

Rental Housing

Overview

The 2000 U.S. Census represents the last official estimate of household tenure. In April 2000, the Census Bureau reported that 47.8% of all households in Wahpeton were renters. The rate of renter-occupancy was well above the Statewide rate of 33.4%.

The 2000 Census recorded 1,554 occupied rental units in the City of Wahpeton. There were also at least 163 rental units that were recorded as vacant. Excluding some other miscellaneous vacancies in the City, the estimated rental housing inventory was 1,717 total units.

In all of Richland County, the Census recorded 2,094 occupied rental units, and at least 231 vacant units, for a total inventory of 2,325 units. Rental housing in Wahpeton represented nearly 74% of all the rental units Countywide. The rental tenure rate for all of Richland County was 30.4%.

The City of Wahpeton does not have a rental registration program or other means to estimate the size of the current rental inventory. Over the last decade, there were 24 general purpose rental units constructed in the City. However, as many as 20 rental units have been lost, some due to flood control projects. Without adjusting for any additional unit losses over the past ten years, the rental inventory in Wahpeton has remained largely unchanged, when compared to 2000. However, it appears that the vacancy rate has increased, and fewer units may be occupied in 2010, when compared to 2000.

There has been some additional rental construction elsewhere in Richland County, but only 30 to 40 units have been built in the other jurisdictions. Overall, it would appear that the rental tenure rates in Wahpeton and Richland County have not changed significantly over the past decade.

Rental Housing Survey

As part of this housing study, a survey was conducted of multifamily buildings in the City. The survey included most of the larger rental buildings with eight or more units. Several smaller buildings with less than eight units were also surveyed.

Information was collected from 56 rental projects and buildings with a total of 1,153 of the estimated 1,717 rental units in Wahpeton, or approximately 67.2% of all units. The survey represents a significant portion of all rental properties in the City, it includes almost all of the larger rental properties. For purposes of new unit construction, it is assumed that most future development would be oriented towards larger buildings and developments, thus, properties with eight or more units offer the best comparison.

The survey was conducted by Community Partners Research, Inc., during the months from May to July, 2010.

Market Rate Rental Summary

Forty-four market rate rental projects and buildings were contacted with a total of 646 rental units. Additional market rate rental units exist in single family homes and other small structures. We made limited contacts in this segment of the market.

Occupancy/Vacancy

Overall, we found 65 vacant market rate units in the 646 units we surveyed for a vacancy rate of 10.1% in the market rate segment. Many managers and owners reported high vacancy rates and that the rental market has been difficult for the past one to two years. Several managers/owners reported that their occupancy rates would improve somewhat when school starts in the fall.

In 1996, the Maxfield Study reported a 3.8% vacancy rate in market rate units.

Unit Mix

The following information is the bedroom mix for the 646 market rate rental units surveyed:

- ▶ 19 (3%) efficiency
- ▶ 97 (15%) one-bedroom
- ▶ 506 (78.3%) two-bedroom
- ▶ 24 (3.7%) three-bedroom
- ▶ 0 (0%) four-bedroom

Rental Rates

The units in the survey included the City's newest buildings as well as buildings that are 30 or more years old, resulting in a wide variation in the type and price of market rate units. Based on the units contacted, we believe that the average prevailing rental rates are in the following ranges:

efficiency	-\$200-\$225
1 Bedroom	-\$300-\$400
2 Bedroom	-\$350-\$500
3 Bedroom	-\$500-\$650

Generally, tenants pay electricity and the other utilities are included in the rent.

In comparing prevailing rents with the prevailing rents from the 1996 study, rents have increased only minimally over the past 14 years.

Tax Credit

There are two tax credit assisted rental projects in Wahpeton. Prairiewood/Prairiewood North has a total of 60 general occupancy units, which includes four one-bedroom, 32 two-bedroom and 24 three-bedroom units. Dakota's Edge has a total of 50 units, which includes eight one-bedroom, 12 two-bedroom and 30 three-bedroom units.

One additional project, Century Apartments, also received tax credits along with Rural Development subsidies. Because of the Rural Development assistance, we have included this project in the Subsidized section below.

Occupancy/Vacancy

A total of 12 vacancies were reported in the 110 units which is a vacancy rate of 10.9%. Prairiewood/Prairiewood North reported seven vacancies and Dakota's Edge reported five vacancies.

Rental Rates

The tax credit program establishes a maximum rent level for units assisted under the program. The rents being charged by the two tax credit projects is below the maximum limits set by the federal government. The rent levels for the two projects are as follows:

1 Bedroom	\$305-\$410
2 Bedroom	\$465
3 Bedroom	\$505-\$570

Subsidized Summary

The survey contacted nine subsidized rental projects with a total of 341 units. The nine projects include two senior/handicap/disabled buildings and seven general occupancy projects.

Occupancy/Vacancy

There were 110 vacant units in the subsidized projects, for a vacancy rate of 32.3%. Community Homes reported 32 vacancies, Rainbow Court reported 21 vacancies, Town Center Square reported 19 vacancies and Evergreen Manor reported 13 vacancies. **In 1996, the vacancy rate for Wahpeton subsidized projects was 5.7%.**

Unit Mix

The unit mix of the nine projects with 341 units is as follows:

- ▶ 6 (1.8%) efficiency
- ▶ 148 (43.4%) one-bedroom
- ▶ 149 (43.7%) two-bedroom
- ▶ 38 (11.1%) three-bedroom

Rental Rates

In some of the subsidized units, tenants receive rent assistance that allows for rent based on 30% of tenant household income. Tenants without rent assistance pay 30% of income, but not less than a basic unit rent established for the project. The base rent levels are typically lower than prevailing rents in the community, although, because of the low rent structure in the City of Wahpeton, base rents in the subsidized projects are comparable to market rate rents.

The Housing Voucher Rent Assistance Program also provides subsidized housing. This Program provides tenant-based rent assistance and can be used in any suitable rental unit in the City of Wahpeton. The Richland County HRA manages the program in Richland County and reported approximately 58 Richland County households receiving rent assistance in 2010.

Senior Housing with Services

One senior housing with services project was included in the survey. The Leach Home, with 39 beds, is a facility that has a basic care license and provides services comparable to an assisted living project. The Leach Home provides meals, 24-hour staffing, laundry service, housekeeping, assistance with bathing, etc. The primary difference between the Leach Home and assisted living is that Leach Home has single rooms and assisted living has living units.

Occupancy/Vacancy

The Leach Home Director reported one vacancy. However, there was an average of six vacancies for approximately two years after Twin Town Villa opened for occupancy.

Rental Rates

The total fee for a Leach home single room is \$2,400. This fee covers the rent and all services and amenities.

Student Housing

North Dakota State College of Science has 1,259 on campus beds. The on campus housing includes six residence halls and three apartment complexes.

The Director of Housing reported that during the 2009/2010 school year on-campus housing had approximately a 66% occupancy rate. The apartments were fully occupied, thus, the vacancies are all in the residence halls. There are residence halls that are totally unoccupied. Freshman are required to live on-campus.

Wahpeton Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Sierra Apts. 1166 15 th Ave. N.	<u>12 - 2 Bedroom</u> 12 total units	\$725-\$800	1 vacancy	Mix of tenants	Constructed in 1996. Units have washers and dryers, dishwashers, disposals, walk-in closets, microwaves, 1.5 baths. Garage included in rent. Tenants pay electricity.
Southview Apts. 815, 829, 925, 809 Center St. S.	<u>32 - 2 Bedroom</u> 32 total units	\$390	2 vacancies	Mix of tenants	Constructed in mid 1970s. Project includes four eight-unit buildings. Tenants pay electricity. Manager reports good occupancy and two vacancies is typical.
Windsor Park 1220 12 th St. N.	<u>24 - 2 Bedroom</u> 24 total units	\$430-\$450	4 vacancies	Mix of tenants	Project was constructed in 1976. Tenants pay heat and electricity, detached garages included in rent.
Mendoza Apts. 1330 12 th St. N.	<u>24 - 2 Bedroom</u> 24 total units	\$400-\$450	2 vacancies	Mix of tenants	Constructed in 1976. Garages included in rent. Tenants pay electricity. Manager reports an average of one vacancy. Manager anticipates vacant units will be filled by college students.
Westwood Apts. 2101, 1207, 1209, 1211 3 rd Ave. N.	4 - 1 Bedroom <u>50 - 2 Bedroom</u> 54 total units	\$315-\$340 \$355-\$450	4 vacancies - 2 bedroom	Mix of tenants	Project was constructed in 1976 and includes four buildings with 54 units. Manager reports good occupancy. Tenants pay heat and electricity in 36 units and tenants pay only electricity in one 18-unit building.
617 14 th Ave. N.	1 - 1 Bedroom <u>3 - 2 Bedroom</u> 4 Total Units	\$400 \$450	1 vacancy	Mix of tenants	Currently 1 vacancy. Utilities included in rent.
Del Rose Apartments	<u>17 - 1 Bedroom</u> 17 total units	\$300-\$375	5 vacancies	Singles, couples, seniors	Currently 5 vacancies. Utilities included in rent.

Wahpeton Multifamily Rental Housing Inventory					
1103 & 1111 14 th Ave. N	2 - 1 Bedroom 14 - 2 Bedroom <u>4 - 3 Bedroom</u> 20 total units	\$400 \$450 \$675	1 vacancy	Mix of tenants	Constructed in 1978. Currently once vacancy. Units include dishwashers, disposals, balconies/patios. Detached garage included in rent. Three bedroom units have fireplaces and two full baths.
West Elm Apts. 903 Western Rd.	1 - 1 Bedroom <u>7 - 2 Bedroom</u> 8 total units	\$420 \$460	No vacancies	Mix of tenants	Manager reports that the complex is always fully occupied. Tenants pay electricity, other utilities included in rent.
Palmer House 321 4 th Ave. N	1 - 1 Bedroom <u>11 - 2 Bedroom</u> 12 total units	\$465 \$510	No vacancies	Mostly seniors	Manager reports that the complex is always fully occupied. Tenants pay electricity, other utilities included in rent.
Western Road Apts. 909, 911 Western	1 - efficiency 21 - 2 Bedroom <u>1 - 3 Bedroom</u> 23 total units	\$200 \$380 \$420	6 vacant 2-bedroom units	Mix of tenants	Project constructed in 1972. Owners are making improvements to the units. Rent includes heat, water, sewer and garbage. Tenant pays electricity. Garages available for \$40 per month.
1012 2 nd St. S.	<u>8 - 2 Bedroom</u> 8 total units	N/A	No vacancies	Mostly seniors	Owner reports that the units are usually fully occupied. Tenants pay heat and electricity.
520 9 th Ave. S.	<u>8 - 2 Bedroom</u> 8 total units	\$400	No vacancies	Mix of tenants	Eight-plex constructed in early 1970s. Utilities included in the rent.
503 6 th St. N.	6 - 1 Bedroom <u>5 - 2 Bedroom</u> 11 total units	\$300 \$350	2 vacancies	Mix of tenants	Large home converted into rental units. Currently two vacancies. Tenants pay heat and electricity.
Town Square Apts. 321 6 th St. N.	<u>12 - 2 Bedroom</u> 12 total units	\$465	4 vacancies	Mix of tenants	Complex constructed into rental units. Currently two vacancies. Tenants pay heat and electricity.
De Je Va Apts. 1002 2 nd Ave. N.	<u>8 - 2 Bedroom</u> 8 total units	\$750	No vacancies	Mostly seniors	Complex constructed in 1999. Owner reports that the units are always fully occupied. Rent includes all utilities except electricity.

Wahpeton Multifamily Rental Housing Inventory					
802 16 th Ave. N.	4 - efficiency <u>29 - 1 Bedroom</u> 33 total units	\$225 \$225-\$250	1 vacant efficiency and 2 vacant 1-bedroom	Mostly singles	Building constructed in 1972. Tenants pay heat and electricity. Manager reports good occupancy.
225 Dakota Ave.	15 - efficiency <u>7 - 1 Bedroom</u> 22 total units	\$225 \$325	1 vacant efficiency and 1 vacant 1-bedroom	Mostly singles	Converted creamery building. Manager reports good occupancy. Utilities included in rent. Cats allowed.
Fourth Avenue Manor	6 - 1 Bedroom <u>18 - 2 Bedroom</u> 24 total units	\$835 \$935-\$1,130	No vacancies, waiting list	All seniors	Complex was constructed in 2002. Rent includes heat, water, sewer, garbage, emergency call system, common areas, laundry hook ups. Tenant pays electricity. Garages optional for \$30 per month. Manager reports a very high occupancy rate.
1702 9 th St. N.	1 - 1 Bedroom <u>11 - 2 Bedroom</u> 12 total units	\$400 \$450	5 vacancies	Mix of tenants	Currently five vacancies. Tenants pay utilities.
1652 8 th St. N.	1 - 1 Bedroom <u>12 - 2 Bedroom</u> 12 total units	\$400 \$450	3 vacancies	Mix of tenants	Currently three vacancies. Tenants pay utilities.
1676 9 th St. N.	1 - 1 Bedroom <u>12 - 2 Bedroom</u> 13 total units	\$400 \$450	1 vacancy	Mix of tenants	Currently two vacancies. Tenants pay utilities.
1706 9 th St. N.	1 - 1 Bedroom <u>3 - 2 Bedroom</u> 4 total units	\$400 \$450	1 vacancy	Mix of tenants	Currently one vacancy. Utilities included in rent.
903 5 th St. S.	1 - 1 Bedroom <u>3 - 2 Bedroom</u> 4 total units	\$400 \$450	1 vacancy	Mix of tenants	Currently one vacancy. Utilities included in rent.

Wahpeton Multifamily Rental Housing Inventory					
<p>WRE - 1</p> <ul style="list-style-type: none"> ▶1457 12th St. - 18 units ▶1468 12th St. - 18 units ▶1307 11th St. - 6 townhomes ▶1311 11th St. - 16 units ▶1309 11th St. - 6 Townhomes ▶1102-1110 Lay Ave. - 20 units 	<p>4 - 1 Bedroom 64 - 2 Bedroom 12 - 2 Bedroom Townhouse <u>4 - 3 Bedroom</u> 84 total units</p>	<p>\$400 \$495-\$650 \$550-\$650 \$650</p>	<p>No vacancies</p>	<p>Mix of tenants - singles, couples, families, seniors</p>	<p>Units all occupied. 12th St. Units have washers and dryers and double garages. Tenants pay electricity.</p>
<p>WRE - 2</p> <ul style="list-style-type: none"> ▶403 3rd St. - 18 units ▶621 3rd Ave. - 6 units ▶1621 8th St. - 12 units ▶1631 8th St. - 12 units 	<p>47 - 2 Bedroom <u>1 - 3 Bedroom</u> 48 total units</p>	<p>\$350-\$450 \$1,200</p>	<p>2 vacant 2-bedroom units</p>	<p>Mix of tenants - singles, couples, families, seniors</p>	<p>Tenants pay electricity. 8th St. units are pet friendly. Three-bedroom unit is large and includes all utilities. 621 3rd Ave. units are all seniors.</p>

Wahpeton Multifamily Rental Housing Inventory					
<p>WRE - 3</p> <ul style="list-style-type: none"> ▶1350 12th St. - 12 units ▶1358 12th St. - 12 units ▶1120 Loy Ave. - 12 units ▶1115 14th Ave. - 12 units ▶1205 11th St. - 12 units ▶1305 11th St. - 12 units ▶1133 Westmore Ave. - 12 units ▶1101 Westmore Ave. - 10 units 	<p>12 - 1 Bedroom</p> <p>61 - 2 Bedroom</p> <p><u>21 - 3 Bedroom</u></p> <p>94 total units</p>	<p>\$400</p> <p>\$350-\$500</p> <p>\$650</p>	<p>13 vacancies</p>	<p>Mix of tenants - singles, couples, families, seniors</p>	<p>48 units at 1350 12th St., 1358 12th St., 1120 Loy Ave. and 1115 14th Ave. are primarily college units, currently there are nine vacancies, but manager reports they will be fully occupied in the fall. Tenants pay electricity and heat, but cable included in rent. Manager reports that 11th St. units are always fully occupied and there is a high demand for three-bedroom units.</p>
<p>Homestead Apts. 328 3rd Ave. N.</p>	<p>1 - 1 Bedroom</p> <p><u>11 - 2 Bedroom</u></p> <p>12 total units</p>	<p>\$405</p> <p>\$510</p>	<p>1 vacant 1-bedroom</p>	<p>Mostly seniors</p>	<p>Manager reports that the complex is usually fully occupied. Building is well maintained. Tenants pay utilities. Garages included in rent.</p>
Tax Credit					
<p>Prairiewood & Prairiewood North</p>	<p>4 - 1 Bedroom</p> <p>32 - 2 Bedroom</p> <p><u>24 - 3 Bedroom</u></p> <p>60 total units</p>	<p>\$410</p> <p>\$465</p> <p>\$570</p>	<p>2 vacant 2-bedroom and 5 vacant 3-bedroom units</p>	<p>Mix of tenants</p>	<p>Tax credit project constructed in 1995. Project includes four 15-unit buildings. Garages included in rent. Units include dishwashers, disposals, wall-unit A/C, walk-in closets and garages. Manager reports a higher occupancy rate during the school year.</p>

Wahpeton Multifamily Rental Housing Inventory					
Dakota's Edge	8 - 1 Bedroom 12 - 2 Bedroom <u>30 - 3 Bedroom</u> 50 total units	\$305 \$465 \$505	4 vacant 1-bedroom and 1 vacant 2-bedroom	Singles, couples, families	Tax credit townhouse project constructed in 1996. Project includes six buildings. Rent includes water, garbage and heat. Tenant pays electricity.
Subsidized					
Southside Villas 401-904 1 st St. S.	4 - 1 Bedroom 16 - 2 Bedroom <u>4 - 3 Bedroom</u> 24 total units	30% of income \$601 market \$666 market \$710 market	2 vacant 1-bedroom and 2 vacant 2-bedroom units	Mix of tenants	Section 8 project constructed in 1980. Project has washer and dryer hook ups, separate entrances, townhome style. Rent includes utilities. All tenants pay 30% of income.
Community Homes ▶1624-1628 16 th Ave. N. ▶1621-1627 7 th St. N. ▶1606-1612 8 th St. N. ▶1605-1611 16 th Ave. N.	3 - Efficiency 26 - 1 Bedroom 44 - 2 Bedroom <u>22 - 3 Bedroom</u> 95 total units	30% of income \$317 market \$375 market \$438 market \$485 market	1 1-bed. 30 2-bed. <u>1 3-bed.</u> 32 total vacancies	Mix of tenants	HUD Section 8 project constructed in 1971. Manager reports that the high vacancies are due to HUD's student ruling, which makes it difficult for students to qualify for a unit. Approximately one-third of the tenants pay market rent.
Rainbow Court 97 7 th Ave. S.	50 - 1 Bedroom <u>6 - 2 Bedroom</u> 56 total units	30% of income \$592-\$606 market \$666-\$710 market	11 1-bed. <u>20 2-bed.</u> 21 total vacancies	All seniors and disabled except for one tenant	Section 8 project constructed in 1977 and 1980. High vacancies for several years. Project has received waiver to allow all ages of tenants, but tenants are still primarily seniors. Rent includes all utilities. All tenants pay 30% of income.
Northland Apts. 1505 12 th St. N. 1287 16 th Ave. N.	<u>24 - 2 Bedroom</u> 24 total units	30% of income \$459 basic \$751 market	4 vacancies	Mix of tenants	Rural Development project constructed in 1982. One tenant is paying market rent, remaining are paying 30% of income. Tenants have a \$64 utility allowance. Tenants pay heat and electricity.

Wahpeton Multifamily Rental Housing Inventory					
Northland Senior Apts. 1104 14 th Ave. N.	<u>13 - 1 Bedroom</u> 13 total units	30% of income \$414 basic \$674 market	1 vacancy	Seniors	Rural Development project constructed in 1982. All tenants are paying 30% of income. Tenants have a \$51 rent allowance. Tenants pay heat and electricity.
Century Apts. 716,746 6 th Ave. S. 521 7 th Ave. S.	2 - 1 Bedroom <u>22 - 2 Bedroom</u> 24 total units	30% of income \$450 market	8 vacancies	Mix of tenants	Rural Development project constructed in 1978. Substantial renovations in 1996. Manager reports high number of vacancies over the past several years. Tenants pay heat and electricity. All tenants are paying 30% of income.
Evergreen Manor 1320, 1311 3 rd Ave. N. 499, 347,487 14 th St. N.	24 - 2 Bedroom <u>8 - 3 Bedroom</u> 32 total units	30% of income \$526 market \$593 market	13 vacant 2-bedroom	Mix of tenants	HUD Section 8 project constructed in 1980. High vacancies in two-bedroom units for past 18 months. Three-bedroom units always fully occupied. Detached garages available. Utilities included in rent. All tenants pay 30% of income.
614 Dakota Ave.	22 - 1 Bedroom <u>4 - 2 Bedroom</u> 26 total units	\$300-\$400 for non-subsidized \$415 for subsidized	8 vacancies	Mix of tenants	Downtown building with 26 units. Mod rehab project with 50% of the units subsidized. All vacancies are in subsidized units. Owner is opting out of the mod rehab program.
Town Square 500 Dakota Ave.	3 - Efficiency 38 - 1 Bedroom <u>6 - 2 Bedroom</u> 47 total units	\$361 \$325-\$361 \$466 Subsidized units 30% of income	19 vacancies	Mostly singles and seniors	Downtown building with 47 units. Mod rehab project with 29 of the units subsidized and 18 units market rate. Sixteen vacancies are in the subsidized units and three vacancies are in market rate units. Owner is opting out of the mod rehab program.
Senior with Services					
Leach Home	<u>39 - single rooms</u> 39 total units	\$2,400	1 vacancy	All seniors	Leach Home has 39 single rooms and provides meals, laundry, housekeeping, 24-hour staffing, bathing, etc. Currently, one vacancy, but Director reported an average of six vacancies for two years after Twin Town Villa opened.

Source: Community Partners Research, Inc.

Findings on Growth Trends

Growth patterns for the City of Wahpeton show a slight population loss in the 1990s and significant population losses from 2000 to 2010. Between 1990 and 2000, the City's population decreased by 165 people. From 2000 to 2010, based on Claritas, Inc. estimates, Wahpeton's population decreased by 1,317 people. The 2009 U.S. Census estimate shows a loss of 1,168 people.

Despite population losses in the 1990s, the City of Wahpeton gained 287 households during the decade. However, Claritas, Inc. estimates a loss of 344 households from 2000 to 2010 in the City of Wahpeton.

All of Richland County has experienced population losses since 1990. From 1990 to 2000, Richland County lost 150 people and experienced a loss of 1,964 people from 2000 to 2010. As with the City of Wahpeton, Richland County gained households in the 1990s and lost households in the 2000s. From 1990 to 2000, Richland County gained 367 households, but lost 477 households from 2000 to 2010.

The total Market Area which includes the Cities of Wahpeton and Breckenridge and the Counties of Richland and Wilkin, has lost population since 1990, with the most significant losses from 2000 to 2010. The Market Area did gain households in the 1990s, but experienced significant losses from 2000 to 2010.

The City of Wahpeton, Richland County and the Market Area all have less households in 2010 than in 1990.

Findings on Growth Projections

As part of this Study, we have used household projections to the year 2015. These projections have been calculated by Community Partners Research, Inc., and Claritas, Inc.

All the projections for the City of Wahpeton expect a decrease in the number of households. The projections show a household loss in the range of 14 to 216 households. The projection based on 10-year trends projects a loss 154 households, while Claritas, Inc. projects a loss of 214 households. Population projections expect a loss in the range of 357 to 758 people in the City by 2015.

The available projections for all of Richland County show the probable loss of between 582 and 1,149 people and between 27 and 376 households through the year 2015.

The Market Area is also expected to experience population and household losses through the year 2015. It is projected that the Market Area will lose between 912 and 1,660 people and between 106 and 553 households through 2015.

Findings on Growth Projections by Age Group

Claritas, Inc. has generated total household and household by age projections. Total household projections have also been generated from 10 and 20-year trends. Community Partners Research has taken these projections and calculated household by age projections for owners and renters. These projections partly reflect growth from new households that will be formed, or that will move into or out of the County or Market Area. The projections also reflect the aging-in-place of the existing households during the next five years. Projections by age can be very informative for calculating future housing demand, as strong preferences in tenure, style, price and features are evident within defined age ranges.

On the page that follows, we have used these household by age projections to form projections on future demand by tenure.

The table below provides change by age range for owners and renters for Richland County, Wilkin County and the Market Area between the year 2010 and the year 2015. It is very important to note that these age-based projections represent an informed prediction of future growth. Actual market activity and economic growth could alter these expectations.

Projected Net Demand Change by Tenure and Age - 2010 - 2015						
Age	Richland County		Wilkin County		Market Area	
	Net Change Owner	Net Change Renter	Net Change Owner	Net Change Renter	Net Change Owner	Net Change Renter
Under 25	-10	-73	-2	-7	-12	-80
25-34	71	55	23	6	94	61
35-44	-89	-27	-73	-11	-162	-38
45-54	-283	-58	-110	-12	-393	-70
55-64	120	26	41	5	161	31
65-74	84	17	7	1	91	18
75-84	-43	-15	-3	-2	-46	-17
85 +	3	1	1	0	4	1
Total	-147	-74	-116	-20	-263	-94

Source: Community Partners Research, Inc.

Findings on Housing Unit Demand and Tenure

Comparing the projected age-based household changes through the five-year projection period with past tenure preferences results in a forecast of the tenure mix that will be needed for new housing unit demand between 2010 and 2015. Our calculations are based largely on the tenure preferences by age group that were evident in the 2000 Census, with some adjustment for a greater acceptance of certain housing types as people become more familiar with newer housing options.

Calculations for total future housing need are largely based on three demand generators, household growth, replacement of lost housing units, and pent-up, or existing demand for units that already exists but is not being served.

Demand from Growth - The best available projections for Richland County expect household losses, thus, the demand for housing based on household growth is very limited. There are several age ranges including the 25 to 34, 55 to 64, 65 to 74 and 85 and over age ranges which are projected to add households which will generate the need for some housing types and options.

Replacement of Lost Rental Units - It is often difficult to quantify the number of units that are lost from the housing stock on an annual basis. Unit losses may be caused by demolition activity, losses to fire or natural disasters, and to causes such as deterioration or obsolescence. It is also probable that some rental unit losses have also occurred due to conversion, as single family houses once used for renter occupancy have been sold and are now owner occupied housing. We are estimating that a small number of rental units are lost annually in the City of Wahpeton.

Replacement of Lost Owner Occupancy Units - While some owner occupied units may be lost, we generally believe that owner occupancy unit losses are limited. However, the individual cities have demolished some substandard homes in the recent past.

Pent-Up Demand - The third primary demand-generator for new housing is caused by current, unmet demand from existing households, referred to as pent-up demand. Certain demographic segments of the market are growing, such as the number of households in the 25 to 34, 55 to 74 and 85 and over age ranges. As a result, housing options that are age-appropriate for “empty-nester” and senior households may be in short supply. Our estimates of pent-up demand will be addressed in the specific recommendations that follow.

Findings on Unit Demand by Type of Housing

Findings: Based on the household by age projections presented earlier, the changing age composition of Richland County's population through the remainder of the decade will have an impact on demand for housing. We have examined the projected changes by age group in Richland County in the descriptions that follow.

Age 24 and Younger - The projections used for this Study expect a decrease of 83 younger households in the County through the year 2015. Past tenure patterns indicate that as many as 88% of the households in this age group will rent their housing. Households in this age range tend to have a median income that is well below the overall median. A decrease in households in this age range should mean that rental demand from younger households will decrease slightly, for the remainder of the decade.

25 to 34 Years Old - The projections show an increase in this age cohort, with an expected addition of 126 households in the County by 2015. Within this age range younger adult households often move from rental to ownership housing. The ownership rate among these households was approximately 56% in 2000, compared to a home ownership rate of only 12% for younger households, under age 25. The projected increase within this age range will generate additional demand for both first-time home buyer opportunities, and to a lesser extent for rental housing.

35 to 44 Years Old - This 10-year age cohort is expected to lose 116 households through the year 2015. It is important to note that this loss of households does not necessarily mean that these younger households are moving out of the area. This age group represents the "baby bust" generation that followed behind the "baby boomers". This age group represents a much smaller segment of the population than immediately older age ranges. As aging patterns progress, there are fewer of these households following behind the aging baby boomers. In the past, this age group has had a relatively high rate of home ownership, at approximately 77%. Households within this range often represent either first time buyers or households looking to trade-up in housing, selling their starter home for a more expensive house.

45 to 54 Years Old - This age cohort represents the tail-end of the large, "baby boom" generation. However, projections show a significant decrease of 341 households in the County between 2010 and 2015. This age group historically has had a high rate of home ownership, at approximately 83% in 2000, and will often look for trade-up housing opportunities. Fewer households in this age range will lower demand for home ownership and trade-up housing.

55 to 64 Years Old - The leading edge of the baby boom generation will be in this age cohort during the next five years. The projections show an expected increase of 146 additional households in this 10-year age range in the County by the year 2015. This is the largest growth of any 10-year age cohort in the County. This age range has traditionally had a very high rate of home ownership, at approximately 82%. Attached housing construction, such as town houses or twin homes, is often well suited to the life-cycle preferences of this age group, as no maintenance/low maintenance housing has become a popular option for empty-nesters. Trade-up housing will also appeal to this age group, as they will generally have equity from the sale of their previous home, as well as higher incomes and asset accumulation.

65 to 74 Years Old - Growth is also expected within this age range by the year 2015, with the expected addition of approximately 101 households. Households in this younger senior range will typically begin moving to other life-cycle housing options as they age. However, younger seniors are still predominantly home owners. At the time of the 2000 Census, this age group had a home ownership rate of approximately 83%. Once again, ownership preferences for low maintenance housing, such as town house units, should grow, although this will primarily be from increased market share as these types of units gain greater acceptance within the marketplace.

75 to 84 Years Old – The household count in this age cohort is expected to decrease by 58 households. In the past, households within this 10-year age range have had a high rate of home ownership, at approximately 74%. In most cases, income levels for senior households have been improving, as people have done better retirement planning. As a result, households in this age range may have fewer cost limitations for housing choices than previous generations of seniors. With the decrease in households, the need for senior with services housing will be based on pent-up demand rather than household growth.

85 Years and Older – The number of older senior households is expected to remain stable with the projected increase of only four households. Historic home ownership rates in this age group was approximately 75% in 2000. Senior housing with services options in the area will help to address the needs of this population of older seniors.

These demographic trends will be incorporated into the recommendations that follow.

Strengths for Housing Development

The following City of Wahpeton strengths were identified through statistical data, local interviews, research and on-site review of the local housing stock.

- ▶ **Wahpeton/Breckenridge is the regional center for the area** - Wahpeton/Breckenridge is the regional center serving Richland and Wilkin Counties and portions of surrounding counties. The City provides employment opportunities, retail/service options, government services, health and professional services, and cultural amenities for a large surrounding trade area.
- ▶ **Affordably priced housing stock** - The City has a relatively large stock of affordable, existing houses. Our analysis shows that the City's median home value based on recent sales is \$90,008. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **North Dakota State College of Science (NDSCS)** - NDSCS is an excellent two-year accredited college with approximately 2,500 students.
- ▶ **Housing developers in the City** - Wahpeton has housing developers that are willing to invest in housing projects in the community, including rental housing, attached ownership housing and single family development.
- ▶ **Wahpeton Economic Development Commission and the Wahpeton Community Development Corporation** - The Economic Development Commission and the Community Development Corporation have been active in developing subdivisions, building spec homes and in assisting with commercial and industrial development.
- ▶ **Wahpeton is located within commuting distance of Fargo and Fergus Falls** - The City is located within commuting distance of Fergus Falls and Fargo, which have employment, service, commercial and entertainment opportunities.
- ▶ **School system** - The City has a good public K-12 school system.
- ▶ **Infrastructure** - Wahpeton's water and sewer infrastructure is in good condition and can accommodate future expansion.
- ▶ **Downtown redevelopment** - The City is redeveloping the downtown area, which will enhance Wahpeton as an attractive City to live in.
- ▶ **Commercial development** - Wahpeton's commercial district is adequate to meet daily needs and new commercial development is on going.
- ▶ **Housing Agencies** - Several housing agencies have the capacity to provide financing and administrative services for housing projects and programs in the City of Wahpeton.

- ▶ **Home prices** - Some existing homes are selling at prices in the \$150,000 to \$250,000 range. This provides confidence for developers, builders and households to construct new homes.
- ▶ **Incentives** - The Wahpeton Economic Development Commission is providing financial incentives to promote new rental housing.
- ▶ **Tourism** - Wahpeton has several tourism attractions including the Chahinkapa Zoo, the Kidder Recreation Area, the Bois De Sioux Golf Course, etc.

Barriers or Limitation to Housing Activities

Our research also identified the following barriers or limitations that hinder or prevent certain housing activities in the City of Wahpeton.

- ▶ **Competition with Breckenridge**- Wahpeton is competing with Breckenridge as well as other surrounding communities for new residents and household growth.
- ▶ **Age and volume of the rental housing stock** - While the existing stock is very affordable, some housing is old and may need substantial improvement to meet expectations of potential renters. Also, the large number of older rental units create a high vacancy rate and make it difficult to construct new rental housing.
- ▶ **Housing Agencies** - Although the City has access to several housing agencies, the agencies' housing activity in the City of Wahpeton has been limited.
- ▶ **Low rent structure** - The City's rent structure is low, which makes it difficult to construct new rental housing.
- ▶ **Adequate land for development** - The City has limited available land for future housing development.
- ▶ **Competition with Fergus Falls and Fargo** - Although it is an asset to be located within commuting distance of Fergus Falls and Fargo, it can also be a barrier to new housing construction. These cities have more employment, service, retail and entertainment opportunities. The amenities Fergus Falls and Fargo have to offer will often make them the preferred location for many households.
- ▶ **Job losses** - Although new jobs have been created, the City suffered the loss of a significant employer.
- ▶ **Population and household losses** - Since 2000, Wahpeton's population and number of households has decreased.

Recommendations, Strategies and Housing Market Opportunities

Based on the research contained in this Study and the housing strengths and barriers identified above, we believe that the following recommendations are realistic options for the City of Wahpeton. They are based on the following strategies:

- ▶ **Focus heavily on the preservation, maintenance and improvement of the housing stock that already exists** - While some housing construction will occur in coming years, most of the housing opportunities will continue to be provided by the housing stock that is already on the ground. This is especially important for affordable housing opportunities, as it will almost always be less expensive to offer an affordable unit through rehabilitation versus new construction. Units that are lost due to deterioration and obsolescence cannot be replaced for a similar price. Evidence suggests that the majority of the existing stock is generally being well maintained, however, a significant percentage of housing needs repair. Emphasis on continued improvement will be important to meet future housing needs.
- ▶ **Develop life cycle housing** - It is vital for a community that serves as a regional center to provide housing opportunities for all ages and household types. These housing opportunities enable a community to thrive, promote economic development and allow households to live in the community throughout their lives.
- ▶ **Promote new construction** - New construction provides housing opportunities, stimulates the economy and upgrades the community's housing stock. Both new owner occupied single family homes and rental units are needed to provide households in Wahpeton with housing options and to assure a healthy housing stock.
- ▶ **Promote home ownership** - Home ownership is the preferred option for most households. Home ownership assists in creating community stability and commitment to the community. There are many younger families that are renting their housing. These households may be interested in home ownership, if an affordable opportunity is available.
- ▶ **The market for new housing development will generally not occur without proactive community involvement** - Much of the housing development that has occurred in the recent past has involved some form of public involvement or subsidy. Much of the City's rental housing has received public assistance. To compete in the home ownership segment of the market, public involvement is required for some types of housing.
- ▶ **Prioritize community housing goals** - Many of the recommendations in the Study will require staff-intensive efforts. The City should prioritize its housing goals and work with area housing agencies to establish a plan to achieve its goals.

It is very difficult to meet all of the objectives as the balance of the objectives are very sensitive. An overly aggressive or overly passive approach to any of the objectives can cause problems in achieving the other objectives. For example, overbuilding new rental housing units could lead to

vacancy problems in older, less marketable units in the community, causing these units to deteriorate in quality. The recommendations of this section attempt to provide a balanced approach to addressing the housing needs of Wahpeton.

Summary of Findings/Recommendations

The findings/recommendations for the City of Wahpeton have been formulated through the analysis of the information provided in the previous sections and include 21 recommendations. The findings/recommendations have been divided into the following five categories:

- ▶ **Rental Housing Development**
- ▶ **Home Ownership**
- ▶ **Single Family New Construction**
- ▶ **Housing Rehabilitation**
- ▶ **Other Housing Initiatives**

The findings/recommendations for each category are as follows:

Rental Housing Development

1. Develop 36 to 40 general occupancy market rate rental units.
2. Monitor the need for subsidized / tax credit rental housing
3. Develop 36 to 40 senior designated market rate rental units.
4. Develop 57 to 70 senior with services rental units.
5. Apply for Housing Choice Voucher / Section 8 Existing Program allocation from HUD.
6. Maintain and preserve the existing supply of subsidized housing.

Home Ownership

7. Utilize and promote all programs that assist with home ownership.
8. Develop a local down payment assistance program.
9. Develop a Purchase/Rehabilitation Program.

New Construction

10. Lot Availability and Development
11. Continue the construction of spec homes
12. Promote townhouse, twin home and cooperative housing development.
13. Continue to utilize in fill lots for housing development.

14. Develop home ownership awareness programs.

Housing Rehabilitation

15. Promote rental housing rehabilitation programs.
16. Promote on-going owner-occupied housing rehabilitation efforts
17. Develop a Landlord/Tenant Quality of Life Ordinance.
18. Develop a Neighborhood Revitalization Program.

Other Housing Initiatives

19. Acquire and demolish dilapidated structures.
20. Create a plan and continue coordination among housing agencies.
21. Promote the City's downtown redevelopment efforts.

Rental Housing Development

Findings: It is difficult to produce new affordable rental units. A number of factors including Federal tax policy, State property tax rates, high construction costs and low rental rates have all contributed to making rental housing production difficult to achieve, especially in small cities. While Wahpeton has had some private rental production, many rental units constructed in the past 20 years have utilized Federal or State production programs. Units produced with public subsidies generally have income and rent restrictions that limit occupancy to low and moderate income people.

Since 2000, only one multi-family rental unit development has been constructed in Wahpeton. Fourth Ave. Manor, a 24-unit senior project, was constructed in 2002. Several projects were constructed in the late 1990s including Sierra Apartments, a 12-unit market rate project, and two large tax credit projects, Prairiewood with 60 units and Dakota's Edge with 50 units.

As part of this study a rental survey was conducted. A total of 1,153 rental units in 56 buildings were contacted. The survey showed that 16.3% of the market rate, tax credit and subsidized units surveyed were vacant. This is significantly out of the range of 3% to 5% which is considered a healthy market to allow for unit choice and availability and to also assure the viability and profitability of the rental project. However, there is a pent up demand for certain types of rental housing.

The City of Wahpeton is projected to lose approximately 154 households and all of Richland County is projected to lose approximately 221 households through 2015. With a very high vacancy rate and the projected loss of households in Wahpeton and Richland County, we are recommending several strategies to create a healthy rental market in the City of Wahpeton. These strategies include:

- ▶ **Reverse household losses** - The City and all stakeholders should continue to implement all strategies possible to reverse household losses including job creation, increasing college enrollment, marketing the community, assuring a healthy housing stock, etc. All of these efforts will make the City of Wahpeton an attractive and viable City.
- ▶ **Rehabilitate rental housing** - A large majority of Wahpeton's rental housing stock was constructed in the 1960s, 1970s and 1980s. Many of these rental projects need rehabilitation. Rental rehabilitation programs should be created to rehabilitate the rental projects when it is economically feasible. Also, the implementation of a Rental Inspection Program may be necessary to upgrade the City's rental housing stock.
- ▶ **Demolish dilapidated rental housing** - Rental housing that is substandard and no longer feasible for renovation, should be demolished and eliminated from the rental housing stock.
- ▶ **Find alternate uses for rental buildings and dorms** - With the high vacancy rates in Wahpeton, rental buildings and dorms could have alternative uses such as treatment centers, transitional housing, supportive housing, single room occupancy units, homeless shelters, women's shelters, etc.

- ▶ **Develop new rental housing** - It may appear to be counter productive to construct new rental housing in a community that has high vacancy rates and is projected to lose households. However, new rental housing can achieve several goals which include:
 - Addressing pent-up demand for certain housing types
 - Upgrading the overall quality of the rental stock
 - Increasing the City’s rent structure
 - Addressing gaps in the City’s rental stock
 - Attracting new households to the City

Based on the strategies stated above, we recommend that the new rental units over the next five years from 2010 to 2015 include:

▶ General Occupancy Market Rate	36-40 units
▶ Subsidized/Tax Credit	0 units
▶ Senior Designated	36-40 units
▶ Senior with Services	
• Assisted Living	22-26 units
• Light Services	20-24 units
• Memory care	<u>15-20 beds</u>
Total	129-150 units and beds

Note: The senior with services recommendations are for the entire Market Area and are also included in the Breckenridge recommendations.

1. Market need for 36-40 general occupancy market rate rental units

Findings: Wahpeton has a market rate rental housing vacancy rate of 10.1%, which is out of the healthy market range of 3% to 5%.

The most recent market rate project constructed in Wahpeton was Sierra Apartments, a 12-unit project constructed in 1996. Two large tax credit projects, Prairieview and Dakota’s Edge, were constructed in the late 1990s, however, these projects have income limits.

Although there is a high vacancy rate in market rate projects, the newer high quality units that we surveyed have very low vacancy rates or were fully occupied. There is a pent-up demand for high quality market rate units that have state of the art amenities.

Additional high quality market rate units may attract households to the City and prevent some households from seeking housing in other communities.

There is also a shortage of high quality large three-bedroom units in the City.

The first option to developing market rate housing would be to encourage a private developer to undertake the project. If a private developer does not come forward, the Wahpeton EDC or the Wahpeton CDC or an area housing agency could construct the market rate units.

Recommendation: We would recommend the development of 36 to 40 market rate rental housing units. A town home or cottage style unit, would be the preferred style, to cater to active renter households. We are making this recommendation based on pent-up demand for high quality market rate units and the low vacancy rates in existing high quality rental projects.

Many cities have been able to construct units in small phases, as demand dictates the need for additional units. Several cities have been able to add units in 8 to 12 unit phases in recent years. In this way they have expanded the supply without saturating the market by bringing a large number of units on-line at one time.

Another option is to construct a high quality apartment project that includes state of the art amenities such as underground parking, washers and dryers in units, etc.

The unit mix and rents should be as follows:

**Recommended unit mix, sizes and rents for the Wahpeton
Market Rate Housing Project:**

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	7-8	900-1,000	\$725-\$775
Two Bedroom	22-24	1,000-1,100	\$800-\$850
Three Bedroom	7-8	1,150-1,250	\$875-\$925
Total	36-40		

Note: The recommended rents are quoted in 2010 dollars and include water, sewer and garbage, but exclude heat and electricity.

2. Monitor the Need for Subsidized/Tax Credit Rental Housing

Findings: The City of Wahpeton has eleven general occupancy subsidized and tax credit housing projects and two subsidized senior/disabled projects with a total of 453 subsidized/tax credit units. There are currently 113 vacancies, which is a 26.9% vacancy rate. All of the projects have vacancies.

Most of the subsidized/tax credit projects in Wahpeton are over 20 years old, however, two tax credit projects, Prairieview and Dakota’s Edge, with a total of 110 units, were constructed in the late 1990s. Since the late 1980s, tax credits have been the primary federal production incentive for the creation of housing to serve moderate income people. Because tax credits only provide a ‘shallow subsidy’, this type of housing does not generally serve lower income renters, but does serve moderate income households that are at or below 60% of the median income level.

According to 2010 income estimates, there are 901 Wahpeton and 1,628 Richland County households with annual incomes below \$25,000. These households can only afford \$625 per month or less for housing costs, without experiencing a cost burden.

Although there are a large number of low income households in Wahpeton and Richland County, the large number of subsidized units, the quality of some of the units and the low rent structure in market rate units, are all reasons for high vacancy rates.

Recommendation: We would recommend that the City of Wahpeton monitor the need for additional subsidized/tax credit units.

At this time, it is very difficult to construct new subsidized housing units to serve very low income people. Very few subsidy production resources remain available at the State or Federal level for ‘deep subsidy’ housing.

If a project is needed in the future, we believe that the best opportunity to create affordable rental housing in Wahpeton would continue to be through the federal low income housing tax credit program. However, in addition to tax credits, we believe that additional subsidies will be needed to achieve a lower unit rent structure that can serve low income households.

A future subsidized/tax credit project would need to target a low rent level. In some projects, additional subsidy sources have been used along with tax credits to generate more affordable units. For example, the Nicollet Meadows project in St. Peter, MN, used additional State and Federal funding sources along with tax credits to create units that serve households at or below 30% of County median income.

3. Develop 36 to 40 senior designated market rate rental units

Findings: The City of Wahpeton has one senior designated market rate rental project, Fourth Ave. Manor. The Project was constructed in 2002 and has 24 units. The rent structure ranges from \$835 to \$1,130. The units are currently fully occupied and there is a waiting list.

Although this rental option exists for senior households in Fourth Ave. Manor, it is our opinion that the addition of 36 to 40 senior designated market rate rental units over the next five years would address a gap that currently exists in the Wahpeton rental inventory.

Additionally, Richland County is expected to gain 162 households in the 55 to 74 age ranges over the next five years. It is projected that 33 of these households will be renters.

A local developer is proposing to construct a senior designated eight-unit town home project in Wahpeton. The developer has successfully developed 16 senior designated units in Breckenridge. The developer will develop an additional eight units in Wahpeton if the first project is successful.

There has also been discussions to renovate the old City Hall into senior apartments. The City Hall location is ideal for senior housing. However, to be competitive, the renovation must be very high quality and the project must include ‘State of the Art’ amenities.

A second project similar to the Fourth Ave. Manor project has also been considered and based on the success of the first project, there is a demand for this type of project.

Recommendation: We recommend the construction of a 36 to 40 unit market rate units with ‘state of the art’ amenities over the next five years. Several projects could be constructed to address this recommendation.

Unit features should also include ample closet space since prospective tenants will have numerous belongings they will be moving from single family homes. At a minimum, a walk-in closet should be included with each unit. If possible, a separate storage room should also be incorporated into each unit. Washers and dryers should be provided in each unit. Other standard design features for senior units should be included such as raised outlets, lever door handles and lowered kitchen cabinets. Expansive window area is an asset for senior units since many seniors spend a significant portion of their time in their units and enjoy ample daylight and views to the outdoors. Patios or decks for each unit are also strongly recommended. The units should also include garages. The location of the project should be close to services as the project will be primarily occupied by older seniors.

For the 36 to 40 units, we recommend the following unit type, number of units, size and rent structure:

Senior Market Rate Units:

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	8-10	850-900	\$675-\$850
Two Bedroom	28-30	1,000-1,100	\$820-\$1,100
Total	36-40		

Note: Rents are quoted in 2010 dollars and include water, sewer and garbage, but exclude heat and electricity. There is a large rent range because it is anticipated that there will be a variety of unit types constructed.

4. Develop 57 to 70 senior housing with services rental units

Findings: Wahpeton/Breckenridge serves as the regional center for Richland and Wilkin Counties and provide medical, governmental services, retail and employment for the surrounding area. The two cities provide a large share of the rental housing for the immediate area and also supplies a variety of life-cycle housing options for seniors as they age.

Demographic projections indicate that the number of the entire Market Area’s senior households, age 65 to 74, is projected to gain 109 households over the next five years, however, the 75 and over age ranges are projected to lose 58 households.

Currently, there is one project in Wahpeton that provides senior services. Leach Home has 39 beds and provides a variety of services including meals, housekeeping, laundry, bathing, etc. There is currently one vacancy.

Fourth Ave. Manor, a 24-unit senior project in Wahpeton, is not considered a senior with services project, however, it does have an emergency call system, a common area and provides activities.

Breckenridge has three projects that provide senior services. Twin Town Villa is a 50-unit assisted living project. There are no vacancies and there is a waiting list.

Pioneer Cottages is an 18-bed memory care facility. This facility also has no vacancies.

Appletree Court is a 20-unit HUD subsidized senior project that provides light services including laundry and housekeeping. This project has four vacancies.

St. Catherine's Living Center in Wahpeton is in the planning phase of developing assisted living units. Also, there have been discussions to renovate a college residence hall into senior with services units.

Recommendation: Our recommendations for senior housing with services have been organized by unit type. **The senior with services recommendations are for the entire Market Area, thus, these recommendations are included in the Breckenridge recommendations section.**

Assisted Living: According to Claritas, Inc. estimates, there will be approximately 1,720 seniors age 75 and older in the Market Area by the year 2015.

Based on our research in other communities, we believe that assisted living units can usually achieve a market share of up to 6% of the senior population age 75 and over. For the Market Area, this would indicate a need for 100 to 105 assisted living units by the year 2015.

With the 50 units in Twin Town Villa and the 39 beds at Leech Home addressing some of the assisted living need, there is still a projected need for 22 to 26 additional assisted living units in the Market Area over the next five years.

Senior with Light Services: Senior with light services projects provide limited services such as a noon meal, laundry and housekeeping. These projects do not provide the ranges of services that an assisted project provides, but are a senior living option between independent living and assisted living.

Based on Claritas, Inc. projections, there will be approximately 1,766 seniors in the 65 to 74 age range and 1,720 Market Area seniors in the 75 and older age ranges by the year 2015. We are projecting that senior with light services projects will achieve 1.5% of the seniors in the 65 to 74 age range and 2.5% of the seniors in the 75 and older age ranges. For the Market Area, this indicates a need for 65 to 70 senior with services units in the Market Area by the year 2015.

Appletree Court and Fourth Ave. Manor are addressing some of the Market Area's need for senior with light services, however, Appletree Court has income restrictions and Fourth Ave. Manor has limited services. Therefore, there is still a projected need for 20 to 24 senior with services units in the Market Area.

Memory Care: There is currently 18 memory care beds in the Pioneer Cottage facility in Breckenridge. This project has a high occupancy rate.

Based on the occupancy rate in the Pioneer Cottage facility and the projected senior population in the Market Area in 2015, it is estimated that there is a need for 15 to 20 additional memory care beds over the next five years.

We recommend that these beds are constructed as an addition to an existing memory care project, assisted living project or nursing home. This will provide maximum flexibility.

5. Apply for Housing Choice Vouchers/Section 8 Existing Program allocations from HUD

Findings: The Housing Choice Voucher Program provides portable, tenant-based rent assistance to lower income renter households. The program requires participating households to contribute from 30% to 40% of their adjusted income for rent, with the rent subsidy payment making up the difference. Tenants may lease any suitable rental unit in the community, provided that it passes a Housing Quality Standards inspection, and has a reasonable gross rent when compared to prevailing rents in the community. Although the federal government provides almost no funding for subsidized housing construction, it has provided new Housing Choice Voucher allocations over the last two decades.

The Housing Choice Voucher Program is a popular form of subsidized housing. Because of the flexibility offered through the program, eligible households often prefer the portable rent assistance to other forms of subsidized housing that are project-based, and can only be accessed by living in a specific rental development.

The Housing Choice Voucher Program in Richland County is administered by the Richland County Housing Authority. Currently, the Richland County Housing Authority is administering 58 vouchers in Richland County, 52 of which are Wahpeton households.

Recommendation: From a practical standpoint, the Housing Choice Voucher Program is the single best way that Wahpeton can provide affordable housing. HUD does not make new incremental assistance available every year, but when new allocations are authorized, we would encourage the City and County to work with the Richland County Housing Authority to apply for additional vouchers. With the number of renter households paying more than 30% of their income for housing, there is an ongoing demand for vouchers.

Also, the Richland County Housing Authority should continue to publicize the Housing Choice Voucher Program in Richland County, and assure that Richland County households have user friendly access to the Program.

6. Maintain and preserve the existing supply of subsidized housing

Findings: Wahpeton has a number of “deep subsidy” rental housing projects that allow tenants to pay rent based on 30% of income. Several of these projects were constructed in the 1970's or early 1980's when the federal government was actively involved in producing low income housing.

This subsidized housing represents the most affordable option available to lower income households. Since most of these units charge rent based on income, even extremely low income households can afford their housing.

Some of the subsidized stock is privately owned. In some communities, privately owned subsidized housing has been lost as owners have the ability to opt-out of subsidy contracts after their original obligations have been met. Two mod rehab projects are currently opting out of the subsidy program, which will result in the loss of 42 subsidized rental units. There are other projects that may opt out of their subsidy programs in the future.

Recommendation: The City of Wahpeton and area housing agencies should monitor the subsidized rental projects in Wahpeton so they are aware of any project that is considering opting out of its subsidy contract. There may be strategies to improve the City’s rental housing stock by working with owners who are considering opting out of their subsidy program.

Home Ownership Recommendations

Findings: Expanding home ownership opportunities is one of the primary goals for most cities. High rates of home ownership promote stable communities and strengthen the local tax base.

The median owner-occupied home value in Wahpeton is estimated to be \$90,008. With approximately 50% of the homes in Wahpeton valued under \$90,008, Wahpeton has a good market for first time home buyers and households seeking moderately priced homes. The affordable price of Wahpeton homes, is very attractive when compared to prices in some of the larger cities within commuting distance of Wahpeton.

Our analysis of Richland County demographic trends shows an increasing population of households in the traditionally strong home ownership age ranges between 55 and 74 years old. While most households in these age ranges already own their housing, this group represents a strong potential market for ‘trade-up’ housing. Increasingly, the older age ranges within this group look for lower maintenance housing options, such as twin homes or town house developments. Some older households may eventually move out of Wahpeton to move into other housing options in larger communities, if these options don’t exist in Wahpeton.

Also, the number of households in the 25 to 34 age range is expected to increase in Richland County. Households in these age ranges are typically first-time home buyers. While some of these households already own their housing, those households that have not been able to achieve the goal of home ownership, may need the assistance of special programs to help them purchase their first home and will be seeking affordable homes such as the homes in Wahpeton.

To assist in promoting the goal of home ownership, the following activities are recommended:

7. Utilize and promote all programs that assist with home ownership

Findings: We believe that affordable home ownership is one of the issues facing Wahpeton. Home ownership is generally the preferred housing option for most households and most communities. As discussed previously, the demographic make-up of Wahpeton is conducive to the promotion of home ownership opportunities. There are a number of strategies and programs that can be used to promote home ownership in Wahpeton. The area’s housing agencies and financial institutions can assist with this effort.

First time home buyer assistance, down payment assistance, low interest loans, gap financing and home ownership training programs help to address affordable housing issues. With the City’s median home value at \$90,008, many of the homes in the existing housing stock in Wahpeton is valued under purchase price limits for first-time home buyer assistance programs.

Home ownership counseling and training programs can also play a significant role in helping marginal buyers achieve home ownership. To become homeowners and/or to remain homeowners, many households need financial counseling to improve their credit score, to save for a down payment and to properly budget household income.

While these individual home ownership assistance programs may not generate a large volume of new ownership activity, the combination of below market mortgage money, home ownership training, credit counseling, and down payment assistance may be the mix of incentives that moves a potential home buyer into home ownership.

Recommendation: Wahpeton and area housing agencies, should utilize all available home ownership assistance programs to promote home ownership. The City, in coordination with other Richland County Cities, should also explore the possibility of obtaining specific program set-asides for home ownership programs from the North Dakota Housing Finance Agency. Specific set-asides will offer multiple advantages, including a dedicated pool of funds, the opportunity for higher participation limits for income and purchase price, and the flexibility for more local design and control. Mortgage programs should also be developed that include all households and not just first time home buyers to encourage trade-up housing activity.

The City could work with the area's housing agencies to develop programs that provide financial assistance for households to purchase a home and to assure the City of Wahpeton is receiving its share of resources that are available in the Region. Local financial institutions should also continue to have a significant role in assisting households with purchasing a home.

Funding sources for home ownership programs include Rural Development, the North Dakota Housing Finance Agency, Fannie Mae and the Federal Home Loan Bank.

8. Develop a local down payment assistance program.

Findings: One of the largest identifiable barriers preventing low and moderate income households from owning a home is the inability to save money for down payment and closing costs. This is especially true now that lending institutions have recently tightened their lending criteria. Wahpeton could address this issue by creating a local fund to assist home owners with a down payment assistance program. The City of Park Rapids, MN, provides a maximum of \$5,000 in local funds to the homeowner for down payment assistance. Several local households have utilized this program to purchase a home.

Recommendations: Wahpeton should consider the development of a local Downpayment Assistance Program. A local Downpayment Assistance Program is needed more now than in the past because of more stringent lending criteria. Major local employers, the Federal Home Loan Bank and the North Dakota Housing Finance Agency may be sources to contribute to the fund.

9. Develop a Purchase/ Rehabilitation Program

Findings: Wahpeton has a stock of older, lower valued homes, some of which need repairs. The median estimated market value for homes in Wahpeton is \$90,008. As some of the homes below the median price come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

In Minnesota, the Minnesota Housing Finance Agency developed the Minnesota Urban and Rural Homesteading (MURL) Program. Under the program, the City or a housing agency purchases an existing home that needs rehabilitation, rehabilitates the home, sells the home to a low income family and provides a mortgage with no down payment, no interest and a monthly payment that is affordable for the family. The MURL Program accomplished many community goals, including the promotion of home ownership for lower income people, and the repair of substandard housing units.

In many cases, the cost of acquisition and rehab will exceed the house's after-rehab value. Although a public subsidy may be involved, the cost to rehab and sell an existing housing unit are generally lower than the subsidy required to provide an equally affordable unit through new construction.

The City of Wahpeton has recently purchased a home and moved the home onto a vacant lot and is in the process of rehabilitating the home and will sell the home when rehabilitation is completed. If this project is successful, additional homes could be purchased and rehabilitated.

A Program could also be developed to provide mortgage funds directly to households for the purchase and rehabilitation of substandard existing homes.

Recommendation: We recommend that the City of Wahpeton consider the creation of a rehab/purchase program for existing houses. Area housing agencies and financial institutions could assist by offering some rehabilitation assistance in conjunction with first-time buyer programs to make the City's older housing a more attractive option for potential home buyers. Attitudinal surveys that we have conducted in other cities have found that purchase/rehabilitation programs are appealing to people who are currently renting their housing. In some similar sized communities, over 80% of survey respondents who were renters indicated an interest in buying a home in need of repair if rehabilitation assistance was also available.

A purchase/rehabilitation program will achieve several goals. The programs will encourage home ownership, prevent substandard homes from becoming rental properties and rehabilitate homes that are currently substandard.

New Housing Construction

Findings: Wahpeton has experienced relatively strong single family owner occupied family housing and twin home construction in recent years. Over the past 10 years, from 2000 to 2010, 84 single family housing units have been constructed in Wahpeton, which is an average of seven to eight new owner occupied housing units per year. The peak years for new construction were 2005 when 16 owner occupied units were constructed and 2006 when 14 units were constructed. In 2007, 2008 and 2009, five owner occupied units were constructed each year.

The attractiveness of the community, the City’s status as a small regional center, the area’s amenities and job creation, should result in the continued construction of new homes annually. However, attractive residential lot options must be available for new home construction to continue at its current pace over the next five years.

Overall household projections for Wahpeton and Richland County indicate household losses and limited demand for owner-occupied housing construction. However, growth is anticipated through 2015 among households in the age ranges between 55 and 74 years old. These age ranges are projected to increase by 247 households by 2015. Households in these age ranges tend to be predominantly home owners, and form a market for higher priced, trade-up housing and low maintenance housing such as town homes and twin homes. There is also growth projected in the county among younger households, in the 25 to 34 year old range. This age range is projected to increase by 126 households in Richland County by 2015. Many of the households in these age ranges are first time home buyers.

It is our opinion that if the City, local housing agencies and developers are proactive, 10 to 14 homes can be constructed annually in Wahpeton over the next five years. This projection is based on the availability of attractive residential lots for new construction. Our projection for single family housing starts includes homes built in new subdivisions and on infill lots, and includes single family attached housing units, such as twin homes and town houses.

The breakdown of our projection of 10 to 14 new owner occupied housing units annually is as follows:

- | | |
|-------------------------------|------------------|
| • Higher & median price homes | 4-5 homes |
| • Affordable homes | 2-3 homes |
| • Homes on In-Fill lots | 1-2 homes |
| • Twin homes/Town homes | <u>3-4 units</u> |
| Total | 10-14 units |

10. Lot Availability and Development

Findings: As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in the City of Wahpeton. Currently, there are approximately 23 lots available in the Rosewood Subdivision, two lots in Elm Court and 11 lots in North Park. There are also a few miscellaneous lots available in other subdivisions. It is estimated that there are 41 lots available in the City's subdivisions.

There are also several infill lots scattered around the City that we did not attempt to count. We also do not know the availability of some of these infill lots. In addition to these lots, there are a number of lots available outside the City limits in rural Richland County.

Recommendation: We use a standard that a 2 ½ year supply of lots should be available in the marketplace, based on annual lot usage. Using our projections that between 10 to 14 new houses will be constructed per year, the City should have approximately 25 to 35 residential lots available to meet the expected demand. Part of this demand would be for attached unit construction. The available inventory could include lots that are currently buildable, as well as lots in the advanced planning stages that could be available for the next construction season.

Using this standard, the City of Wahpeton, with 41 available lots, plus in fill lots, currently has an adequate number of available lots. There are lots available for higher priced homes, affordable homes and twin homes/town homes.

However, developers should continue to plan for the development of lots, as there will be a need for lots in three to four years, some of the lots on the market may not be desirable for new construction and there may be a demand for certain types of lots.

Also, it appears that land for future development is limited as the City is landlocked in three directions. Thus, it may be time consuming to secure land to make the infrastructure improvements for new subdivision and lot development.

11. Continue the construction of spec homes

Findings: The Wahpeton EDC is currently constructing two spec homes in the North Park Subdivision. These homes will be on the market for approximately \$145,000. The EDC has also constructed other spec homes over the past several years.

The Region V Community Development Corporation has also constructed spec homes over the past several years and the Director has reported that they will consider future spec home construction.

Several cities have developed programs to encourage spec home construction by private builders with incentives such as reduced interest construction loans, reduced lot prices and lot costs and other fees that don't have to be paid until the homes sell.

Also, there are buyer incentives to promote the purchase of spec homes including low interest mortgages, down payment assistance and gap financing.

Recommendation: We recommend the continued construction of spec homes. This should include programs and incentives to promote spec home construction by private builders.

12. Promote townhouse, twin home and cooperative housing development

Findings: Wahpeton has experienced limited attached housing development in recent years. From 2000 to the present, six attached housing units, in the form of twin homes and town homes have been constructed in Wahpeton. Many communities have seen attached housing take an increasingly large share of new construction activity over the last decade. In Wahpeton, 7% of the housing starts from 2000 to the present have been twin homes/townhomes.

Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making homes available for families. It is estimated that the 55 to 74 age ranges in Richland County will increase by 247 households and the entire Market Area will add 301 households in the 55 to 74 age ranges by the year 2015. It is important for the City to offer a range of life-cycle housing options to these households as many of these households will be seeking to downsize into low maintenance housing options.

Recommendation: It is our projection that approximately 25% of the City of Wahpeton's new single family construction will be twin home/town home construction over the next five years, which is approximately four to six units annually for a total of 20 to 30 units during the five-year period.

We recommend a town home and twin home development and for the development to be successful, the following should be considered:

- ▶ Senior friendly home designs
- ▶ Maintenance, lawn care, snow removal, etc. all covered by an Association
- ▶ Cluster development of a significant number of homes which provides security
- ▶ Homes are at a price that is acceptable to the market

The public sector's role in any owner-occupancy attached housing development will be limited, as the private sector will meet this housing need if a demand exists. The City should assure that adequate land is available for development and that zoning allows for attached housing development.

This recommendation is based on the Market Area demand and we have also made a twinhome/townhome recommendation for Breckenridge. It is our opinion that the Market Area can only support one twinhome/townhome development over the next five years.

Another opportunity to develop owner occupied senior housing is a Co-op concept. The senior household purchases a unit and also pays a monthly maintenance fee. At the time of sale, the household is guaranteed the original purchase amount plus a predetermined profit.

Typically, the developer pre-sells a percentage of the units prior to construction, thus, assuring a successful project.

A Co-op has recently been developed in Fergus Falls and the project has been very successful. A similar, but smaller project could be feasible in Wahpeton.

13. Continue to utilize infill lots for housing development

Findings: There are several vacant infill lots in the City that already have access to municipal services. These lots represent an affordable option for new home construction.

Our housing condition analysis of the single family homes in three Wahpeton neighborhoods identified two homes that were dilapidated and beyond repair. Also, 112 homes need major rehabilitation and some of these homes also may be beyond repair. In a separate recommendation, we have promoted the acquisition and clearance of substandard houses. Once demolished, some of the cleared lots could be suitable for reuse.

Also, the City currently has two vacant lots available for new construction.

Recommendation: We recommend that the City coordinate with area housing agencies to construct affordable homes on infill lots. The City and area housing agencies may be able to access funds from several sources to assist with affordable housing development. Also, Habitat for Humanity and private developers may also have an interest in developing housing on infill lots.

The City of Wahpeton can contribute to infill development through land negotiations, land donations, grant writing, project coordination, TIF funding, etc.

A goal of constructing one to two new moderately priced homes annually over the next five years on infill lots appears to be realistic. To be successful, the housing units should not exceed approximately \$125,000 and programs should be available to further reduce the purchase price for the buyer. Also, the most appealing infill lots should be identified and utilized. As housing units are constructed and sold, a revolving fund could be developed and an infill housing program could be self sustaining.

14. Develop home ownership awareness programs

Findings: Opportunities for new housing construction are sometimes limited because of the lack of information and awareness of financing programs, lots on the market, local builders, etc. This is especially evident for new households moving into the area. The home buying/home building process can be very intimidating for first-time home buyers and builders.

Recommendation: We recommend the continued creation of Informational Brochures that describes the lots, builders and financing programs that are available in Wahpeton. Buying a lot, selecting a builder, obtaining financing and constructing or purchasing a home can be an intimidating process. Often households have not been through this process and do not know where to begin or how to proceed. A “How-To” brochure with pertinent and up-to-date information will encourage and assist households with constructing a home or finding a suitable move-up home.

Another possibility for promoting ownership options is to organize a Housing Fair that educates and informs the public on lots, builders, finance programs, etc. The Housing Fair should include developers, builders, lenders, realtors, public agencies, etc. Local employers should be contacted to assess their interest and possible participation in the event.

These awareness programs do not have to be “City” projects but could possibly be developed by the Chamber of Commerce or the private sector. The cities of Wahpeton and Breckenridge could possibly work together to jointly organize a Housing Fair.

Housing Rehabilitation

Findings: Wahpeton has an asset in its existing housing stock. Existing units, both now and into the future, will represent the large majority of the affordable housing opportunities. Existing units generally sell at a discount to their replacement value. Units that are not maintained and improved may slip into disrepair and be lost from the housing stock. Efforts and investment in housing rehabilitation activities will be critical to offering affordable housing opportunities.

Housing options for households will largely be met by the existing, more affordable housing stock. As this existing stock ages, more maintenance and repair is required. Without rehabilitation assistance, the affordable stock will shrink, creating an even more difficult affordability situation.

The following specific recommendations are made to address the housing rehabilitation needs.

15. Promote rental housing rehabilitation programs

Findings: Based on U.S. Census data and our estimates, the City of Wahpeton has 1,717 rental units in 2010. These rental units are in large multi-family projects, small rental buildings, mixed use buildings, duplexes and single family homes. Many of these rental structures could benefit from rehabilitation as a significant majority of the rental units are over 20 years old and many rental units are in poor condition. Also, many of the substandard units have high vacancy rates.

The rehabilitation of older rental units can be one of the most effective ways to produce decent, safe and sanitary affordable housing. However, it is often difficult for rental property owners to rehabilitate and maintain their rental properties while keeping the rents affordable for the tenants.

Recommendation: The City of Wahpeton and area housing agencies should seek funds to develop a rental rehabilitation program. The funds should allow for program design flexibility, which will make a rental rehabilitation program workable.

Potential funding sources include the Federal Home Loan Bank, HUD, the North Dakota Housing Finance Agency, Rural Development and local funds.

16. Promote ongoing owner-occupied housing rehabilitation efforts

Findings: The affordability of the existing housing stock in Wahpeton will continue to be the major attraction for families that are seeking housing in the area. Investment in owner occupied housing rehabilitation activities will be critical to offering affordable housing opportunities.

Our 2010 housing condition survey rated 697 houses in three Wahpeton neighborhoods. Our survey found that 278 homes need minor repairs and 112 homes need major repairs. Without rehabilitation assistance, there is the potential that the affordable housing stock will shrink in the City of Wahpeton.

Recommendation: We recommend that the City of Wahpeton and area housing agencies identify and apply for funds to develop an ongoing housing rehabilitation program. Rural Development, the North Dakota Housing Finance Agency, the Federal Home Loan Bank and HUD are all potential funding sources.

17. Develop a Landlord/Tenant Quality of Life Ordinance

Findings: We recommend that the City of Wahpeton develop and implement a Landlord/Tenant Quality of Life Ordinance that will require all rental units in the City to be inspected every two to three years. Neighborhood deterioration, lower property values and unsafe rental units are often prevented when a rental housing inspection program is successfully implemented.

The need for a Landlord/Tenant Quality of Life Ordinance includes the following:

Health and Safety

- ▶ There is a need to provide tenants with safe, sanitary, and standard living conditions and to eliminate life threatening hazards.

Age of Housing Stock

- ▶ Much of the existing rental housing stock in Wahpeton is over 25 years old.
- ▶ Older housing needs continued rehabilitation and maintenance.
- ▶ Older housing often has difficulty complying with current codes.

Conversions

- ▶ Many of the rental buildings were originally constructed for uses other than rental housing such as owner occupied single family homes, commercial use, and mobile homes. In conversion, often owners do the work themselves and have inadequate or faulty mechanical, electrical, plumbing, and heating systems. Also, constructing an apartment in the basement often results in a lack of natural lighting, ventilation and proper access and egress.

Trends of Conversions

- ▶ Today's buyers want more amenities and conveniences, and less maintenance; thus, they are less likely to purchase the older homes which results in the continuation of converting old homes to rental units and magnifies the problem.

Maintenance Efforts

- ▶ A large number of landlords are providing standard housing and reinvesting in their rental properties. However, some landlords do not maintain their buildings. Ongoing maintenance is necessary for older housing as buildings with continued deferred maintenance become unsafe and substandard.

High Number of Landlords

- ▶ Wahpeton has a significant number of rental property owners. Many of these landlords do an excellent job; however, some absentee landlords do not reinvest in their properties, and create a need for the program.

Neighborhood Stabilization

- ▶ Rental units need to be maintained to keep the integrity of the neighborhood and stabilize property values. Deferred maintenance, parked junk cars, trash and debris all negative impact.

Zoning and Codes

- ▶ Illegal apartments such as inappropriately constructed basement apartments may be unsafe and a violation of zoning regulations.

Coordination

- ▶ A Landlord/Tenant Quality of Life Ordinance provides an accurate record of rental units and owners.
- ▶ The program provides a better opportunity for coordination of city programs and codes.

Recommendation: We recommend the implementation of the Landlord/Tenant Quality of Life Ordinance to assure that all rental units in Wahpeton comply with housing laws and codes. The Ordinance should include registration and inspections of rental units. The Ordinance will assure that Wahpeton rental units are safe and sanitary, thus, removing blighted and unsafe conditions.

18. Develop a Neighborhood Revitalization Program

Findings: The City of Wahpeton has several neighborhoods that are on the bubble. These neighborhoods have a significant number of homes that need rehabilitation and have a significant number of low/moderate income households. The neighborhoods could deteriorate or could be revitalized to continue to be strong vital neighborhoods.

Recommendation: We recommend that the City of Wahpeton, area housing agencies, and the private housing sector select a neighborhood and develop and implement a Neighborhood Revitalization Program.

Redevelopment strategies and opportunities should be identified for the Neighborhood including:

- ▶ A plan for each parcel in the neighborhood
- ▶ Owner occupied rehabilitation
- ▶ Rental Rehabilitation
- ▶ Demolition of dilapidated structures
- ▶ Infill new construction including single family homes and attached housing
- ▶ Land pooling for larger town home and attached housing projects
- ▶ Purchase/ Rehabilitation Programs that rehabilitate homes and provide home ownership for low/moderate income households
- ▶ Public projects (streets, utilities, parks, etc.)
- ▶ Consider rezoning, variances and/or replatting to make areas and parcels more desirable for redevelopment
- ▶ Programs that encourage energy conservation

- ▶ Other projects identified through the planning process

The Neighborhood Revitalization Plan should include time lines, responsible City Department or Housing Agency, funding sources, etc. The Program should be evaluated on an ongoing basis as opportunities and potential projects may change priorities.

It must be noted that neighborhood revitalization can result in the loss of affordable housing. Redevelopment projects, infill construction and other affordable housing projects in the community should assure that there are overall net gains in the affordable housing stock.

Also, as a neighborhood is revitalized, a new neighborhood can be selected for revitalization.

Other Recommendations

19. Continue to acquire and demolish dilapidated structures

Findings: Our housing condition survey of three Wahpeton neighborhoods identified two homes that are dilapidated and too deteriorated to rehabilitate. We also identified 112 homes as needing major repair and several of these homes may be too dilapidated to rehabilitate. There may also be homes in other Wahpeton neighborhoods that are deteriorated and beyond repair.

There are also several rental buildings in Wahpeton with high vacancy rates that are dilapidated and may be too deteriorated to rehabilitate. The City has demolished several dilapidated housing structures over the past several years.

Recommendation: We recommend that the City of Wahpeton take an aggressive approach to demolishing severely dilapidated structures. The City is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can possibly be utilized for the construction of new affordable housing units. The City could also develop partnerships with housing agencies and private developers to construct new housing on cleared parcels. Additionally, the demolition of dilapidated rental units will upgrade the City's rental housing stock.

20. Create a plan and continue coordination among housing agencies

Findings: The City of Wahpeton needs staff resources in addition to existing City staff to plan and implement many of the housing recommendations advanced in this Study. The City has access to the Wahpeton EDC, the Wahpeton CDC, the Richland County Housing Authority, the Lake Agassiz Housing Corporation, the Region V Community Development Corporation, the Southeastern North Dakota Community Action, Inc., and the local Rural Development Office. These agencies all have experience with housing and community development programs.

Recommendation: The City of Wahpeton is fortunate to have access to several agencies that can address housing needs, although, several of these agencies are not very active in Wahpeton at this time. It is our recommendation that the City work with the housing agencies to prioritize the recommendations of this Study and to develop a plan to address the City's housing needs. The Plan should include strategies, time lines and the responsibilities of each agency. While there has traditionally been a degree of staff interaction between these agencies, it will be important that a coordinated approach be used to prioritize and assign responsibility for housing programs.

Additionally, it may be feasible to coordinate with Breckenridge on housing projects and programs. Sharing a staff position with Breckenridge may be an option.

It will also be important for the City to look for opportunities to work cooperatively with other Richland County Cities to address housing issues. With the number of small cities in the County, and limited staff capacity at both the City and County level, cooperative efforts may be the only way to accomplish certain projects. Cooperative efforts will not only make housing projects more practical, but they will often be more cost-effective and competitive.

21. Promote the City's Downtown Redevelopment Efforts

Findings: The City of Wahpeton is revitalizing its downtown. The City commissioned a study in 2006 called the Wahpeton-Breckenridge Action Agenda. The Plan identified several housing issues in the downtown area.

Recommendation: We agree with the findings of the study and recommend the following:

- ▶ Rehabilitation of existing rental units on upper levels of commercial buildings to maximize their potential
- ▶ Construction of new rental units, when feasible, on upper levels of downtown commercial buildings
- ▶ Complete the construction of the 11 units located on the upper floor of the 500 block of Dakota Ave.
- ▶ Revitalization of neighborhoods adjacent to the downtown