



Grand Forks

Priorities and Action Steps

City of Grand Forks Blue Ribbon Housing Commission

DRAFT

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Please send feedback directly to Mark Schill at mark@praxisg.com or 701-775-3354

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Grand Forks Housing Priorities and Action Steps

Addressing the issue of housing affordability and availability is important to local citizens and the Blue Ribbon Housing Commission, and it should be a priority for local policymakers. Grand Forks should prepare itself now to ensure that potential future growth occurs in a positive and balanced manner and does not induce unnecessary strain on the city's citizens, businesses, and infrastructure.

Housing is a complex, organic situation with many inputs and many stakeholders. There is no one singular solution to creating available and affordable housing in Grand Forks.

Supply not Meeting Demand

The critical issue in Grand Forks housing is short supply in the face of strong demand, causing rental and purchase prices to increase beyond the means of many residents. This shortage spans all areas of housing in Grand Forks, including rental units, affordable single-family, and high-end homes.

The City of Grand Forks saw modest growth over the past decade in the face of significant economic headwinds of disaster recovery and air force base realignment. Yet, even after modest growth signs of housing shortages in Grand Forks are evident. A persistent shortage of housing will impede future economic development efforts and quality of life.

Because the region has a short construction season and new development takes time, Grand Forks leaders must be prepared to act if growth accelerates. More importantly policy must be proactive and not reactive. Reactive measures result in piecemeal development done to minimum standards.

Collaboration Must Increase to Ensure Supply Meets Demand

The local housing economy is not hierarchical; there is no command and control structure to carry out policy and development. Traditional approaches to strategy execution will not work. Members of the housing development network have little power to tell one another what to do, rather members must develop sufficient trust in order to undertake complex projects and to create partnerships.

Grand Forks should work to improve its relational and cooperative infrastructure regarding housing development and re-development. City leaders must put the networks and structures in place to identify challenges early, to react to emerging trends nimbly, and to enable quick and effective city action as these changes occur.

Housing strategy must constantly evolve to address changing conditions. Collaboration must be explicit. Everyone involved with housing policy must be ready to compromise more often, including city council and staff, land owners, citizen homeowners, home builders and construction companies, apartment owners, and renters.

How Many Housing Units Does Grand Forks Need?

Adhering to a hard and fast projection of future housing unit needs may not be the best approach for Grand Forks. A model for projection is based on assumptions that may not hold true over time. Grand Forks leaders and home builder should constantly monitor a set of key metrics and constantly adjust tactics.

Rather, community leaders should use an "adjustment from baseline" approach. Combining knowledge of the current market situation with an understanding the number of new units built under

the growth conditions of the recent past will allow the community to adjust up or down from that recent baseline as conditions merit.

Housing Baselines (Source)

Total City Population Growth, 2000-2010 (U.S. Census)	7.1%
Total County Employment Growth, 2001-2012 (EMSI)	9.6%
Owned Housing Unit Growth, 2000-2010 (U.S. Census)	4.7%
Rented Housing Unit Growth, 2000-2010 (U.S. Census)	19.7%
Average Annual Owned Housing Unit Change, 2000-2010 (U.S. Census)	24.1
Approved Multi-family Housing Unit Annual Average, 2002-2012 (City Planning Dept.)	180
Single Family Permits, Jan-Oct 2012 (City Inspections Dept.)	93
Approved Multi-family Housing Units, 2012 estimate (City Planning Dept.)	475

To accommodate 10-year 7% population growth, Grand Forks built an average of 87 single family units and 180 multifamily units per year over the past decade. However, this home building rate has resulted in increasing prices in 2012.

Example Baseline Adjustment: Single family building permits in Grand Forks increased to 93 (as of October) above the 10 year baseline of 87, yet prices are still increasing. This is an indication that the current baseline growth is not meeting demand and Grand Forks could accommodate 100 or more housing starts in 2013. However the projected number of multi-family units for 2012 and 2013 are more than twice the 10-year average. Anecdotal reports suggest that new apartments are filling very quickly and vacancy remains low while rents continue to rise. Housing professionals should actively monitor vacancy rates and prices over the

short term to determine how the new units affect the market.

Grand Forks leaders should be constantly monitoring key locally-sourced housing metrics, such as price, time on the market, current inventory, and vacancy. This data should be distributed, constantly updated, and centrally available as a “Housing Dashboard.” If prices continue to rise while vacancy and inventory remains low, this is a strong indication that the Grand Forks market can handle more units. The target number of new units should be based upon an adjustment from the recent trend in building based on city data. The number should not be based upon a projection of what the future might hold.

Guiding Principles for Housing Based on Community Input

1. The community views housing affordability and availability as a critical issue.
2. A persistent shortage of housing units across all price ranges and unit types will impede future economic development efforts and quality of life.
3. There is no one singular solution to increasing available and affordable housing.
4. Local government is an important partner already involved in many facets of housing, but the private sector must ultimately be the driving force in alleviating a supply shortage
5. Grand Forks must continue to improve its partnerships and increase the level of trust among all parties involved in local housing.

General Housing Priorities

Collaboration and Partnerships Collaboration among housing stakeholders is important to address the housing needs of the community. After the Blue Ribbon Commission concludes, city staff, elected leaders, private developers, social service agencies, university and Air Force officials, and other stakeholders should continue to explicitly and openly share information about housing issues.

Sharing Data Accurate and timely data about the housing market, the local economy, and demographics is an important tool for making good decisions about housing policy in Grand Forks.

Growth and Design Grand Forks residents have a generally positive view of growth in the community. However many are becoming more sensitive to the quality of the built environment, and are very aware of emerging unaffordability of renting prices and home buying. Grand Forks must remain a city of aspiration for its residents.

Household Income Income is an important factor in housing affordability. The City of Grand Forks Urban Development Department should continue to collaborate with the Greater Grand Forks Economic Development Corporation to continue to attract and grow high-wage jobs in primary sector industries.

Planning Code Grand Forks could benefit from a “rewards-based” or “incentive-based” ordinance in its planning code. When city planning regulations state only minimum requirements for development, new development tends to default to that lowest common denominator. This can result in monotonous, less desirable developments that may not stand the test of time. Incentive-based code would allow for a developer for public benefit such as park land, trail systems, or low income housing, in exchange for relaxation of other requirements. It provides for this exchange as part of policy,

potentially avoiding excessive variances and confrontational committee meetings. Increased flexibility in zoning can help the community create neighborhoods with more varied housing options, meeting current and emerging resident demands.

Federal Housing Funds Grand Forks City Council should make it a priority to continue to invest federal housing assistance funds (such as HOME and the Neighborhood Stabilization Program) into projects for low income families. As home and rental prices in Grand Forks escalate, many lower income and special needs families are falling through the cracks.

Recommendations for Action	Key Participants
After the Blue Ribbon Commission concludes, coordinate regular meetings of housing professionals in order to share information about ongoing projects and concerns in an environment outside of specific project meetings. Coordinate communication between the University of North Dakota, Grand Forks Air Force Base, private developers, and others about ongoing changes in housing demand.	Mayor’s office
As state funds for housing are allocated for the next biennium, use the housing data in the Blue Ribbon Commission Snapshot report to make a concerted effort to present the need for state housing assistance in the Grand Forks Region.	Mayor’s office, other city staff
Support or lead an effort to create a statewide housing infrastructure revolving loan fund at the Bank of North Dakota to help finance new infrastructure for housing across the state.	Mayor’s Office, City Council

Recommendations for Action	Key Participants
Consider participating in or leading a coalition of cities in northeast North Dakota to provide a “unified front” to state leaders regarding the housing supply shortage and the need for infrastructure investment in Northeast North Dakota.	Mayor’s office
Review existing planning and zoning code to consider implementing a rewards-based ordinance. This flexible zoning technique permits a trade-off between land use regulations and changes desired by citizens. It allows for relaxation of minimums or other changes in exchange for increased amenities that would benefit the community, such as sustainable practices, walkability, or increased park space. Assess current planning and zoning code to ensure it does not preclude mixed-use development or other attractive development concepts.	City Planning Department, Planning and Zoning Commission
Designate an organization to collect and disseminate basic housing market information “dashboard” on a regular basis for the benefit of housing stakeholders and the community at large. Focus on median home prices, the median-multiple affordability metric, rental market vacancy rates, the share of households overpaying for housing, sales tax trend data, and basic employment trends.	Mayor’s office, City Public Information Department, Greater Grand Forks Economic Development Corporation
Combine the City Urban Development and Planning Departments to streamline processes related to housing and new development, and to improve overall efficiency in city government.	Urban Development, City Planning Department, Mayor’s office

Home Ownership Priorities

Affordable Housing Affordable housing options should be available to Grand Forks residents of all income levels. Grand Forks should strive to reduce its ratio of median home price to median household income to below 3.0.

Housing Assistance Housing assistance programs can be most effective when combined. As Community Development Block Grant and other federal funding sources diminish, local housing assistance agencies and other social service agencies must look for areas in which to partner and even to share expenses. Funding for this work may increasingly come from local sources.

Community Land Trust As an affordable housing strategy, the Community Land Trust (CLT) is preferable to direct buyer incentive programs because it ensures that homes remain affordable in perpetuity. Home owners lease the land from and share the home equity appreciation with the CLT. Home owners are required to sell the home to another income-eligible family, ensuring that – once built – a CLT home remains a part of the affordable housing stock for future buyers.

Recommendations for Action	Key Participants
Create an official collaborative of agencies serving at risk or low to moderate income households in Grand Forks to share program and client information, and to look for opportunities to “stack programs” to benefit local families. Look for operational efficiencies created by new partnerships or savings from co-location in an effort to improve agency sustainability as federal funds dwindle.	Urban Development, Grand Forks Community Land Trust, Grand Forks Housing Authority, Red River Valley Community Action, Development Homes, Grand Forks Senior Center, LISTEN Center, other agencies

Recommendations for Action	Key Participants
Continue to support the Community Land Trust as a mechanism to improve the stock of affordable homes for purchase in Grand Forks, particularly by continuing to donate city-owned property to the CLT where appropriate. Consider an incentive program to promote the practice of donating lots to the CLT from new housing developments, such as an incentive-based ordinance where specific regulations are relaxed in exchange for a donation of lots.	GF Community Land Trust, Urban Development Department, City Council

Recommendations for Action	Key Participants
Do not rely on realtors to communicate future land use plans to home buyers. Enforce the practice of placing signage on undeveloped parcels to indicate future land use to citizens.	City Council, Planning and Zoning Commission
Improve enforcement of required repairs of rental units. Create a mechanism for citizens to report non-compliant or unsafe properties to the city for enforcement.	Building Inspections Department, Public Information Office, City Council
Regulatory considerations for multi-family affordable housing: relax requirements (such as parking or density maximums) to allow for more low-moderate income housing or amenities of greater public benefit, review accessory dwelling unit regulations, consider when and where modular housing is an acceptable building form	Planning Department, Planning and Zoning Commission, City Council
Lobby the North Dakota State Government to expand the Flex PACE interest buy down program to cover all areas of the state. Create a specific effort to promote contributions to the North Dakota Housing Incentive Fund within the Grand Forks Region.	Mayor's Office

Renting and Multifamily Priorities

Affordability Grand Forks should strive to decrease the share of renting households paying more than 30% of gross income towards housing expenses to below 42%.

Planning for Multi-family The Planned Unit Development design and approval process should prioritize allocation of land zoned for multifamily housing.

Recommendations for Action	Key Participants
The planned unit development process should prioritize the allocation of multifamily parcels in future development.	Planning Department, Planning and Zoning Commission, Private Developers

Re-Development Priorities

Redevelopment is Valued Grand Forks should re-develop existing underutilized areas where possible in order to capitalize on existing infrastructure. Investing in existing neighborhoods is important.

Downtown Development Downtown Grand Forks is significant to the community. Grand Forks should continue to invest in the downtown and adjacent areas.

Recommendations for Action	Key Participants
Continue the successful practice of selling city-owned residential lots and other city-owned property to private citizens and housing developers for new housing. Assess city lot selling process to expedite approvals, legal work, and other administrative functions where possible.	Urban Development Department, City Attorney’s Office, City Council, Private Developers
Look for opportunities for flexible zoning in areas near downtown that may be redeveloped for housing and mixed uses, such as Fargo’s University Mixed-Use zoning class.	Planning and Zoning Commission, Planning Department
Develop housing aimed at early or mid-career professionals in or adjacent to downtown that is not income controlled.	Private developers

Recommendations for Action	Key Participants
As funds become available, prioritize investment in the HomeCents program, an income-controlled revolving loan fund for home improvement projects. Consider extending the geographic eligibility for the program to areas south of 17th Avenue. Actively promote the use of HomeCents loans for accessibility improvement projects.	Red River Valley Community Action, Urban Development, Grand Forks City Council
Actively explore mechanisms for more broad-based redevelopment of blighted or unsafe housing.	Grand Forks Housing Authority, Private Developers, City Council
Continue with efforts to support neighborhood branding and associations such as the Near North and Southside Historic Districts. Downtown development should spur investment in these neighborhoods. Provide administrative support such as coordination and grant writing where appropriate.	Grand Forks Housing Authority, Mayor’s office, Urban Development Department, City Council

New Development Priorities

Balance Cost With Quality New infrastructure should balance factors of cost, aesthetics, and engineering quality in its design. New home buyers should continue to bear the responsibility for their home’s share of special assessments.

Annexation The City Council should make it a priority to annex property that is currently surrounded by urban development, is benefiting from city infrastructure, or could reasonably otherwise be constituted as “urban.” The City Council should develop policy which seeks to expedite the transition of "agricultural use" land to the land's future intended use in addition to assessing and taxing all property within city boundaries in accordance with the property's intended use according to state law.

Financing City staff and citizens should be open to alternative funding mechanisms for infrastructure funding. The city of Grand Forks should be willing to make infrastructure installation investments to support larger new developments that meet design requirements and will increase supply for all types of housing. While the city should continue to embrace well-designed developments of all sizes, it should be open to larger-scale developments implemented and financed over a longer time period.

Infrastructure Innovation City staff, private developers, and consultants should be open to new design ideas that would reduce costs and improve aesthetics. Suggestions include curvilinear streets and narrower streets to reduce excessive paving and the co-location of storm water retention ponds with parks.

Westward Expansion Grand Forks should expand westward for residential development. Due to the current shortage of available buildable lots and rising home prices, Grand Forks should support the

development of the Thames Court property owned by the Grand Forks Housing Authority.

Park Systems Parks are valued by Grand Forks citizens. Neighborhood parks and trail systems should continue to be a required part of new residential development, however a rigid 8% set-aside requirement may no longer be the best model for future development in Grand Forks.

Vision and Community Input There is an appetite for greater design vision amongst citizens regarding new development. There is a desire for smaller- to mid-sized residential lots. New master planned development proposals should include plans for a multitude of housing types, such as single-family attached and detached of varying sizes, multifamily, and specific housing meeting the needs of seniors and disabled residents.

Young Buyers It is often stated that home-buying expectations of the next generation of buyers are unrealistic and that “young buyers want what their parents have” in a new house. This idea was vehemently rejected by young home buyers providing input to the Blue Ribbon Housing Commission. While young homebuyers are looking to maximize the amount of home they receive for their money, there is demand for a variety of home styles, including those on smaller lots or emphasizing quality of design and finish over total square footage.

Recommendations for Action	Key Participants
Continue the work of the Blue Ribbon Commission to explore alternative and potentially more effective financing methods for new infrastructure, such as special assessment payment schedules and the 50% up front requirement for new infrastructure.	City Finance Department, City Engineering Department

Recommendations for Action	Key Participants
Continue to adjust engineering requirements and practices in order to save costs while maintaining adequate build quality, such as the recent efforts to refine storm water retention requirements and to site ponds next to or inside parks.	City Engineering Department, Private Developers, Service and Safety Committee, Park District
Look for ways to reduce the 27% engineering fee on newly installed infrastructure. These costs must be financed over many years and are eventually passed down to home buyers in the form of special assessments.	City Engineering Department, Service and Safety Committee
Develop more owned and rented housing units with universal design attributes targeting seniors. More housing targeting this market segment could help open up mid-priced single-family homes for other home buyers.	Private Developers, Grand Forks Housing Authority
Develop a 3-year annexation plan for land currently served by city infrastructure or surrounded by city land and development.	City Council, Planning Department, Assessor's Office
Support the development of Thames Court into smaller single-family building lots. Move forward with development of the Thames Court property in Western Grand Forks, owned by the Grand Forks Housing Authority. Consider re-platting the property for single family homes and selling the lots to private developers.	Grand Forks Housing Authority, City Council

Recommendations for Action	Key Participants
Continue the Park District/School District cooperation in locating neighborhood parks near neighborhood schools.	Grand Forks Park District, Grand Forks School District
Accelerate the installation of amenities and play equipment in new neighborhood parks.	Grand Forks Park District, Service Clubs
Create additional, more effective ways to solicit public input on future developments aside from poorly-attended public meetings. Ideas include an online idea-gathering format such as EngageTheForks.com or a citizen committee to provide informal input on new development standards.	Planning and Zoning Department, Planning and Zoning Commission
In order to maximize infrastructure construction savings, encourage private developers to bring plans to the city as early in the building season as possible.	Private Developers; City Engineering and Planning Departments, Service and Safety Committee, Planning and Zoning Commission

Future Development Scenarios

The future of Housing in Grand Forks could take multiple trajectories. One approach might leave the “market” to sort itself out leaving citizens content to live with the outcomes, while another might involve proactive government participation to attempt to improve quality of life created by housing for Grand Forks Citizens. The following scenarios outline different approaches but tactics are not mutually exclusive.

Scenario 1: Allow Housing Market to React Grand Forks leaders take a “hands-off” approach to housing, allowing the private sector alone to react to market demand. The community decides it is willing to ride out any effects to quality of life caused by higher-cost housing. City staff waits for new developments to “come to them” and react as quickly as possible to meet requirements for new developments. Risk is avoided and piecemeal development continues.

Scenario 2: Take Corrective Measures City leaders focus on creating new networks to open up communication to streamline development processes and to find new technical solutions to housing roadblocks outlined by the Blue Ribbon Housing Commission. City government leaders work with the state of North Dakota to put state housing program dollars to work for housing development. Working with private developers, community leaders find new solutions to neighborhood design that save money on infrastructure and improve the built environment for years to come. With input from private developers and local citizens, Grand Forks adds flexibility to its building codes and approval systems to improve business friendliness and ensure citizens get the amenities they desire in new developments.

Scenario 3: Aggressive Action Grand Forks decides to undertake a proactive growth agenda to provide

an outlet for housing demand and to recruit new residents to the community. The City and other local agencies take aggressive measures suggested by citizens during the Blue Ribbon Housing Commission process:

- Create a program to defer special assessment payments and/or extend financing timelines
- Use future property tax (Tax Increment Financing or sales tax revenue) to fund critical infrastructure needed for expansion
- Create financial incentive programs for home building or other redevelopment in existing neighborhoods
- In partnership with private developers, create a pilot project new development incorporating design innovations
- Create a plan to re-develop blighted or unsafe neighborhoods within the city

Moving Forward

The following action plan outlines the recommendations in this document in three categories:

- Jumpstart: actions that can make a difference right away
- Strategic positioning actions to help streamline processes and fill key market needs
- Longer-term actions with the potential to transform elements of the Grand Forks housing market

Grand Forks Housing Action Plan

	Jumpstart Market By 100 Days	Strategic Positioning By 500 Days	Longer Term Impact By 1,000 Days
Strategic Priorities Based Upon Community Input	<ol style="list-style-type: none"> 1. Continue to explore alternative and potentially more effective financing methods for new infrastructure, consider relaxing the 50% up front funding requirement for new infrastructure. 2. Look for ways to reduce the 27% engineering fee on newly installed infrastructure. 3. Continue regular meetings of housing stakeholders in order to build trusted partnerships 4. Develop and disseminate “Housing Data Dashboard” 5. Improve enforcement of rental unit repairs. 6. Support development of Thames Court property 7. Use data to present the need for state assistance in the Grand Forks region. Lobby to expand Flex PACE program and promote ND Housing Incentive Fund locally. 8. Support an effort to develop a municipal infrastructure financing mechanism via the Bank of North Dakota 9. Continue the successful practice of selling city-owned residential lots and expedite approvals, legal work, and other administrative functions 	<ol style="list-style-type: none"> 1. Continue to adjust engineering requirements and practices in order to save costs while maintaining adequate build quality 2. Develop an incentive-based zoning code program. 3. Develop more owned and rented housing units with universal design attributes targeting seniors. 4. Develop a 3-year annexation plan for land currently served by city infrastructure or surrounded by city land and development. 5. Participate or lead an effort to align regional interests regarding housing in the Grand Forks Trade Area. 6. Support collaborative and cost-saving measures among agencies serving those with lower-income and special needs 7. Look for opportunities for flexible zoning in areas near downtown that may be redeveloped for housing and mixed uses. 8. Support HomeCents program, promote for use in accessibility improvements 	<ol style="list-style-type: none"> 1. Develop housing aimed at early or mid-career professionals in or adjacent to downtown that is not income controlled 2. Continue strategic economic development efforts aimed at high-wage industries and occupations 3. Actively explore mechanisms for more broad-based redevelopment of blighted or unsafe housing. 4. Continue with efforts to support neighborhood branding and associations such as the Near North and Southside Historic Districts. 5. Accelerate the installation of amenities and play equipment in new neighborhood parks. 6. Combine the City Planning and Urban Development Departments. 7. Continue the Park/School District cooperation in locating neighborhood parks near schools. 8. Create additional, more effective ways to solicit public input on future developments
Guidance Metrics	Median home price, rental rates, home time on market, home inventory, rental vacancy, building permits, multifamily units, employment, median household income		
Success Metrics	Reduce median home price to median income to below 3.0 . Reduce the share of households paying more than 30% of income towards housing to below 42% .		