Village Financial Service Center with Homebuyer and Tenant Education programs.
 - **Emergency Shelter** - \$40,000 in CDBG funds to provide operating support at the Gladys Ray Shelter in Fargo.
 - **Snow Removal Assistance** - \$2,500 in CDBG funds to offer emergency snow removal assistance to low income senior households and people with disabilities.
 - **Fair Housing Education and Outreach** - \$2,000 in CDBG funds to assist Fair Housing of the Dakotas with local training workshops.
 - **Job Training** - \$13,500 in CDBG funds to provide job skills training and development for refugees and low income persons.
 - **Homeless Liaison** - \$20,000 in CDBG funds to support a part-time Police Department liaison to Fargo's homeless population.
- **FACILITIES/CAPITAL**
 - **Fargo Emergency Food Pantry** - \$250,000 in CDBG funds will be used to assist in the relocation of Fargo's emergency food pantry.
 - **Neighborhood Project** - \$12,000 in CDBG funds will be used to enhance a low/moderate income neighborhood in Fargo.
- **ADMINISTRATION** - \$140,000 in CDBG funds for project development, planning, and administrative costs associated with the delivery of the CDBG program. HOME funds will provide an additional \$56,000 for administration.

Anyone wishing to comment on the Action Plan activities should contact the City of Fargo Planning and Development Department, 200 North 3rd Street, Fargo, ND 58102. Phone 701-241-1474. TDD 241-8258. FAX 241-1526. Comments will be received until February 7, 2011. The City Commission will also hold a Public Hearing on the proposed Action Plan on Monday, February 7, 2011 at 5:15 p.m. at Fargo City Hall, 200 North 3rd Street.

Appendix B: Recapture Provision Documentation

SAMPLE Land Use Restriction Agreement

DECLARATION OF LAND USE RESTRICTIVE COVENANTS (SINGLE FAMILY)

THIS IS A "DECLARATION OF LAND USE RESTRICTIVE COVENANTS" (herein "Agreement"), which is dated as of the «Day»«Suffix» day of «MMonth» «Year», by «_NAME», «Legal_Status», with a post office address at «CustAdd», Fargo, North Dakota «Zip», (herein "Owner", whether one or more parties), and is binding upon the Owner's successors and assigns in interest, and is granted to «LENDER», whose address is «Lender_Add», (herein "Lender"), which will make a First Mortgage Loan to Owner (intended to be assigned to THE INDUSTRIAL COMMISSION OF NORTH DAKOTA ACTING IN ITS CAPACITY AS THE NORTH DAKOTA HOUSING FINANCE AGENCY and referred to as "Lender Loan") and is also granted to the CITY OF FARGO, NORTH DAKOTA, a municipal corporation 200 North Third Street, Fargo, North Dakota (herein "City") which will make a second mortgage loan to Owner, both the Lender Loan and the City HOME loan to be evidenced by separate Promissory Notes and each to be secured by separate mortgages which shall be first and second mortgage liens, respectively, on the land and improvements hereinafter described.

WITNESSETH:

WHEREAS, City, at the written request of the Owner, is assisting in the financing of the purchase of Owner's residence with a second mortgage loan (herein "City HOME loan") made available by funds received from the U.S. Department of Housing and Urban Development (herein "HUD"), (said Funds herein collectively referred to as the "HOME Funds"), provided through the provisions of the National Affordable Housing Act of 1990, HOME Investment Partnership Program, and pursuant to the federal and City rules, and regulations and policies promulgated thereunder (herein said act, program, rules, regulations and policies collectively referred to as the "HOME Program"), which HOME Program is being administered by the City; and,

WHEREAS, the Owner is the owner in fee simple of residential land and improvements located thereon (herein "Residence"), and more particularly described as follows:

«Legal_Description» to the City of Fargo, Cass County, North Dakota, according to the certified plat thereof on file and of record in the office of the County Recorder in and for said county and state.

WHEREAS, the Owner has represented to Lender and City that the Owner is a home buyer, is an individual(s) whose aggregate household income complies with City income regulations and the requirements of the HOME Program; and,

WHEREAS, Residence has an initial purchase price which does not exceed 95% of the median purchase for the type of single family housing (single family residence, condominium

unit or cooperative unit); or as applicable, has an estimated appraised value on the date of acquisition thereof, or after any repair thereto, which does not exceed 95% of the median purchase price for this particular Residence; and,

WHEREAS, the City HOME Loan is made at a cost to Owner substantially below the market, and in consideration of this, City has required as a condition precedent to making the City HOME loan that the Owner execute, deliver and record with the County Recorder of the county in which the Residence is located, this Declaration of Land Use Restrictive Covenants (the "Restrictive Covenants") in order to create certain covenants running with the land for the purpose of enforcing the use, income and occupancy restrictions herein set forth by prohibiting the leasing, and by regulating and restricting the use, income, occupancy, sale, or transfer of the Residence to a person ineligible for assistance from the HOME program; and,

WHEREAS, the Owner, with this Agreement intends, declares and covenants that the regulatory and restrictive covenants set forth herein governing the use, income, occupancy, sale, lease or transfer of the Residence shall be and are covenants running with the land for the term hereof and shall be binding upon all subsequent owners of the Residence for the term hereof, and are not merely personal covenants of the Owner(s), but are contractual in nature.

NOW, THEREFORE, in consideration of the Lender Loan and the City HOME Loan made to the Owner by Lender and City, respectively, under the HOME Program, and of the promises and covenants hereinafter set forth, and other good and valuable consideration the receipt of which and sufficiency of which is acknowledged by Owner, the Owner declares, covenants and agrees as follows:

SECTION 1 – RECORDING AND FILING

Upon execution and deliver to Lender and City, respectively, of the loan documents comprising the Lender Loan and City HOME Loan, Lender and City shall cause their respective loan documents, and this Agreement to be recorded with the County Recorder of the city or county in which the Residence is located and Owner shall pay all fees and charges incurred in connection therewith.

SECTION 2 – RESTRICTIONS ON OWNER INCOME, SALE, LEASE OR TRANSFER OF LAND AND IMPROVEMENTS

The Owner agrees and covenants that, throughout the term of this Agreement, and in order to satisfy the requirements of the HOME Program, Owner will not:

- (i) sell or transfer, or contract to sell or transfer, the Residence, or any part thereof, whether voluntarily or involuntarily to any person without the prior written approval of City; or,
- (ii) rent, or contract to rent, the Residence, or any part thereof, whether voluntarily or involuntarily to any individual or entity; or,
- (iii) use the Residence as an investment property; or,
- (iv) use the Residence as a recreational home or "second" home; or,

- (v) change the use of the Residence, or any part thereof, to a use other than for single-family occupancy.

SECTION 3 – COVENANTS TO RUN WITH THE LAND

The Owner intends, declares and covenants, on Owner's behalf of all future holder of any interest in and to the herein described Residence during the term of this Agreement, that this Agreement and all of the covenants and restrictions set forth in the Agreement (i) shall be and are covenants running with the land, encumbering the land for the Term of this Agreement, binding upon the Owner, their grantees, successors-in-title and assigns, and the grantees, successors and assigns of them or any of them, and (ii) are not merely personal covenants of the Owner, but are conditions precedent to Owner obtaining the City HOME Loan, and (iii) shall bind and the benefits shall inure to, respectively, any interest (a) therein for the Term specified herein at Section 4. The Owner hereby further agrees that any and all requirements of the laws of the land shall be deemed to be satisfied in full, and that a servitude has been created to ensure that these restrictions run with the land. In addition, for the Term of this Agreement, each and every contract, deed, mortgage or other instrument hereafter executed conveying or encumbering the Residence or a portion thereof, shall expressly provide that such conveyance is subject to this Agreement, provided, however, the covenants contained herein shall survive and be effective regardless of whether such document or other instrument hereafter executed conveying or mortgaging the Residence, or portion thereof, specifically provides that such document or other instrument is subject to this Agreement.

SECTION 4 – TERM OF AGREEMENT

The Residence will remain subject to the restrictions as provided herein commencing the date hereof, until sale of the Residence by Owner, (herein "Affordability Period"). Upon foreclosure by City or the Lender, or upon a transfer of the Residence in lieu of such foreclosure, or upon an assignment of a FHA-insured mortgage hereunder to HUD, or upon repayment of the City HOME Loan, then and in the event of such foreclosure, transfer, assignment, or repayment the Affordability Period the owner of record prior to such event reacquires an ownership interest in the Residence, the Affordability Period shall be revived according to the original term of the Affordability Period.

SECTION 5 – DEFAULT

(a) Enforcement and Remedies. If Owner defaults in the performance of any of its obligations under this Agreement or breaches any covenant, agreement or restriction set forth herein, or in the City HOME Loan, and if such default remains uncured for a period of sixty (60) days after notice thereof shall have been given by City or the Lender (or for an extended period approved in writing by City or the Lender if the default or breach stated in such notice can be corrected, but not within such 60-day period, unless Owner does not commence such correction or commences such correction with such 60-day period but thereafter does not diligently pursue the same to completion within such extended period), City shall be entitled to apply to any court having jurisdiction of the subject matter for specific performance of this Agreement, for an injunction against any violation of this Agreement, for the appointment of a receiver to take over and operate the Residence in accordance with the terms of this Agreement, or for such other relief as may be appropriate, it being acknowledged that the beneficiaries of Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of Owner's default. City shall be entitled to its reasonable attorneys' fees in any such judicial action in which City shall prevail.

(b) Remedies Cumulative. Each right, power and remedy of City provided for in this Agreement now or hereafter existing at law or in equity by statute or in the City Mortgage or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Agreement or now or hereafter existing at law or in equity or by statute or in the Second Mortgage or otherwise, and the exercise or beginning of the exercise by City of any one or more of the rights, power or remedies provided for in the Agreement or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by City of any or all such other rights, powers or remedies.

SECTION 6 – MISCELLANEOUS

(a) Successors Bound. This Agreement and the covenants and conditions contained herein shall run with the land and shall bind, and the benefits shall inure to, respectively, the Owner, the Lender and City and their respective grantees, heirs, personal representatives, successors and assigns and all subsequent grantees, heirs, personal representatives, successors and assigns of all or any of them, or any interest(s) therein for the Term specified herein above in Section 4.

(b) Additional Documents. The Owner shall submit any other information, documents or certifications requested by the City which City deems reasonably necessary to substantiate the Owner's continuing compliance with the HOME Program.

(c) Severability. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

(d) Notices. All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses hereinabove set forth, or to such other places as a party may, from time to time, designate in writing to the other(s).

(e) Governing Law. The Agreement shall be governed by the laws of the State of North Dakota, and the HOME Program, not inconsistent therewith.

(f) Time of the Essence. Time is of the essence with respect to this Declaration and the Promissory Note and mortgage evidencing the City HOME Loan to Owner and the performance of each and every obligation of Owner to City herein.

(g) Agreement Subordinate to Prior Recordings. The Owner and City acknowledge and agree the terms and provisions of this Agreement are subject and subordinate in all respects to the liens, terms, covenants and conditions of the First Mortgage Loan. In the event of a foreclosure or a deed in lieu of foreclosure, assignment of an FHA-insured mortgage to HUD of the mortgage securing the First Mortgage Loan, or repayment of the City HOME Loan, the terms and conditions of this Agreement shall have no further force nor effect with respect to the first lien holder or any bona fide transferee of the Residence therefrom or thereunder.

SECTION 7 – AMENDMENT

The parties hereto agree that they, and each of them, will take all actions necessary to effect an amendment to this Agreement as may be deemed necessary by City to comply with all

applicable rules, regulations, policies, procedures, rulings, laws or other official statements pertaining to the HOME Program, or the covenants and restrictions created herein.

IN WITNESS WHEREOF, the Owner has caused this Agreement to be signed as of the day and year first above written.

“OWNER”

By

«NAME1»

By

«NAME2»

STATE OF NORTH DAKOTA)
 : ss
COUNTY OF CASS)

On this «Day»«Suffix» day of «MMonth» «Year», before me, the undersigned officer, personally appeared «_NAME», «Legal_Status», known to me or satisfactorily proven to be the «Persons» whose «Names» «IsAre» subscribed to the within instrument and acknowledged that «Pronoun» executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I HEREUNTO SET MY HAND AND OFFICIAL SEAL.

Notary Public

The legal description was obtained from a previously recorded instrument.

This document prepared by:

Planning & Development
City of Fargo
200 North 3rd Street
Fargo, ND 58102