

## 2010 – 2014 CONSOLIDATED PLAN EXECUTIVE SUMMARY (DRAFT)

Local and state governments receiving direct assistance under any of four major HUD programs—Community Development Block Grant (CDBG), HOME, Emergency Shelter Grant (ESG), or Housing Opportunities for Persons with Aids (HOPWA)—are required to develop and implement a Consolidated Plan (herein referred to as the Plan). The primary intent of the Plan is to provide an opportunity for strategic planning and citizen involvement in order to develop a more effective community development program. It also serves as the basis for measuring future performance.

The Plan identifies local needs and presents a housing and community development strategy to address those needs. It also sets funding priorities for many other HUD programs that may take place within the City for the five year period. The City of Bismarck receives only CDBG funding directly from HUD, so its Plan focuses largely on that program. CDBG funds must be used for activities that benefit low and moderate-income families, eliminate conditions of slum and blight, or address an urgent community need that is a threat to health or safety. HUD requires the City to do an Action Plan or CDBG application each year starting in 2010.

The City endeavored to initiate the Consolidated Plan process as a collaborative effort that emphasized the involvement of citizens, local agencies, nonprofits, and government offices. A survey of representatives from local government, human services, homeless shelters, economic development, and other nonprofits was conducted to better identify needs and to gain more input. Each person was asked to rate general community needs and the needs in their area of expertise (e.g., homelessness). A similar survey was conducted five years ago for the 2005 Plan. The following table compares results from both surveys. The highest ranked needs were affordable rental housing, housing for homeless persons, and operational support for services provided to homeless persons or other low and moderate income (LM) households

### Overall Community Development Needs in Bismarck

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

**Highlights of Housing Needs Assessment and Market Analysis:** Data for this section of the Plan was obtained primarily from the US Census (2000 and the 2006-08 Survey), HUD, City departments, and local agencies. As expected, housing problems were most prevalent among households with low and moderate incomes (LMI). Moreover, households with the lowest income had the most housing problems. HUD defines a household as cost burdened if it pays 30% or more of its income for housing. Over 35% of all renters and 14% of all owners in Bismarck reported being cost burdened. Over 3/4<sup>ths</sup> of all households earning 30% or less of the median income had housing problems. More than half of the households earning 30% to 50% of the median income had housing problems. In other words, almost 6,300 households had a housing problem.

LMI households comprise about 27% of homeowners (3,940 LMI) and 65% of the renters (5,429 LMI) in Bismarck. Although the percentages of renters and owners earning with housing problems is similar, the actual number of renter households is twice that of owners (e.g., 3345 versus 1579). Moreover, the median income of all renter households is less than half that of all households. Thirty-five percent of all renters are unable to afford a two bedroom apartment at the fair market rent (FMR), and a person on SSI income can only afford rent of \$202 per month, far less than the FMR. No significant change in rental vacancy rates is expected in the next couple of years due to slower growth due to the lack of interest or funding/investment. As a result, many lower income households will have a more difficult time finding affordable housing increasingly and will likely end up in substandard housing, cost burdened, or potentially homeless.

It is likely that the number of renters having housing problems has increased since the last Census. The City's employment increased by nearly 20% in the past 10 years, and current estimates indicate that its population grew by 10%. This growth has increased demand in the housing market, and it appears the new construction has lagged behind demand. Only one Low Income Housing Tax Credit project was funded in Bismarck in the past five years, so the need for affordable housing has grown. It is estimated that the vacancy rate for apartments is currently from 2% to 3%, while the vacancy rate in a healthy rental market is about 5%. There was a small loss in the total number of Public Housing units, while the number of households with housing vouchers decreased due to higher rents. No significant change in rental vacancy rates is expected in the few years due to slow growth and the lack of funding options. As a result, many lower income households will find affordable housing increasingly difficult to find and will likely end up in substandard housing, cost burdened, or potentially homeless.

Participants in the CDBG survey indicated that the greatest needs in rental housing were for rental assistance, supportive services, large family units, and emergency assistance to prevent homelessness. The survey respondents also preferred nonprofit developers, and they rated the need for new units and preservation of existing housing similarly. Since the majority of LMI households are renters who generally experience more housing problems, the City has opted to give rental activities a high priority in its Plan.

According to 2006-08 Census estimates about 63% of all households in Bismarck owned their own home. This is a slightly lower rate of homeownership than in the rest of the nation (67%) and the state (66%). About 1/4<sup>th</sup> of owner-occupied households with a mortgage are paying 30% or more of their income for housing. Participants in the CDBG survey indicated that weatherization and accessibility were the top needs for homeowners, while the top rated homebuyer needs were education and downpayment and closing cost assistance. The average sales price of owner-occupied housing has increased 65% since 2000. Local growth, lower interest rates, and homebuyer assistance programs have all contributed to the increased demand and property value.

Current housing trends are expected to continue over the next five years although in a less predictable pattern. Housing will be impacted by moderate growth in population and jobs. There will be a steady demand for owner-occupied housing, and many low income or first-time homebuyers could have a difficult time finding affordable housing if property values continue to go up or if interest rates rise. Higher mortgage and utility costs could result in deferred maintenance and the increased likelihood of substandard conditions or excessive cost burdens. Population projects indicate that there will be a significant homebuyer demand from older households, especially for those aged 55 to 74. Consideration must be given to the needs of aging households in the construction of accessible housing, as well as the conversion of existing homes.

It is estimated that nearly 6,500 housing units could have lead based paint hazards and that LMI households live in 3,100 of the units. The number of reported lead poisoning in children aged 6 or under is very low for Bismarck and the state (e.g., 39 in 2009). This information suggests that more education is needed and that it is important to do outreach to contractors on the new EPA requirements and local training opportunities.

Population projections indicate that there will be growth throughout all income segments of the population, but LMI households are expected to increase by about 1,600. LMI housing needs are projected to increase by 307 renters and 1,575 homeowners. Demand for rental units affordable to LMI households is expected to grow by 7% (from 2000-2015); however, this five year old estimate appears to out of date due to current trends.

Minority households experienced housing problems at a similar rate as white households except that Asian and Hispanic renters earning more than 30% of the median appeared to have more housing problems although the data may be inconclusive due to the small numbers. The most notable concern was the low rate of homeownership among minority households, particularly for Native American. The City's Analysis of Impediments to

Fair Housing indicated the greatest number of fair housing complains concerned households with disabilities. The Plan called for increased education, outreach, accessible housing, and better identification of issues.

Barriers to affordable housing include higher development costs and the increased demand for housing due to population growth. Development of new housing has not kept pace with demand, particularly in the rental housing market. Local fees are reasonable and there are no impact fees. There is a single permit application process for housing. A review of zoning regulations indicated changes are needed in the minimum square feet required for a single family dwelling and the number of persons (non-family) permitted in a single family dwelling. Other barriers include the number of renter households with incomes below 80% of the median. Many LMI households have limited resources for the purchase of a home, especially with the escalating property values. The development of affordable rental housing has been discouraged by inadequate funding options.

**Highlights of Special Needs Housing:** Elderly persons may require a number of supportive services, as well as a range of housing options as they age. The need for congregate, basic care, assisted living, and skilled nursing care is expected to grow as the population ages and as older persons migrate to Bismarck for its services. In particular, housing is in short supply for LMI households. Many of the LMI households must face long waiting lists for specialized housing or be forced to relocate outside of the community if their needs for care are more immediate.

Mental health concerns have become more complex and are occurring at an earlier age. The state is continuing to move towards more community-based services for mental illness and substance abuse treatment. This will increase the need for local housing and supportive services.

Fifteen percent of the adult population under the age of 65 in Bismarck has a disability. Many seniors also have specialized needs in housing. Nearly half these renters had a housing problem or cost burden, while almost of third of the owners did regardless of income. The percentages were higher for those households with the least income and for elderly households.

Participants in the CDBG survey were asked to rate the need for special needs housing in the community. Their responses were compared to a similar survey conducted in 2005. Responses were similar in priority rankings except that housing for persons with developmentally disabilities was lower in 2010 due to construction of a number of new units over the past 5 years. The development of new housing for persons with physical disabilities and for frail elderly had the highest support.

**Special Needs Housing for Non-Homeless Persons**

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

Source: CDBG surveys/ 39 respondents in 2010 & 32 in 2005  
 Ranking based on 0=no need to 3=high need

**Highlights of Homeless Needs:** A point in time survey counts people who are homeless on one specific day in the year. Surveys from the last six years were reviewed to identify trends. One of the most notable factors in the surveys was that children under the age of 18 have generally made up 30% or more of all homeless persons that were counted. This percentage and the actual number of homeless children were larger here than in any other region in the state. The number of persons that meet the HUD definition of chronic homeless (individuals with a disability) has been relative low (7 to 12). The number of families that meet the definition has varied from 30 to 100 in the past six

years. Common characteristics of homeless persons counted in the surveys included bad credit, criminal record, substance abuse, unable to afford rent, unemployment, and mental illness. Furthermore, most of the low or extremely low income households who pay 50% or more of their income for housing are at risk of homelessness, as are those who are living doubled-up with friends or family. The survey and beneficiary data from CDBG subgrantees have also indicated that minority persons have comprised half or nearly half of the homeless population.

The City participated in a process to develop a 10 Year Plan to end Long-Term Homelessness (e.g., families and individuals) that was completed two years ago. The 10 Year Plan incorporated a "Housing First" model emphasizes moving homeless persons into permanent housing as soon as possible and then offering a range of supportive services. This priority would open up emergency shelter beds for others with more temporary needs. However, the need for emergency shelter beds for families was still included as priority need. The 10 Year Plan goals have been incorporated into the Consolidated Plan share. Respondents in the CDBG survey ranked the need for housing and services. The following table compares their responses to those in 2005. Emergency housing for families who are homeless continues to be the top ranked housing need, and permanent supportive housing continues to be the highest ranked need for individuals.

**RANKING OF NEED FOR HOUSING & SERVICES FOR PERSONS WHO ARE HOMELESS**

Housing	Families		Individuals	
	2010	2005	2010	2005
Emergency Shelter	2.84	2.78	2.61	2.56
Transitional Housing	2.68	2.64	2.63	2.73
Permanent Housing	2.68	2.44	2.55	2.23
Perm. Supportive Housing	2.73	2.80	2.79	2.53
Services	2010	2005	2010	2005
Case Management	2.64	2.45	2.73	2.63
Housing Placement	2.56	2.18	2.56	2.23
Job Skills	2.39	2.26	2.38	2.19
Life Skills	2.53	2.51	2.43	2.47
Mental Health Care	2.53	2.44	2.68	2.68
Substance Abuse Treat.	2.50	2.41	2.54	2.53
Child Care	2.58	2.18	n/a	n/a
Parenting Skills	2.61	2.49	n/a	n/a
Persons with Most Unmet Needs	2010	2005	2010	2005
Substance Abusers	2.42	2.15	2.35	2.29
Dually-Diagnosed	2.39	2.44	2.44	2.48
HIV/AIDS	1.48	1.42	1.56	1.37
Serious Mentally Ill	2.55	2.23	2.71	2.33
Veterans	1.82	1.45	1.82	1.53
Victims of Dom. Violence	2.41	2.24	2.31	2.17
Youth	n/a	n/a	2.21	2.21
Released from Institution	n/a	n/a	2.44	2.44

Source: Community Development Surveys, 2010 & 2005/NOTE: ranking based upon 0=no need to 3=high need

**Highlights of the Five-Year Housing & Community Development Strategic Plan:** The strategic plan identifies the City's priority housing and community development needs for the next five years and describes the strategies it will

undertake to address those needs. The priorities are based upon an analysis of the data presented in the Plan and on input from citizens and local agencies.

**Housing Objectives:**

1. Continue emergency housing repair & housing accessibility programs
2. Assist with the development or renovation of affordable rental housing
3. Promote the development or renovation of special needs housing for the frail elderly and persons with disabilities
4. Support efforts to increase homeownership for LMI families
5. Increase awareness of Fair Housing

**Homelessness Objectives:**

1. Support the renovation or expansion of facilities serving homeless persons
2. Assist in the development of additional housing for homeless persons, especially for families
3. Provide operational support for agencies providing services that promote self-sufficiency, case management, counseling, and prevention.
4. Allocate funds for emergency assistance activities to prevent homelessness as needed (e.g., security deposits, rental assistance)

**Community Development Objectives:**

1. Support public service activities that provide essential services to persons who are LMI, homeless, or may have special needs.
2. Allocate funds to renovate or expand public facilities that are located in LMI neighborhoods or that primarily serve LMI persons
3. Fund infrastructure projects to improve accessibility or ease financial burdens on LMI households

**2010 Annual Action Plan and CDBG Application**

2010 CDBG funds must be used primarily for activities that benefit low and moderate-income (LMI) persons. The City proposes to use its annual CDBG allocation (\$374,662) as follows:

- Abused Adult Resource Center: \$20,000 for facility renovation & \$10,000 for case management
- Bismarck Parks & Recreation: \$20,000 for 16<sup>th</sup> Street playground equipment
- Burleigh County Senior Center: \$52,000 for security system at Tatley Meadows
- Charles Hall Youth Service: \$3,000 for repairs at Good Bird Home
- City of Bismarck: \$45,000 for accessible curb ramps
- Community Action: \$45,000 for housing accessibility
- CommunityWorks ND & Pride, Inc.: \$19,000 for site prep for special needs housing
- Dacotah Foundation: \$24,800 to renovate Memorial Group Home
- Fair Housing of the Dakotas: \$7,000 for outreach & education
- Lutheran Social Service of ND: \$5,000 for Healthy Family Program
- Missouri Valley Habitat for Humanity: \$ 9,000 for site prep for a new house
- Missouri Valley Coalition for Homeless Persons: \$3,000 for emergency assistance
- Ruth Meiers Hospitality House: \$14,000 for renovation of its shelter & Horizons
- Welcome House: \$10,000 for services & emergency housing for homeless families
- Youthworks: \$17,200 for facility expansion and repairs
- Administration: \$70,662
- Alternative activities if uncommitted CDBG funds become available: projects funded at reduced levels or activities to alleviate threats to health and safety and assist LMI households in the event of a disaster

**More information** about the Plan may be obtained from the following City Department responsible for its development and which will serve as the lead agency in its implementation:

Bismarck Community Development Department  
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