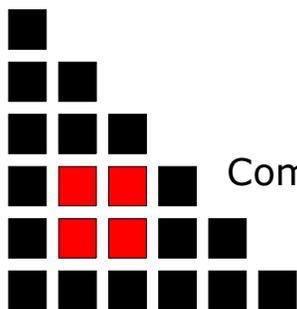


Wahpeton HOUSING STUDY

December 2017

An analysis of the overall housing needs
of the City of Wahpeton



Community Partners Research, Inc.
Faribault, MN

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Introduction

Local elected and public officials are often held responsible for conditions and circumstances over which they have limited control. This is particularly true of housing. Most of the housing units in Wahpeton, Richland County and the Wahpeton ND-MN Micropolitan Statistical Area (Micro Area) are privately owned and were constructed with private funds. On an increasing scale, however, the public is demanding that public officials control what happens in this largely private housing market by eliminating blight, protecting individual investments, and generating new housing growth to meet economic development needs.

Community Partners Research, Inc., was hired by the City of Wahpeton to update the Wahpeton/Breckenridge Housing Study originally completed in 2010. The Update examines the housing needs and conditions in Wahpeton.

Goals

The multiple goals of the study include:

- ▶ Provide updated demographic data
- ▶ Provide an analysis of the current housing stock and inventory
- ▶ Determine unmet housing needs
- ▶ Examine future housing trends that the area can expect to address in the coming years
- ▶ Provide a market analysis for housing development
- ▶ Provide housing recommendations and findings

Methodology

A variety of resources were utilized to obtain information for the Housing Study. Community Partners Research, Inc., collected and analyzed data from May to October, 2017. Data sources included:

- U.S. Census Bureau
- American Community Survey
- Esri, a private data company
- Records and data from the City of Wahpeton
- 2010 Wahpeton/Breckenridge Housing Study
- Records and data maintained by Richland County
- Interviews with local officials, community leaders, housing stakeholders, etc.
- Area housing agencies
- State and Federal housing agencies
- Rental property owner surveys
- Housing condition and mobile home surveys

Limitations

This Housing Study represents an analysis performed with the data available at the time of the Study. The findings and recommendations are based upon current solutions and the best available information on future trends and projections. Significant changes in the area's economy, employment growth, Federal or State tax policy or other related factors could change the conclusions and recommendations contained in this Housing Study.

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Demographic Data Overview

Sources of Data

The following pages contain demographic data obtained from a variety of local, state and national sources for Wahpeton, Richland County, and the Wahpeton ND-MN Micropolitan Statistical Area, which includes all of Richland and Wilkin Counties.

The 2010 Census provides some of the base data for population and household trends. To supplement the decennial Census, the Census Bureau has created the American Community Survey, an annual sampling of households. The American Community Survey provides detailed demographic characteristics, replacing information once collected by the decennial Census. However, because the American Survey is based on sampling data, there is a margin of error that exists for each estimate. The following tables incorporate the 2010 Census data, and/or the American Community Survey data.

The frequency of American Community Survey estimates vary depending on the size of the jurisdiction. For most jurisdictions in North Dakota, the 2015 estimates were derived from sampling that was done over a five-year period, between 2011 and 2015.

Additionally, Community Partners Research, Inc., has obtained information from Esri, a private company based in California that generates demographic and projection data. Esri estimates and projections are included in this demographic data section.

Population Data and Trends

Table 1 Population Trends - 1990 to 2016						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2016 Census Estimate
Wahpeton	8,751	8,586	-1.9%	7,766	-9.6%	7,830
Richland Co.	18,148	17,998	-0.8%	16,321	-9.3%	16,353
Micro Area	25,664	25,136	-2.1%	22,897	-8.9%	22,711

Source: U.S. Census Bureau

- ▶ The 2016 U.S. Census estimates for Wahpeton and Richland County show population gains from 2010 to 2016. The U.S. Census estimates that Wahpeton had a gain of 64 people and Richland County had a gain of 32 people from 2010 to 2016.
- ▶ The U.S. Census estimates that the Micro Area had a population loss of 186 people 2010 to 2016.
- ▶ Esri’s 2017 population estimate for Wahpeton also shows some population growth from 2010 to 2017, although Esri’s population estimate is minimal. Esri estimates that Wahpeton had a gain of 31 people, compared to the Census Bureau’s 2016 estimate that the City had gained 64 people.
- ▶ For the Micro Area, Esri shows a gain of six people from 2010 to 2017, compared to an estimated loss of 186 people in the Census Bureau’s 2016 estimate.
- ▶ According to the 2010 U.S. Census, Wahpeton, Richland County and the Micro Area all had population losses from 2000 to 2010.
- ▶ Wahpeton’s population was 7,766 people in 2010. The 820-person decrease from 2000 was a population loss of 9.6%.
- ▶ Richland County’s population was 16,321 people in 2010, which was a loss of 1,677 people (-9.3%) from 2000.
- ▶ The Micro Area’s population was 22,897 in 2010. This was a decrease of 2,239 people from 2000, for a population loss of 8.9%.

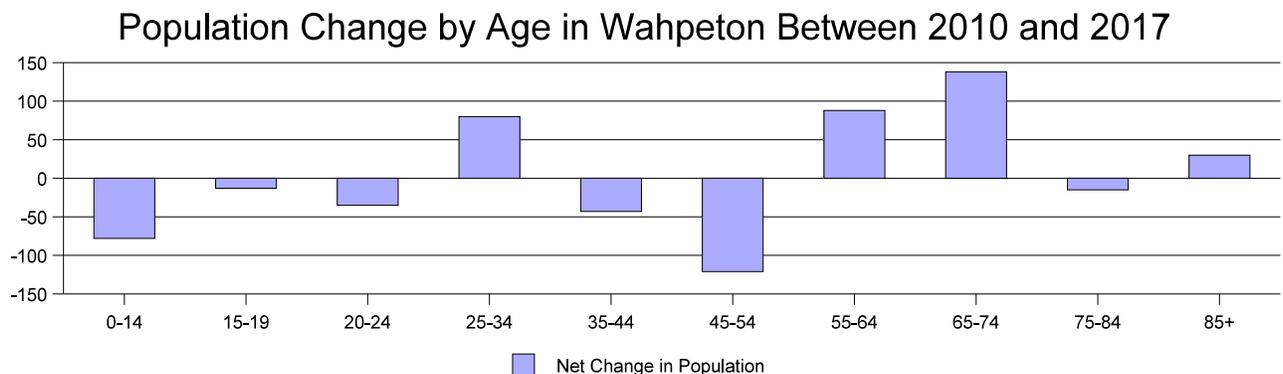
- ▶ All of the jurisdictions also experienced population decreases in the 1990s. Wahpeton's population decreased by 165 people, Richland County's population decreased by 150 people and the Micro Area's decreased by 528 people from 1990 to 2000.
- ▶ According to the 2015 American Community Survey, approximately 92% of the residents in Wahpeton identified their race as White, 1% were Black or African American, 2.5% were American Indian and 0.6% were Asian. Approximately 4% of Wahpeton's population was of Hispanic/Latino ethnicity.
- ▶ In 2010, Wahpeton had 918 people living in group quarters. The majority of these people lived in college dormitories. A significant number of people also lived in senior housing with services facilities.

Population by Age Trends in Wahpeton and the Micro Area: 2010 to 2017

The following table compares population by age in 2010 and 2017, along with the numeric changes. The 2017 estimates are from Esri.

Table 2 Population by Age - 2010 to 2017						
Age	Wahpeton			Micro Area		
	2010	2017	Change	2010	2017	Change
0-14	1,313	1,235	-78	4,265	3,877	-388
15-19	871	858	-13	1,884	1,754	-130
20-24	1,113	1,078	-35	1,676	1,829	153
25-34	872	952	80	2,313	2,465	152
35-44	723	680	-43	2,469	2,280	-189
45-54	1,022	901	-121	3,775	3,004	-771
55-64	872	960	88	2,922	3,583	661
65-74	403	541	138	1,658	2,157	499
75-84	357	342	-15	1,302	1,236	-66
85+	220	250	30	633	718	85
Total	7,766	7,797	31	22,897	22,903	6

Source: U.S. Census, Esri



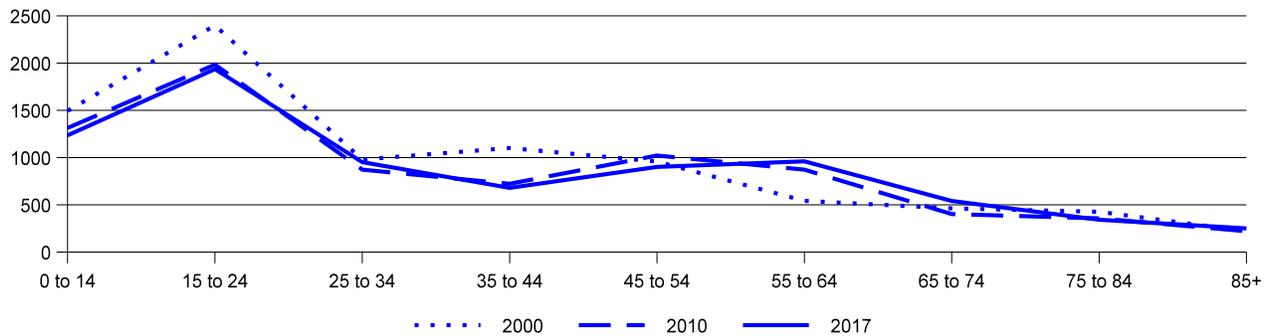
For many years, demographic analysts have been talking about the impact that is occurring as the large “baby boom” generation moves through the aging cycle. This trend has been evident in Wahpeton and the Micro Area. Between 2010 and 2017, Wahpeton had a gain of 226 people and the Mirco Area had a gain of 1,160 people in the age ranges between 55 and 74 years old.

Wahpeton also had growth in the 25 to 34 age range, which had an increase of 80 people, and the 85 and older age range, which had a gain of 30 people. Wahpeton had a loss of 126 people in the 0 to 24 age ranges, a loss of 164 people in the 35 to 54 age ranges and a loss of 15 people in the 75 to 84 age range.

In addition to the population gain in the 55 to 74 age ranges, the Micro Area had a gain of 305 people in the 20 to 34 age ranges, and an increase of 85 people in the 85 and older age range. The Micro Area experienced a population loss of 518 people in the 0 to 19 age ranges, a loss of 960 people in the 35 to 54 age ranges and a loss of 66 people in the 75 to 84 age range.

The aging trends present in Wahpeton can be traced back over the previous decades. In the City of Wahpeton, the large student-age population represents the largest demographic segment. However, the advancing wave of the baby boom generation is also evident over time.

City of Wahpeton Age Distribution: 2000 to 2017



Population Projections

The following table presents population projections for Wahpeton and the Micro Area using two different sources. Estimates and projections have been obtained from Esri and span the five-year period from 2017 to 2022. Community Partners Research, Inc. has also provided population estimates for the year 2022.

Table 3 Population Projections Through 2022					
	2010 US Census	2017 Estimate Esri	2022 Projection Esri	2016 US Census Estimate	2022 Projection Community Partners Research, Inc.
Wahpeton	7,766	7,797	7,743	7,830	7,880
Micro Area	22,897	22,903	22,672	22,711	22,738

Source: U.S. Census; Esri; Community Partners Research, Inc.

- ▶ Esri’s estimate shows that Wahpeton gained 31 people from 2010 to 2017, but Esri projects that Wahpeton will lose 54 people from 2017 to 2022. Community Partners Research, Inc., concurs with the Census Bureau’s estimate that Wahpeton gained approximately 64 people from 2010 to 2016, and believes the City’s population will be approximately 7,880 people in 2022, significantly higher than Esri’s population projection.

- ▶ Esri estimates that the Micro Area gained six people from 2010 to 2017, but projects a significant loss of 231 people from 2017 to 2022. Community Partners Research, Inc., again concurs with the U.S. Census estimate that the Micro Area lost approximately 186 people from 2010 to 2016. Community Partners Research, Inc. projects that the Micro Area will gain 27 people from 2017 to 2022.

Household Data and Trends

Table 4 Household Trends - 1990 to 2017						
	1990 Households	2000 Households	% Change 1990-2000	2010 Households	% Change 2000-2010	2017 Esri Estimate
Wahpeton	2,967	3,254	9.7%	3,151	-3.2%	3,156
Richland Co.	6,518	6,885	5.6%	6,651	-3.4%	N/A
Micro Area	9,323	9,637	3.3%	9,341	-3.1%	9,386

Source: U.S. Census; Esri

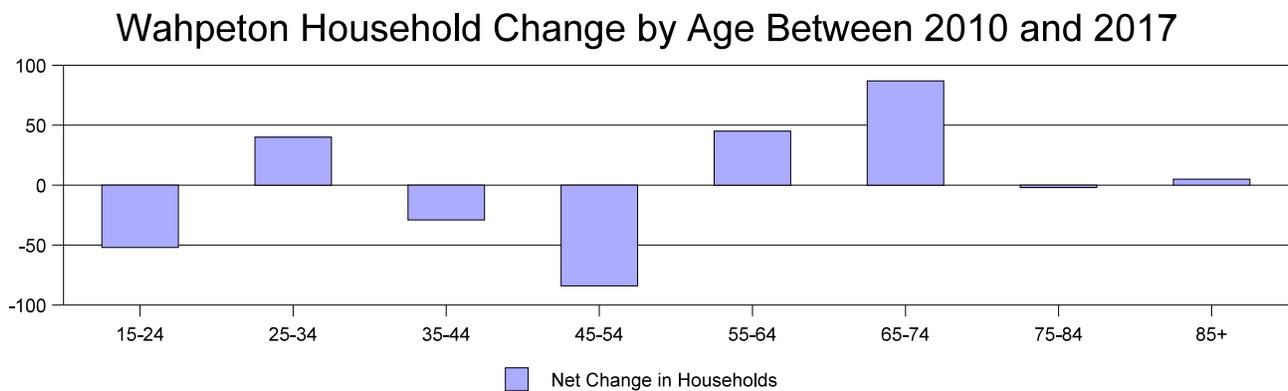
- ▶ The Esri estimates for 2017 show that Wahpeton had a gain of five households and the Micro Area had a gain of 45 households from 2010 to 2017.
- ▶ In the opinion of Community Partners Research, Inc., Esri’s 2017 estimate for Wahpeton is too low. For the City of Wahpeton, a more realistic estimate would be a gain of approximately 44 households. However, there is a probable loss of approximately two households for the entire Micro Area.
- ▶ According to the 2010 Census, Wahpeton, Richland County and the Micro Area each had household losses from 2000 to 2010.
- ▶ Wahpeton had 3,151 households in 2010. This was a decrease of 103 households from 2000, or a household loss of 3.2%.
- ▶ Richland County had a loss of 234 households from 2000 to 2010, which was a loss of 3.4%.
- ▶ The Micro Area had 9,341 households in 2010. This was a decrease of 296 households from 2000, or a household loss of 3.1%.
- ▶ During the 1990s, Wahpeton had a gain of 287 households, Richland County had a gain of 367 households and the Mirco Area had a gain of 314 households.

Household by Age Trends: 2010 to 2017

The following table compares households by age of householder in 2010 and 2017, along with the numeric changes. This table uses Esri's 2017 estimates although they are viewed as somewhat conservative for the City of Wahpeton.

Table 5 Households by Age - 2010 to 2017						
Age	Wahpeton			Micro Area		
	2010	2017	Change	2010	2017	Change
15-24	450	398	-52	616	560	-56
25-34	472	512	40	1,173	1,240	67
35-44	434	405	-29	1,367	1,244	-123
45-54	604	520	-84	2,090	1,637	-453
55-64	533	578	45	1,761	2,111	350
65-74	264	351	87	1,017	1,302	285
75+	394	392	-2	1,317	1,292	-25
Total	3,151	3,156	5	9,341	9,386	45

Source: U.S. Census; Esri

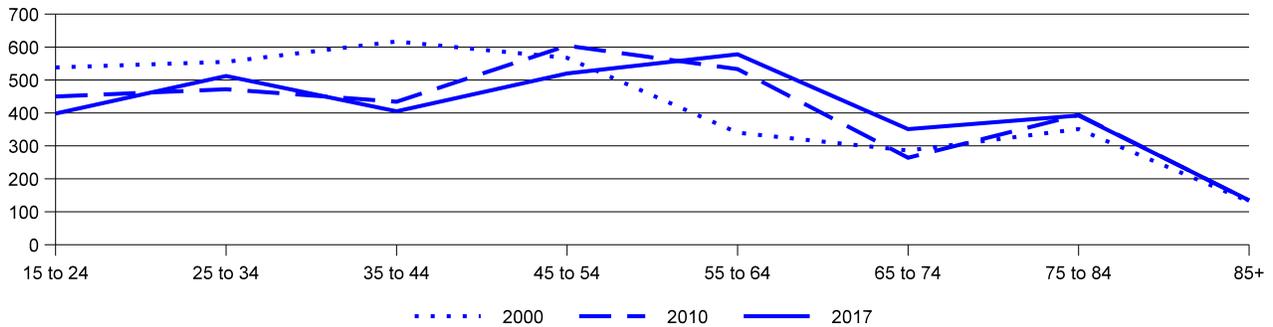


Using Esri's age-based household estimates for 2017, Wahpeton had a gain of 40 households in the 25 to 34 age range and a gain of 132 households in the 55 to 74 age ranges. Wahpeton had a loss of 52 households in the 15 to 24 age range, a loss of 113 households in the 35 to 54 age ranges and a loss of two households in the 75 and older age range.

The Micro Area experienced a gain of 67 households in the 25 to 34 age range and a gain of 635 households in the 55 to 74 age ranges. The Micro Area had a loss of 56 households in the 15 to 24 age range, a loss of 576 households in the 35 to 54 age ranges and a decrease of 25 households in the 75 and older age ranges.

As with the longer-term patterns for population, it is possible to track the age progression since the year 2000 in Wahpeton, using Census Bureau and Esri information for households by the age of householder.

City of Wahpeton Households by Age of Householder: 2000 to 2017



Average Household Size

The following table provides decennial Census information on average household size, and a 2017 estimate from Esri.

Table 6 Average Number of Persons Per Household: 1990 to 2017				
	1990 Census	2000 Census	2010 Census	2017 Esri Estimate
Wahpeton	2.49	2.28	2.17	2.15
Richland County	2.55	2.43	2.31	N/A
Micro Area	N/A	2.32	2.33	2.31

Source: U.S. Census; Esri

Household formation has been occurring at a different rate than population change in recent decades due to a steady decrease in average household size. This has been caused by household composition changes, such as more single person and single parent families, fewer children per family, and more senior households due to longer life spans.

Esri’s 2017 estimate shows the average household size for Wahpeton decreasing slightly after 2010. In 2017, Esri believes that the average household had 2.15 persons, compared to 2.17 in 2010. This is a continuation of a long-term pattern, as the average household size in Wahpeton decreased from 2.49 in 1990 to 2.17 in 2010.

The average household size in Richland County has also decreased over time. Richland County’s average household size decreased from 2.55 persons in 1990 to 2.31 in 2010.

Data is available for 2000 to 2017 for the Micro Area. The Micro Area’s average household size remained largely stable from 2000 to 2017.

Household Projections

The following table presents Esri’s 2017 household estimates and 2022 projections for Wahpeton and the Micro Area. Trend-based projections from Community Partners Research, Inc., have also been provided.

Table 7 Household Projections Through 2022					
	2010 Census	Esri		Community Partners Research	
		2017 Estimate	2022 Projection	2017 Estimate	2022 Projection
Wahpeton	3,151	3,156	3,149	3,195	3,250
Micro Area	9,341	9,386	9,328	9,339	9,404

Source: U.S. Census; Esri; Community Partners Research, Inc.

- ▶ Esri estimates that Wahpeton increased by five households from 2010 to 2017 and is projected to decrease by seven households from 2017 to 2022.
- ▶ Community Partners Research, Inc., believes that Wahpeton had a gain of 44 households from 2010 to 2017, and is projected to gain another 55 households from 2017 to 2022.
- ▶ Esri estimates that the Micro Area had a gain of 45 households from 2010 to 2017, but will lose 58 households from 2017 to 2022.
- ▶ Community Partners Research, Inc., estimates that the Micro Area had a loss of two households from 2010 to 2017, but will gain 65 households from 2017 to 2022.

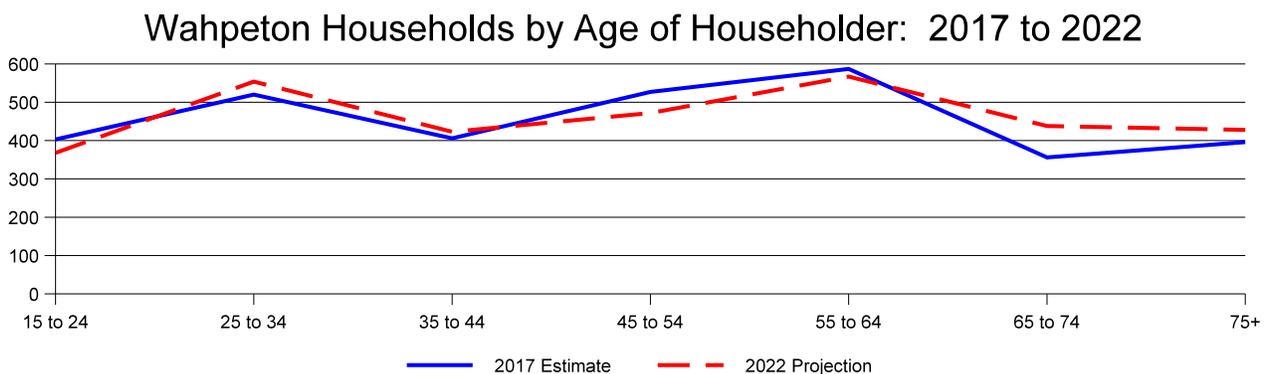
Wahpeton Household by Age Projections: 2017 to 2022

Esri has released household by age projections to the year 2022. However, in the opinion of the analysts, these projections are too low. In the following table, Community Partners Research, Inc., has slightly modified Esri’s household by age data to match the overall household growth projections for Wahpeton to the year 2022, as developed by Community Partners Research, Inc.

Table 8 Wahpeton Projected Households by Age - 2017 to 2022			
	2017 Estimate	2022 Projection	Change from 2017
15-24	403	368	-35
25-34	520	554	34
35-44	406	423	17
45-54	527	472	-55
55-64	587	567	-20
65-74	356	438	82
75+	396	428	32
Total	3,195	3,250	55

Source: Community Partners Research, Inc.

Consistent with the age distribution data presented earlier, the movement of the “baby boom” generation through the aging cycle should generate most of Wahpeton’s growth in households in the age ranges between 65 and 74 years old. Community Partners Research, Inc., projections expect a gain of 82 households in this age range in Wahpeton from 2017 to 2022.



Community Partners Research, Inc., is also projecting an increase of 51 households in the 25 to 44 age ranges and a gain of 32 households in the 75 and older age range.

Community Partners Research, Inc., is projecting a loss of 35 households in the 15 to 24 age range and a loss of 75 households in the 45 to 64 age range.

Households by Type - Wahpeton

The 2010 Census can be compared to statistics from 2000 to examine changes in household composition. The following table looks at household trends within the City of Wahpeton.

Table 9 Wahpeton Household Composition - 2000 to 2010			
	2000 Census	2010 Census	Change
Family Households			
Married Couple with own children	721	505	-216
Single Parent with own children	269	299	30
Married Couple without own children	753	779	26
Family Householder without spouse	125	134	9
Total Families	1,868	1,717	-151
Non-Family Households			
Single Person	1,064	1,145	81
Two or more persons	322	289	-33
Total Non-Families	1,386	1,434	48

Source: U.S. Census

Between 2000 and 2010, Wahpeton experienced an overall net decrease of 151 “family” households. The City had an increase of 30 single parent with children households, 26 married couples without children and nine family householder without spouse households. There was a decrease of 216 married couples with their own children.

Wahpeton had a net decrease of 48 “non-family” households. There was an increase of 81 one-person households and a decrease of 33 households that had unrelated individuals living together.

Households by Type - Richland County

The 2010 Census can be compared to statistics from 2000 to examine changes in household composition. The following table looks at household trends within Richland County.

Table 10 Richland County Household Composition - 2000 to 2010			
	2000 Census	2010 Census	Change
Family Households			
Married Couple with own children	1,805	1,331	-474
Single Parent with own children	427	462	35
Married Couple without own children	1,928	2,101	173
Family Householder without spouse	267	277	10
Total Families	4,427	4,171	-256
Non-Family Households			
Single Person	2,021	2,052	31
Two or more persons	437	428	-9
Total Non-Families	2,458	2,480	22

Source: U.S. Census

Between 2000 and 2010, Richland County had a net loss of 256 “family” households. There was a decrease of 474 married couples with children. There was an increase of 35 single parent households that had their own children, an increase of 173 married couples without children and an increase of 10 family householder without spouses households.

Richland County had an increase of 22 “non-family” households. There was an increase of 31 one-person households and a decrease of nine households that had unrelated individuals living together.

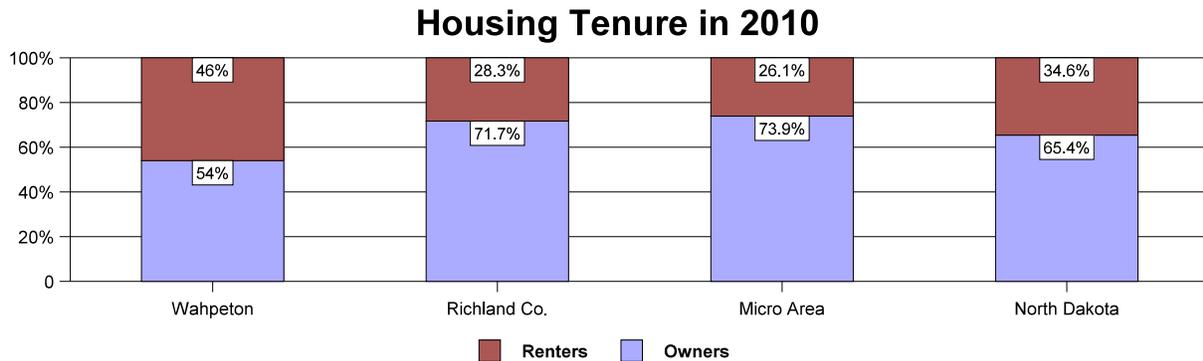
Housing Tenure

The 2010 Census provided information on housing tenure patterns. The following tables examine tenure rates, along with changes that have occurred.

Table 11 Household Tenure - 2010				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Wahpeton	1,703	54.0%	1,448	46.0%
Richland County	4,766	71.7%	1,885	28.3%
Micro Area	6,902	73.9%	2,439	26.1%
State	183,943	65.4%	97,249	34.6%

Source: U.S. Census

According to the 2010 Census, the ownership tenure rate in Wahpeton was 54.0%, Richland County’s ownership rate was 71.7% and the Micro Area’s ownership rate was 73.9%. Wahpeton’s rental tenure rate at 46% was significantly above the Statewide rate of 34.6% renter households.



Tenure patterns in 2000 and 2010 can be compared to see changes that have been occurring within each jurisdiction.

Table 12 Households by Housing Tenure - 2000 to 2010						
Tenure	Owners			Renters		
	2000	2010	Change	2000	2010	Change
Wahpeton	1,700/52.2%	1,703/54.0%	3	1,554/47.8%	1,448/46.0%	-106
Richland Co.	4,791/69.6%	4,766/71.7%	-25	2,094/39.4%	1,885/28.3%	-209
Micro Area	7,014/72.8%	6,902/73.9%	-112	2,623/27.2%	2,439/26.1%	-184

Source: U.S. Census

Wahpeton had a slight increase of three owner households between 2000 and 2010. Richland County had a decrease of 25 owner households and the Micro Area had a decrease of 112 households from 2000 to 2010.

Wahpeton had a decrease of 106 renter households from 2000 to 2010. Richland County had a decrease of 209 renter-occupancy households and the Micro Area had a loss of 184 renter households during the decade.

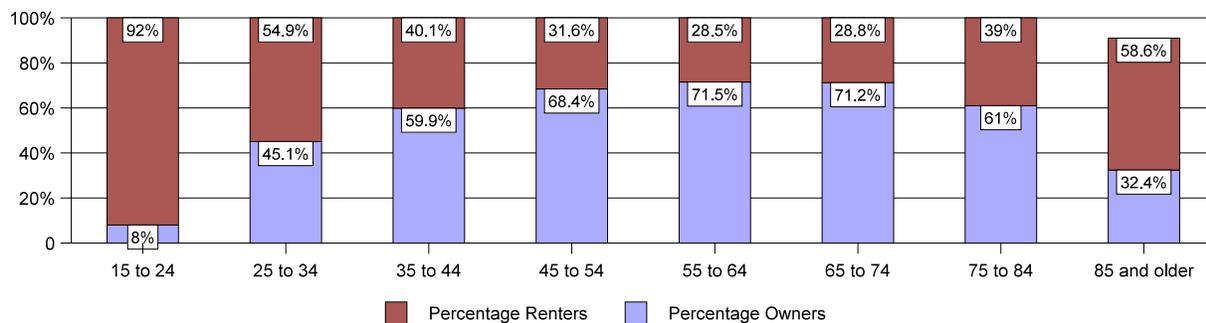
Tenure by Age of Householder - Wahpeton

The 2010 Census provided information on the tenure distribution of households within each defined age range. The following table examines the number and percentage of renters and owners in each age group in Wahpeton.

Table 13 Wahpeton Tenure by Age of Householder - 2010				
Age	Owners		Renters	
	Number	Percent within age	Number	Percent within age
15-24	36	8.0%	414	92.0%
25-34	213	45.1%	259	54.9%
35-44	260	59.9%	174	40.1%
45-54	413	68.4%	191	31.6%
55-64	381	71.5%	152	28.5%
65-74	188	71.2%	76	28.8%
75-84	152	61.0%	97	39.0%
85+	60	32.4%	85	58.6%
Total	1,703	54.0%	1,448	46.0%

Source: U.S. Census

City of Wahpeton Housing Tenure Patterns by Age in 2010



Within the defined age ranges, typical tenure patterns were present. Households at the lowest and highest ends of the age spectrum showed a higher preference for rented housing, while middle-aged adult households were primarily homeowners. Approximately 92% of households age 24 and younger and 55% of the households in the 25 to 34 age range rented their unit, and approximately 59% of households age 85 and older were renters. Home ownership rates for each of the 10-year age cohorts between 35 and 84 years old were above 59%.

Tenure by Household Size - Wahpeton

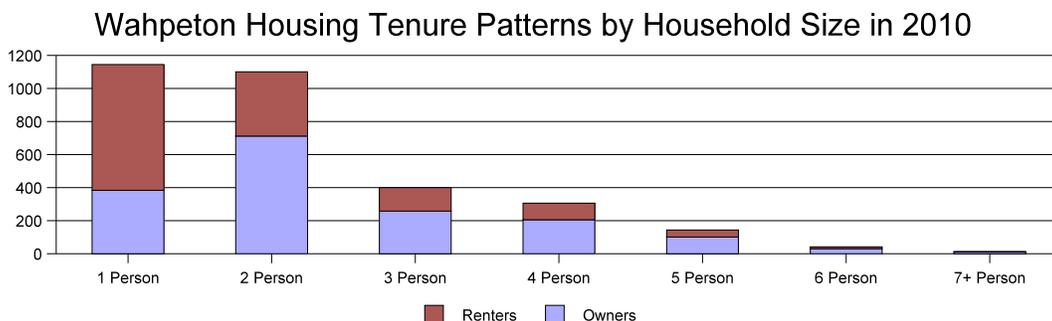
The 2010 Census provided information on housing tenure by household size. This can be compared to 2000 Census information to better understand changing trends. The following table provides information for Wahpeton.

Table 14 Wahpeton Tenure by Household Size - 2000 to 2010						
Household Size	Owners			Renters		
	2000	2010	Change	2000	2010	Change
1-Person	320	384	64	744	761	17
2-Person	629	712	83	481	389	-92
3-Person	266	258	-8	202	142	-60
4-Person	299	206	-93	91	100	9
5-Person	146	101	-45	26	43	17
6-Person	30	31	1	4	11	7
7-Persons+	10	11	1	6	2	-4
Total	1,700	1,703	3	1,554	1,448	-106

Source: U.S. Census

From 2000 to 2010, there was a slight increase of three owner households and a decrease of 106 renter households in Wahpeton from 2000 to 2010. There was an increase of 143 owner households with one or two household members and an increase of two households with six or more household members. There was a decrease of 146 households with three to five household members.

There was a decrease of 92 two-person renter households, a loss of 60 three-person households and a loss of four renter households with seven or more people. There was a gain of 17 households with one household member and a gain of 33 four to six-person households. Approximately 79% of the renter households in Wahpeton were one or two person households in 2010.



2015 Income Data

The 2010 Census did not collect information on household income. However, estimates are available at the city, county and micro area level through the American Community Survey. Estimates from 2010 and 2015 can be compared to track recent changes.

Household income represents all independent households, including people living alone and unrelated individuals together in a housing unit. Families are two or more related individuals living in a household.

Table 15 Median Household Income - 2010 to 2015			
	2010 Median	2015 Median	% Change
Wahpeton	\$42,745	\$48,011	12.3%
Richland Co.	\$47,131	\$55,390	17.5%
Micro Area	\$47,392	\$54,020	14.0%
North Dakota	\$46,781	\$57,181	22.2%

Source: ACS 5-year survey

Table 16 Median Family Income - 2010 to 2015			
	2010 Median	2015 Median	% Change
Wahpeton	\$70,417	\$70,429	0.1%
Richland Co.	\$64,636	\$73,574	13.8%
Micro Area	\$62,693	\$71,860	14.6%
North Dakota	\$62,920	\$74,708	18.7%

Source: ACS 5-year survey

It is important to note that the American Community Survey is based on household sampling, and a margin of error exists within each estimate.

Information contained in the 2015 American Community Survey shows that the median household and family incomes have increased from 2010 to 2015 in Wahpeton, Richland County and the Micro Area.

Generally, family household incomes tend to be much higher than the overall household median, as families have at least two household members, and potentially more income-earners.

Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Wahpeton could afford approximately \$1,200 per month and a median income family household could afford \$1,761 per month for ownership or rental housing in 2015.

Household Income Distribution

The 2015 American Community Survey provides household income distribution estimates for the City, County and Micro Area.

Table 17 Household Income Distribution - 2015			
Household Income	Wahpeton	Richland Co.	Micro Area
\$0 - \$14,999	448/14.0%	731/11.1%	1,076/11.5%
\$15,000 - \$24,999	303/9.4%	549/8.3%	866/9.2%
\$25,000 - \$34,999	376/11.7%	677/10.2%	921/9.8%
\$35,000 - \$49,999	563/17.6%	1,036/15.6%	1,469/15.6%
\$50,000 - \$74,999	576/18.0%	1,277/19.3%	1,886/20.1%
\$75,000 - \$99,999	529/16.5%	1,000/15.1%	1,385/14.7%
\$100,000+	410/12.8%	1,351/20.4%	1,794/19.1%
Total	3,205/100%	6,621/100%	9,397/100%

Source: ACS

- ▶ In 2015, approximately 52% of Wahpeton’s households had annual incomes less than \$50,000, approximately 35% of the households had annual incomes between \$50,000 and \$100,000 and approximately 13% of the households had annual incomes of \$100,000 or more.
- ▶ Approximately 23% of the total households in Wahpeton had an annual income below \$25,000 in 2015.
- ▶ In 2015, approximately 46% of Richland County’s households, had annual incomes less than \$50,000, approximately 34% of the households had annual incomes between \$50,000 and \$100,000 and approximately 20% of the households had annual incomes of \$100,000 or more.
- ▶ In 2015, approximately 46% of the Micro Area’s households had annual incomes below \$50,000, approximately 35% of the households had annual incomes between \$50,000 and \$100,000 and approximately 19% of the households had annual incomes above \$100,000.

Wahpeton Income Distribution by Housing Tenure

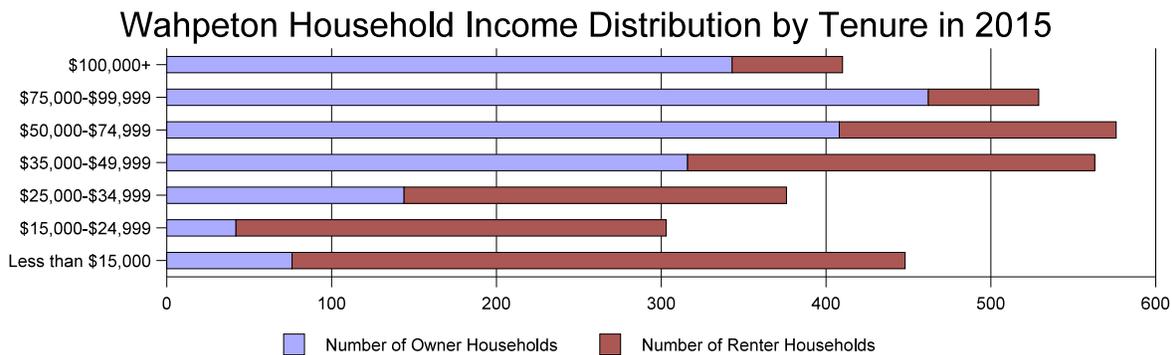
The 2015 American Community Survey provides income data by owner and renter status. The following table examines income distribution in Wahpeton.

The American Community Survey is an estimate, based on limited sampling data, and there are some differences when compared to the 2010 Census. The 2015 American Community Survey reported income information on 3,205 households while the U.S. 2010 Census reported that there were 3,151 households in Wahpeton.

While the American Community Survey estimate for total households appears to be relatively accurate, it does appear to have undercounted renter households and overcounted owner households, when compared to the 2010 Census.

Table 18 Wahpeton Household Income Distribution by Tenure - 2015			
Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	76/17.0%	372/83.0%	448
\$15,000 - \$24,999	42/13.9%	261/86.1%	303
\$25,000 - \$34,999	144/38.3%	232/61.7%	376
\$35,000 - \$49,999	316/56.1%	247/43.9%	563
\$50,000 - \$74,999	408/70.8%	168/29.2%	576
\$75,000 - \$99,999	462/87.3%	67/12.7%	529
\$100,000+	343/83.7%	67/16.3%	410
Total	1,791	1,414	3,205

Source: 2015 American Community Survey



Income and housing tenure are often linked for most households, with home owners generally having higher annual income levels, and renters having lower incomes.

In 2015, approximately 61% of all renter households in Wahpeton had an annual income below \$35,000. At 30% of income, these households would have \$875, or less, that could be applied to monthly housing costs. The median income for all renter households was approximately \$26,381 in 2015. At 30% of income, a renter at the median level could afford approximately \$660 per month or less for housing costs.

Most owner households had a higher income level than rental households. Approximately 42% of all owner households had an annual income of \$50,000 or more. The estimated median household income for Wahpeton homeowners in 2015 was approximately \$70,381. At 30% of income, an owner at the median income level could afford approximately \$1,760 per month for housing costs.

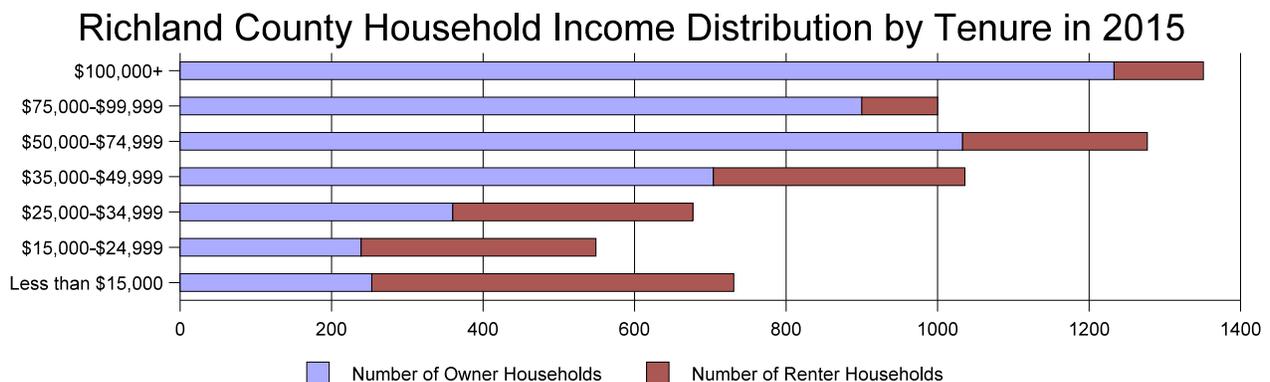
Richland County Income Distribution by Housing Tenure

The 2015 American Community Survey provides income data by owner and renter status. The following table examines income distribution in Richland.

The American Community Survey is an estimate, based on limited sampling data, and there are some differences when compared to the 2010 Census. The 2015 American Community Survey reported income information on 6,621 households while the U.S. 2010 Census reported that there were 6,651 households in Richland County.

Table 19 Richland Household Income Distribution by Tenure - 2015			
Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	253/34.6%	478/65.4%	731
\$15,000 - \$24,999	239/43.5%	310/56.5%	549
\$25,000 - \$34,999	360/53.2%	317/46.8%	677
\$35,000 - \$49,999	704/68.0%	332/32.0%	1,036
\$50,000 - \$74,999	1,033/80.9%	244/19.1%	1,277
\$75,000 - \$99,999	900/90.0%	100/10.0%	1,000
\$100,000+	1,233/91.3%	118/8.7%	1,351
Total	4,722	1,899	6,621

Source: 2015 American Community Survey



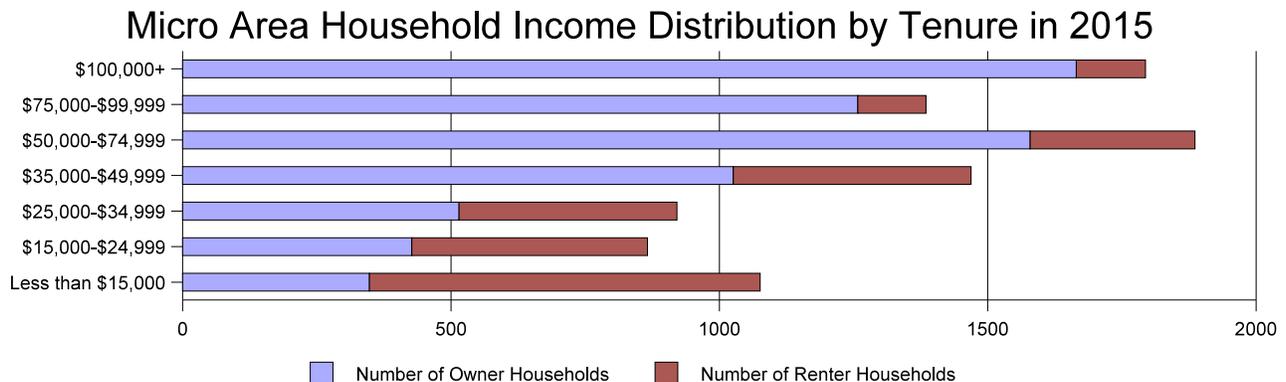
Micro Area Income Distribution by Housing Tenure

The 2015 American Community Survey provides income data by owner and renter status. The following table examines income distribution in the Micro Area.

The American Community Survey is an estimate, based on limited sampling data, and there are some differences when compared to the 2010 Census. The 2015 American Community Survey reported income information on 9,397 households while the U.S. 2010 Census reported that there were 9,341 households in the Micro Area.

Table 20 Micro Area Household Income Distribution by Tenure - 2015			
Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	348/32.3%	728/67.7%	1,076
\$15,000 - \$24,999	427/49.3%	439/50.7%	866
\$25,000 - \$34,999	515/55.9%	406/44.1%	921
\$35,000 - \$49,999	1,026/69.8%	443/30.2%	1,469
\$50,000 - \$74,999	1,579/83.7%	307/16.3%	1,886
\$75,000 - \$99,999	1,258/90.8%	127/9.2%	1,385
\$100,000+	1,665/92.8%	129/7.2%	1,794
Total	6,818	2,579	9,397

Source: 2015 American Community Survey



2015 Estimated Income and Housing Costs - Wahpeton Renters

The American Community Survey also collected information on housing costs. The following table provides data on the number of renter households that are paying different percentages of their gross household income for housing in Wahpeton.

Table 21 Gross Rent as a Percentage of Income - Wahpeton			
Percent of 2015 Income for Housing	Households Age 64 and Younger	Households Age 65 and Older	Total
Less than 20%	479/39.5%	35/17.4%	514/36.4%
20% to 29.9%	408/33.6%	66/32.8%	474/33.5%
30% to 34.9%	41/3.4%	6/3.0%	47/3.3%
35% or more	249/20.5%	79/39.3%	328/23.2%
Not Computed	36/3.0%	15/7.5%	51/3.6%
Total	1,213/100%	201/100%	1,414/100%

Source: 2015 American Community Survey

According to the American Community Survey, approximately 27% of all renters in the County were paying 30% or more of their income for rent. The large majority of these households were actually paying 35% or more of their income for housing. Federal standards for rent subsidy programs generally identify 30% of household income as the maximum household contribution. When more than 30% of income is required, this is often called a “rent burden”. When more than 35% is required, this can be considered a “severe rent burden”.

Although a housing cost burden could be caused by either high housing costs or low household income, in Wahpeton it was primarily due to low income levels for renters. A majority of the renter households with a housing cost burden had an annual household income below \$20,000. To avoid a cost burden, these lower income households would have needed a unit with a gross monthly rent of \$500 or less.

Senior citizen renters (age 65 and older) represented approximately 23% of all households with a rental cost burden. Households in the age ranges between 15 and 64 years old represented approximately 77% of all households with a rental cost burden.

2015 Estimated Income and Housing Costs - Richland County Renters

The American Community Survey also collected information on housing costs. The following table provides data on the number of renter households that are paying different percentages of their gross household income for housing in Richland County.

Table 22 Gross Rent as a Percentage of Income - Richland County			
Percent of 2015 Income for Housing	Households Age 64 and Younger	Households Age 65 and Older	Total
Less than 20%	597/39.3%	62/16.3%	659/34.7%
20% to 29.9%	460/30.3%	105/27.6%	565/29.8%
30% to 34.9%	53/3.5%	12/3.1%	65/3.4%
35% or more	274/18.1%	155/40.7%	429/22.6%
Not Computed	134/8.8%	47/12.3%	181/9.5%
Total	1,518/100%	381/100%	1,899/100%

Source: 2015 American Community Survey

According to the American Community Survey, approximately 26% of all renters in the County were paying 30% or more of their income for rent. The large majority of these households were actually paying 35% or more of their income for housing. Federal standards for rent subsidy programs generally identify 30% of household income as the maximum household contribution. When more than 30% of income is required, this is often called a “rent burden”. When more than 35% is required, this can be considered a “severe rent burden”.

Although a housing cost burden could be caused by either high housing costs or low household income, in Richland County it was primarily due to low income levels for renters. A majority of the renter households with a housing cost burden had an annual household income below \$20,000. To avoid a cost burden, these lower income households would have needed a unit with a gross monthly rent of \$500 or less.

Senior citizen renters (age 65 and older) represented approximately 34% of all households with a rental cost burden. Households in the age ranges between 15 and 64 years old represented approximately 66% of all households with a rental cost burden.

2015 Estimated Income and Housing Costs - Micro Area Renters

The American Community Survey also collected information on housing costs. The following table provides data on the number of renter households that are paying different percentages of their gross household income for housing in Wahpeton.

Table 23 Gross Rent as a Percentage of Income - Micro Area			
Percent of 2015 Income for Housing	Households Age 64 and Younger	Households Age 65 and Older	Total
Less than 20%	747/37.5%	99/17.0%	846/32.8%
20% to 29.9%	635/31.8%	162/27.7%	797/30.9%
30% to 34.9%	61/3.1%	13/2.2%	74/2.9%
35% or more	370/18.5%	213/36.5%	583/22.6%
Not Computed	182/9.1%	97/16.6%	279/10.8%
Total	1,995/100%	584/100%	2,579/100%

Source: 2015 American Community Survey

According to the American Community Survey, approximately 25% of all renters in the County were paying 30% or more of their income for rent. The large majority of these households were actually paying 35% or more of their income for housing. Federal standards for rent subsidy programs generally identify 30% of household income as the maximum household contribution. When more than 30% of income is required, this is often called a “rent burden”. When more than 35% is required, this can be considered a “severe rent burden”.

Although a housing cost burden could be caused by either high housing costs or low household income, in the Micro Area it was primarily due to low income levels for renters. A majority of the renter households with a housing cost burden had an annual household income below \$20,000. To avoid a cost burden, these lower income households would have needed a unit with a gross monthly rent of \$500 or less.

Senior citizen renters (age 65 and older) represented approximately 34% of all households with a rental cost burden. Households in the age ranges between 15 and 64 years old represented approximately 66% of all households with a rental cost burden.

2015 Estimated Income and Housing Costs - Wahpeton Owners

The American Community Survey also provided housing cost estimates for owner-occupants. The following table provides estimates of the number of households in Wahpeton that are paying different percentages of their gross household income for housing costs.

Table 24 Ownership Costs as a Percentage of Income - Wahpeton		
Percentage of Household Income for Housing Costs	Number of Owner Households 2015	Percent of All Owner Households 2015
0% to 19.9%	1,310	73.2%
20% to 29.9%	307	17.1%
30% to 34.9%	66	3.7%
35% or more	93	5.2%
Not Computed	15	0.8%
Total	1,791	100%

Source: 2015 ACS

The 2015 American Community Survey underestimated the number of owner households in Wahpeton. However, this source still represents the best available information on income compared to housing costs.

Most owner-occupants, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. However, approximately 9% of all home owners reported that they paid more than 30% of their income for housing. The majority of these households were paying more than 35% of income for housing costs.

2015 Estimated Income and Housing Costs - Richland County Owners

The American Community Survey also provided housing cost estimates for owner-occupants. The following table provides estimates of the number of households in Richland County that are paying different percentages of their gross household income for housing costs.

Percentage of Household Income for Housing Costs	Number of Owner Households 2015	Percent of All Owner Households 2015
0% to 19.9%	3,339	70.7%
20% to 29.9%	794	16.8%
30% to 34.9%	193	4.1%
35% or more	375	7.9%
Not Computed	21	0.5%
Total	4,722	100%

Source: 2015 ACS

The 2015 American Community Survey underestimated the number of owner households in Richland County. However, this source still represents the best available information on income compared to housing costs.

Most owner-occupants, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. However, approximately 12% of all home owners reported that they paid more than 30% of their income for housing. The majority of these households were paying more than 35% of income for housing costs.

2015 Estimated Income and Housing Costs - Micro Area Owners

The American Community Survey also provided housing cost estimates for owner-occupants. The following table provides estimates of the number of households in the Micro Area that are paying different percentages of their gross household income for housing costs.

Table 26 Ownership Costs as a Percentage of Income - Micro Area		
Percentage of Household Income for Housing Costs	Number of Owner Households 2015	Percent of All Owner Households 2015
0% to 19.9%	4,697	68.9%
20% to 29.9%	1,192	17.5%
30% to 34.9%	263	3.9%
35% or more	643	9.4%
Not Computed	23	0.3%
Total	6,818	100%

Source: 2015 ACS

The 2015 American Community Survey underestimated the number of owner households in the Micro Area. However, this source still represents the best available information on income compared to housing costs.

Most owner-occupants, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. However, approximately 13% of all home owners reported that they paid more than 30% of their income for housing. The majority of these households were paying more than 35% of income for housing costs.

Occupancy Status of Housing Units - 2010

Table 27 Occupancy Status of Housing Units - 2010						
	Occupied Units		Vacant Units			
	Owner	Renter	For Rent	For Sale	Seasonal Use	Other Vacant
Wahpeton	1,703	1,448	209	21	23	78
Richland Co.	4,766	1,885	298	90	90	374
Micro Area	6,902	2,439	444	150	122	524

Source: U.S. Census

- ▶ In 2010, according to the U.S. Census, there were 122 seasonal housing units in the Micro Area, including 23 units in Wahpeton.
- ▶ In addition to the seasonal units in 2010, there were 1,118 vacant housing units in Richland County, including 308 units in Wahpeton.

Existing Home Sales

The 2010 Housing Study had tracked existing home sales activity from 2005 through 2010 (partial-year). The following table examines the annual sales summary information for the years 2014 through June 2017. The sales year corresponds to the calendar year. The information used has been obtained from the Wahpeton City Assessor's Office.

The information is for residential sales that are considered to be "arms length" transactions, according to the City Assessor. Sales that are not "arms length" include, but are not limited to, sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. Only the "arms length" transactions have been reviewed for this study.

It is important to note that the number of houses that are sold annually represents a relatively small percentage of the total housing stock, and may not be an accurate indicator of overall home values. However, this sample does provide insight into those units that are turning-over in the City. It is also important to note that these sales are almost always existing homes, and rarely reflect the sales of newly constructed houses.

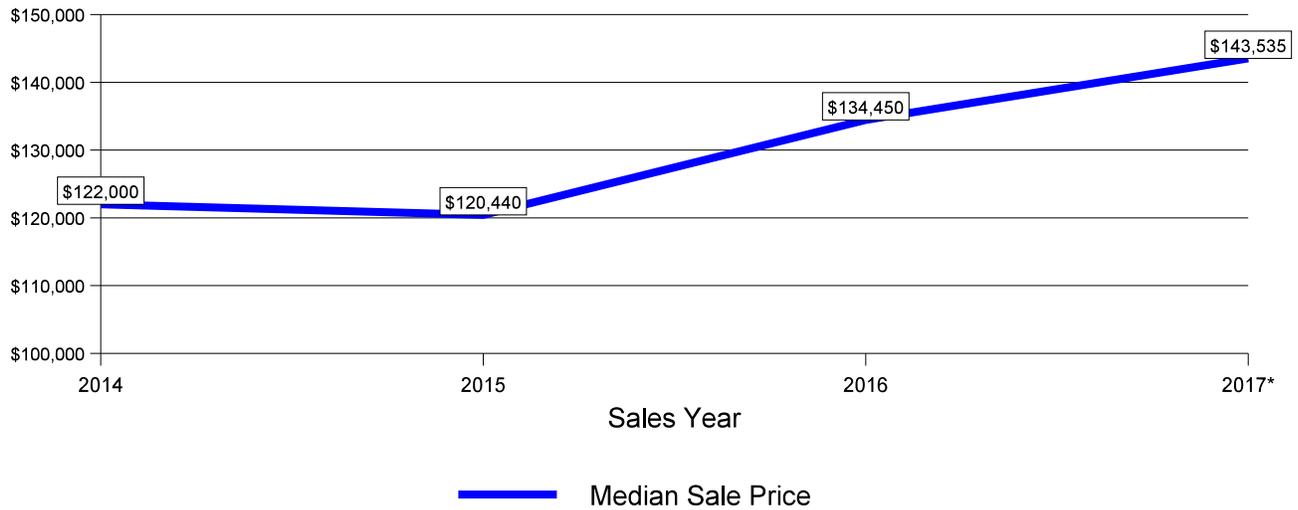
Table 28 Residential Sales in Wahpeton: 2014 to June 2017			
Year	Number of Good Sales	Median Sale Price	Average Sales Price
2017 (partial)	42	\$143,535	\$142,766
2016	88	\$134,450	\$147,253
2015	97	\$120,440	\$126,097
2014	73	\$122,000	\$125,585

Source: Wahpeton City Assessor; Community Partners Research, Inc.

Based on the median sale prices in recent years, existing home values in Wahpeton have been increasing rapidly. Between 2015 and 2016, the median increased by more than \$14,000. Although only partial-year information exists for 2017, year-to-date the median sale price is up by more than \$9,000 in the current year.

The volume of good residential sales has ranged from a low of 73 transactions in 2014 to 97 good sales in 2015.

Median Sale Price of Single Family Homes - Wahpeton



The following table examines the residential sales that were recorded over the 18-month time period from January 1, 2016 through June 30, 2017.

Sale Price	Number of Sales	Percent of Sales
Less than \$49,999	7	5.4%
\$50,000 - \$74,999	10	7.7%
\$75,000 - \$99,999	21	16.2%
\$100,000 - \$124,999	18	13.8%
\$125,000 - \$149,999	23	17.7%
\$150,000 - \$174,999	14	10.8%
\$175,000 - \$199,999	12	9.2%
\$200,000 - \$224,999	8	6.2%
\$225,000-\$249,999	7	5.4%
\$250,000+	10	7.7%
Total	130	100%

Source: Wahpeton City Assessor; Community Partners Research, Inc.

Wahpeton Home Sales by Price Range



Recent home sales in Wahpeton have been widely distributed in different price ranges, but nearly 48% of the home sales between January 1, 2016 and June 30, 2017 were priced between \$75,000 and \$149,999. Approximately 13% of existing homes sold for less than \$75,000, and 19% of all sales were for \$200,000 or more.

An alternate estimate of owner-occupied home values exists in the American Community Survey. For 2015, the estimated median value was only \$96,800, well below the median sale price that year of \$120,440.

Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the single family/duplex houses in three of Wahpeton's oldest neighborhoods.

The boundaries of the three neighborhoods are:

- ▶ Neighborhood #1: North - Railroad Tracks
South - 7th Ave. S.
East - River
West - 6th St. S.

- ▶ Neighborhood #2: North - 7th Ave. N.
South - 2nd Ave. N.
East - 4th St. N.
West - 11th St. N.

- ▶ Neighborhood #3: North - 7th Ave. N.
South - Dakota Ave.
East - River
West - 4th St. N.

Houses that appeared to contain three or more residential units were excluded from the survey. Houses were categorized in one of four levels of physical condition, Sound, Minor Repair, Major Repair, and Dilapidated as defined below. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition is assumed to be a reasonable indicator of the structure's interior quality.

Dilapidated was the lowest rating used. These houses need major renovation to become decent, safe and sanitary housing. Some Dilapidated properties may be abandoned and may be candidates for demolition and clearance.

Major Rehabilitation is defined as a house needing multiple major improvements such as roof, windows, sidings, structural/foundation, etc. Houses in this condition category may or may not be economically feasible to rehabilitate.

Minor Repair houses are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses in this condition category will generally be good candidates for rehabilitation programs because they are in a salable price range and are economically feasible to repair.

Sound houses are judged to be in good, 'move-in' condition. Sound houses may contain minor code violations and still be considered Sound.

Table 30 Windshield Survey Housing Condition Estimate - 2017					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
Neighborhood #1	69/32.2%	100/46.7%	44/19.2%	4/1.9%	214
Neighborhood #2	145/44.2%	144/43.9%	34/10.4%	5/1.5%	328
Neighborhood #3	89/51.7%	61/35.5%	21/12.2%	1/0.6%	172
Total	303/42.4%	305/42.7%	96/13.5%	10/1.4%	714

Source: Community Partners Research, Inc.

- ▶ Approximately 43% of the houses in the three neighborhoods need minor repair and 14% need major repair. Approximately 42% are sound, with no required improvements. Ten houses are dilapidated and possibly beyond repair.
- ▶ In 2010, Community Partners Research, Inc., conducted a housing condition analysis in the same three Wahpeton neighborhoods. The results of the 2010 housing condition survey were:
 - ▶ Sound - 43.7%
 - ▶ Minor Repair - 39.9%
 - ▶ Major Repair - 16.1%
 - ▶ Dilapidated - 0.3%

Mobile Home Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 183 mobile homes located in Wahpeton's three mobile home parks.

Mobile homes were categorized in one of four levels of physical condition, Sound, Minor Repair, Major Repair, and Dilapidated as defined below. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition is assumed to be a reasonable indicator of the structure's interior quality.

Dilapidated was the lowest rating used. Dilapidated mobile homes need major renovation to become decent, safe and sanitary housing. Some Dilapidated properties may be abandoned and may be candidates for removal. Major Rehabilitation is defined as a mobile home needing multiple major improvements such as roof, windows, sidings, structural/foundation, etc. Houses and mobile homes in this condition category may or may not be economically feasible to rehabilitate.

Minor Repair mobile homes are judged to be generally in good condition and require less extensive repair, such as one major improvement. Mobile homes in this condition category may be good candidates for rehabilitation programs because they are in a salable price range and may be feasible to repair. Sound mobile homes are judged to be in good, 'move-in' condition. Mobile homes may contain minor code violations and still be considered Sound.

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Wahpeton Mobile Home Community	12/24.5%	16/32.7%	13/26.5%	8/16.3%	49
Briarwood	58/49.6%	29/24.8%	21/17.9%	9/7.7%	117
Red River	0/0%	5/29.4%	5/29.4%	7/41.2%	17
Total	70/38.3%	50/27.3%	39/21.3%	24/13.1%	183

Source: Community Partners Research, Inc.

- ▶ Fifty of the mobile homes in the mobile home parks need minor repair and 39 mobile home needs major repair. Seventy mobile homes are sound, with no required improvements. Twenty-four mobile homes were rated as dilapidated and possibly beyond repair.

Wahpeton Building Permit Trends

Wahpeton has experienced a significant amount of new housing construction activity in recent years. The following table identifies the units that have been constructed from 2010 to 2017.

Table 32 Wahpeton Housing Unit Construction Activity: 2000 to 2017*			
Year	Single Family	Two or More Units	Total Units Constructed
2017	2	0	2
2016	3	40	43
2015	4	110	114
2014	6	4	10
2013	9	4	13
2012	13	0	13
2011	10	12	22
2010	11	10	21
TOTAL	58	180	238

Source: City of Wahpeton; * 2017 is partial-year

Over the past eight years from 2010 to 2017, 238 new housing units have been constructed in Wahpeton, based on information provided by the City of Wahpeton. Fifty-eight units are single family homes and 180 units are in multi-family projects, including eight twin homes, two 8-plexes, a 30-unit senior project, two 39 unit general occupancy market rate projects and four tax credit 10-plexes. In addition to these units, an assisted living project was constructed.

From 2000 to 2009, 108 housing units were constructed in Wahpeton, including 78 single family homes, six townhouse units and a 24-unit senior rental project.

Rental Housing Data

Census Bureau Rental Inventory

According to the 2010 U.S. Census, there were 1,448 occupied rental units and 217 unoccupied rental units in Wahpeton, for a total estimated rental inventory of 1,665 units. The City's rental tenure rate was 46.0% in 2010, significantly above the Statewide rental rate of 34.6%.

At the time of the 2000 U.S. Census, Wahpeton had 1,554 occupied rental units, and 163 vacant rental units, for a total estimated rental inventory of 1,717 units. The rental tenure rate in 2000 was 47.8%.

Based on a Census comparison, the City had a decrease of 106 renter-occupied households, and approximately 52 rental units from 2000 to 2010. The rental tenure rate decreased from 47.8% in 2000 to 46.0% in 2010.

Several rental projects were constructed from 2010 to 2017 including:

- ▶ **Siena Court Assisted Living** - a 32-unit assisted living project
- ▶ **Westdale Apartments** - 78 market rate general occupancy units in two 39-unit buildings
- ▶ **Kennedy Park Townhomes** - 40 general occupancy tax credit units in four 10-plexes
- ▶ **The Village at Rivers Edge** - 30 market rate units for tenants age 55 and older in one 30-unit building
- ▶ **Lindenwood and Elmwood** - 16 market rate units for tenants age 55 and older in two 8-plexes

In 2017, we are estimating that the rental tenure rate in Wahpeton has increased to approximately 48%, compared to 46% in 2010.

Rental Housing Survey

As part of this housing study, a telephone survey was conducted of multifamily projects in the City of Wahpeton. The survey was conducted from June to August, 2017. Emphasis was placed on contacting properties that have eight or more units, although some small rental projects were also surveyed. For the purposes of planning additional projects in the future, multifamily properties represent the best comparison of market potential.

Information was tallied separately for different types of rental housing including general occupancy, market rate, senior market rate, subsidized, tax credit, and senior housing with services.

There were 1,277 Wahpeton rental housing units of all types that were contacted in the survey. We also surveyed St. Catherine's Living Center, the 66-bed nursing home. Based on our research, all of the income-based subsidized, tax credit and senior with services rental projects, and a high percentage of the market rate multifamily projects with eight or more units in Wahpeton were surveyed.

The surveyed units in Wahpeton include:

- ▶ 735 general occupancy market rate units
- ▶ 70 senior market rate units
- ▶ 150 tax credit units
- ▶ 267 federally subsidized units
- ▶ 55 senior with services units/beds
- ▶ 66 skilled nursing beds

In addition to the units surveyed in Wahpeton, we also surveyed 290 units in Breckenridge, including:

- ▶ 16 senior (55 and older) market rate
- ▶ 12 tax credit units
- ▶ 163 federally subsidized units
- ▶ 99 senior with services units/beds

The St. Francis Nursing Home in Breckenridge, with 80 beds, was also surveyed.

General Occupancy Market Rate Summary

Information was obtained on 735 market rate general occupancy rental units in Wahpeton. The rental units surveyed are in 40 projects and include apartment buildings, mixed-use buildings, town homes, small rental buildings and duplexes.

Unit Mix

We obtained bedroom mix information on 699 market rate units. The bedroom mix of these units is:

▶	Efficiency	-	20 (2.8%)
▶	One-bedroom	-	155 (22.2%)
▶	Two-bedroom	-	499 (71.4%)
▶	Three-bedroom	-	23 (3.3%)
▶	Four-bedroom	-	<u>2 (0.3%)</u>
▶	Total	-	699

We did not obtain specific bedroom mix information on single family rental homes. However, the majority of single family home rentals are typically two or three-bedrooms, with a small percentage of one-bedroom or four-bedroom homes.

Occupancy / Vacancy

Within the market rate general occupancy multifamily segment, the managers and owners of all 735 units surveyed provided vacancy rate information. There were 56 vacant units in the 735 units surveyed. This represents a vacancy rate of 7.6%.

Most of the market rate general occupancy projects had only one or two vacancies and several projects reported no vacancies. Westdale Apartments reported nine vacancies, however, one of the 39-unit Westdale buildings is still in the lease-up phase.

Rental Rates

Rental units may include the primary utility payments within the contract rent, or the tenant may be required to pay some utilities separately, in addition to the contract rent. In the following summary, Community Partners Research, Inc., has attempted to estimate the gross rents being charged, inclusive of an estimate for tenant-paid utilities.

The following gross rent range has been identified based on information from the telephone survey.

<u>Unit Type</u>	<u>Gross Rent Range</u>
Efficiency	\$225-\$350
One-bedroom	\$400-\$785
Two-bedroom	\$500-\$960
Three-bedroom	\$750-\$1,075
Four-bedroom	\$1,080

* Please note that the four-bedroom unit rents are based on only one rental project.

Market Rate General Occupancy Rental Construction from 2010 to 2017

From 2010 to 2017, Westdale Apartments, with 78-units, was the only market rate project constructed. However, construction is expected to begin soon on a 24-unit market rate general occupancy rental project in the City's Renaissance Zone.

Additionally, two 55 and older market rate, a tax credit and an assisted living project were constructed in Wahpeton from 2010 to 2017. These projects will be discussed later in this section.

Market Rate (55 and older)

The City of Wahpeton has three 55 and older market rate rental projects.

- ▶ **Fourth Avenue Manor** - Fourth Avenue Manor is a 24-unit project constructed in 2002. There are six one-bedroom units and 18 two-bedroom units. Rents range from \$885 to \$985 plus electricity. The manager reported six vacancies at the time of the survey.
- ▶ **Lindenwood and Elmwood** - Lindenwood and Elmwood include two townhouse 8-plexes constructed in 2011 and 2012. All 16 units have two bedrooms. Rent is \$1,075 to \$1,125 plus heat and electricity. The owner reported no vacancies at the time of the survey.
- ▶ **The Village at Rivers Edge** - The Village at Rivers Edge is a 30-unit project constructed in 2016. The 30 units include one one-bedroom and 29 two-bedroom units. The rent ranges from \$1,250 to \$2,300 plus electricity. Six of the 30 units were rented at the time of the survey, however, the project is still in its initial lease-up phase.

Additionally, there is a 55 and older project in Breckenridge. Willows and Maplewood Senior Living include 16 units in two townhouse 8-plexes constructed in 2005 and 2008. The rents range from \$995 to \$1,085. The owner reported no vacancies.

Tax Credit Summary

Tax Credit rental housing projects are moderate rent, workforce housing. Wahpeton has three tax credit projects, Prairiewood I & II with 60 units, which was constructed in 1995, Dakota's Edge with 50 units constructed in 1996, and Kennedy Park Townhomes with 40 units, constructed in 2017 and recently opened for occupancy.

Unit Mix

We obtained bedroom mix information on the three tax credit projects. The bedroom mix of the units is:

- ▶ One-bedroom - 12 (8.0%)
- ▶ Two-bedroom - 64 (42.7%)
- ▶ Three-bedroom - 74 (49.3%)
- ▶ Total - 150

Occupancy/Vacancy

At the time of the survey, Prairiewood I & II reported 11 vacancies and Dakota's Edge reported three vacancies. Ten vacancies were reported in Kennedy Park Townhomes, however, this project is in its initial lease-up phase.

Rental Rates

In the following summary, Community Partners Research, Inc., has estimated the gross rents being charged, inclusive of an estimate for tenant-paid utilities for the three Wahpeton tax credit projects.

The following gross rent ranges have been identified based on information from the telephone survey.

<u>Unit Type</u>	<u>Gross Rent Range</u>
One-bedroom	\$450-\$585
Two-bedroom	\$460-\$780
Three-bedroom	\$745-\$835

In addition to the three Wahpeton tax credit projects, one tax credit project is located in Breckenridge. Ridgeview Townhouses is a 12-unit project constructed in 1998. The project has eight two-bedroom units and four three-bedroom units. The rents are \$580 for a two-bedroom unit and \$640 for a three-bedroom unit plus electricity. The manager reported no vacancies at the time of the survey.

Subsidized Summary

The telephone survey contacted seven income-restricted projects providing rental opportunities for lower income households. These projects have a combined 267 units. Six projects with 254 units are general occupancy and one project with 13 units is senior/disabled housing. The subsidized projects were developed with HUD and/or USDA Rural Development assistance. At the time of the 2010 Housing Study, Wahpeton had nine subsidized projects, however, two downtown housing projects with 42 subsidized units converted to market rate rental housing.

The seven subsidized rental projects in Wahpeton include:

- ▶ **Northland Elderly Apartments** - Northland Elderly Apartments is a 13-unit USDA Rural Development senior/disabled project constructed in 1982. The 13 units all have one bedroom.
- ▶ **Northland Apartments** - Northland Apartments is a 24-unit general occupancy project constructed in the early 1980s. All 24 units have one bedroom.
- ▶ **Evergreen Manor** - Evergreen Manor is a 32-unit HUD Section 8 general occupancy project constructed in 1980. The 32 units include 24 two-bedroom and eight three-bedroom units.
- ▶ **Rainbow Court I and II** - Rainbow Court I and II are HUD Section 8 projects with a combined 56 units, constructed in 1977 and 1980. The projects were originally for senior/disabled occupancy, but later converted to general occupancy. There are 50 one-bedroom and 6 two-bedroom units.
- ▶ **Community Homes** - Community Homes is a 94-unit HUD Section 8 general occupancy project constructed in 1971. The project includes two efficiency, 26 one-bedroom, 44 two-bedroom and 22 three-bedroom units.
- ▶ **Southside Villas** - Southside Villas is a 24-unit General Occupancy HUD Section 8 Project constructed in 1980. The project includes four one-bedroom, 16 two-bedroom and four three-bedroom units.
- ▶ **Century Apartments** - Century Apartments is a 24-unit General Occupancy USDA Rural Development/Tax Credit Project constructed in 1978 and renovated in 1998. The project includes two one-bedroom and 22 two-bedroom units.

Rental Rates

Most of the subsidized units have access to project-based rent assistance. These units charge rent based on 30% of the tenant's household income, up to a maximum rent amount.

Unit Mix

The bedroom mix breakdown for subsidized housing in Wahpeton is as follows:

▶ Efficiency -	2 (0.8%)
▶ One-bedroom -	95 (35.6%)
▶ Two-bedroom -	136 (50.9%)
▶ Three-bedroom -	<u>34 (12.7%)</u>
Total -	267

Occupancy / Vacancy

There were 58 vacant units identified in the subsidized projects at the time of the survey, which is a 21.7% vacancy rate. Community Homes had 21 vacancies, Southside Villas had 10 vacancies, Rainbow Court I & II had nine vacancies, Northland Apartments had seven vacancies, Evergreen Manor had eight vacancies and Northland Elderly Apartments had three vacancies. Century Apartments was fully occupied.

Breckenridge Subsidized Summary

In addition to the 267 subsidized rental units in Wahpeton, there are 163 subsidized units in Breckenridge. These units are in five projects. The five projects include a senior project with 20 units, a senior/disabled project with 48 units and three general occupancy projects with 95 units.

At the time of the survey, there were three vacancies in the 163 units, which is a 1.8% vacancy rate.

Subsidized Housing Gains/Losses

Federal subsidy sources for low income rental housing have been very limited for the past few decades. Most subsidized projects were constructed in the 1970s and 1980s. Some of the older projects around the State of North Dakota have completed their compliance requirements and have the opportunity to leave their subsidy program and convert to conventional rental housing.

Since 2010, two projects with 42 subsidized units converted from subsidized to market rate.

Housing Choice Vouchers

In addition to subsidized rental projects, Wahpeton households have access to the Housing Choice Voucher Program. The Richland County Housing Authority administers the Housing Voucher Program in Wahpeton and Richland County.

The Housing Choice Voucher Program provides portable, tenant-based rent assistance to lower income 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.

Currently, 73 Richland County households are receiving assistance through the Housing Voucher Program, with most of these households living in the City of Wahpeton.

The Voucher Program currently does not have a waiting list, thus, a household may be immediately eligible for rent assistance.

Senior Housing with Services Summary

Wahpeton and Breckenridge have six senior with services facilities. The Wahpeton senior with services facilities include:

- ▶ **Leach Homes** - Leach Homes is a 39 single room assisted living facility. The facility provides assisted living services including meals, medication management, laundry, 24-hour staffing, bathing, housekeeping, etc.
- ▶ **Siena Court Assisted Living** - Siena Court Assisted Living is a 32-unit assisted living project. The facility was constructed in 2012. Sixteen units offer the full array of senior assisted living services including three daily meals, laundry, housekeeping, medication management, etc. Sixteen units provide basic care, a lighter level of services. The rent and fees are based the type of unit and the level of services. Siena Court Assisted Living is part of the Benedictine Living Community of Wahpeton that includes St. Catherine's Living Center.
- ▶ **St. Catherine's Living Center** - St. Catherine's Living Center is a 66-bed skilled nursing facility. St. Catherine's Living Center is part of the Benedictine Living Community of Wahpeton that includes Sienna Assisted Living.

Occupancy / Vacancy

At the time of the survey, Sienna Court Assisted Living was fully occupied and Leach Home reported several vacancies. St. Catherine's Living Center reported seven vacancies.

The Breckenridge senior with services facilities include:

- ▶ **Pioneer Senior Cottages** - Pioneer Senior Cottages is a memory care facility constructed in 2006 and has six single rooms and six double rooms for an 18-resident capacity. The facility is secure and includes 24-hour staffing, three daily meals, medication management, bathing, housekeeping, etc.
- ▶ **Twin Town Villa Assisted Living Community** - The Twin Town Villa Assisted Living Community has 61 assisted living units and 20 memory care units. Fifty units were constructed approximately 10 years ago and there was a 31-unit expansion in 2013. The facility offers the full array of senior assisted living services including three daily meals, laundry, housekeeping, medication management, bathing, etc. Residents can also opt for a lighter level of services. The rent and fees are based on the type of unit and the level of services.
- ▶ **St. Francis Nursing Home** - The St. Francis Nursing Home is an 80-bed skilled nursing facility. Staff reports a very high occupancy rate. At the time of the survey, there were no vacant beds. The St. Francis Nursing Home is part of the St. Francis Health Care Campus.

Occupancy / Vacancy

At the time of the survey, Twin Town Villa Assisted Living reported one vacancy and Pioneer Senior Villages reported two vacancies. St. Francis Nursing Home reported full occupancy at the time of the survey.

Table 33 Wahpeton Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Fairfield Manor 1307 11 th St. N 1309 11 th St. N 1311 11 th St. N	1 - 1 bedroom 24 - 2 bedroom <u>3 - 2 bed + den</u> 28 total units	\$500 \$575 \$700	1 vacancy	General occupancy	Fairfield Manor is a 28-unit market rate project. The 28 units include one one-bedroom, 24 two-bedroom and three two-bedroom plus den units. The project includes townhouse and apartment units. The units include a garage and washer/dryer hook ups. The manager reports one vacancy. Tenants pay electricity in addition to rent.
Loy Apartments 1102 Loy Ave. 1110 Loy Ave.	4 - 1 bedroom 12 - 2 bedroom <u>4 - 2 bed + den</u> 20 total units	\$500 \$575 \$685	1 vacancy	General occupancy	Loy Apartments is a 20-unit, general occupancy market rate project. The units include four one-bedroom, 12 two-bedroom and four two-bedroom plus den units. The rent includes water, sewer and garbage. The manager reports one vacancy.
1621 8 th St. N 1631 8 th St. N	22 - 2 bedroom <u>2 - 4 bedroom</u> 24 total units	\$525 \$1,000	2 vacancies	General occupancy	This rental project is a 24-unit general occupancy market rate project. There are 22 two-bedroom units and two four-bedroom units. Tenants pay electricity in addition to rent. The manager reported two vacancies at the time of the survey.
403 3 rd St. N	<u>18 - 2 bedroom</u> 18 total units	\$575	3 vacancies	General occupancy	403 3 rd St. SW is an 18-unit general occupancy market rate project with 18 units. The tenant pays electricity in addition to rent. All of the units are two-bedroom. The manager reported three vacancies at the time of the survey.
621 3 rd Ave. N	<u>6 - 2 bedroom</u> 6 total units	\$700	1 vacancy	General occupancy	621 3 rd Ave. N is a general occupancy market rate 6-plex. All of the units have two bedrooms. The rent includes all utilities. The manager reported one vacancy at the time of the survey.
Town Square Apartments 321 6 th St. N	<u>12 - 2 bedroom</u> 12 total units	\$515	1 vacancy	General occupancy	Town Square Apartments includes 12 two-bedroom market rate units. The rent is \$515 and the rent includes water and garbage pick-up. The units are 950 sq. ft. and have one bath. The manager reported one vacancy at the time of the survey.

Table 33 Wahpeton Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Auburn Apartments	<u>36 - 2 bedroom</u> 36 total units	\$675 - \$725	3 vacancies	General occupancy	Auburn Apartments is a 36-unit market rate general occupancy project. All 36 units have two bedrooms. Tenants pay electricity in addition to rent. The units are 1,200 sq. ft. and include a garage and washer/dryer hook ups. The manager reported three vacancies at the time of the survey.
De Je Vu Apartments 1002 2 nd Ave. N	<u>8 - 2 bedroom</u> 8 total units	\$750	No vacancies	General occupancy	De Je Vu Apartments is a market rate 8-plex constructed in 1999. All of the units have two bedrooms. The rent is \$750 plus electricity. The owner reports no vacancies.
Johnson Properties 1103 14 th Ave. N 1111 14 th Ave. N 1205 11 St. N 1305 11 th St. N 1115 14 th Ave. N 1120 Loy Ave. 1350 12 th St. N 1358 12 th St. N 617 14 th Ave. N 504 3 rd Ave. N 903 5 th St. S	123 - 1, 2, & 3 <u>bedroom</u> 123 total units	\$400 - \$700	15% vacancy rate, approx. 18 vacancies	General occupancy	Johnson Properties manages 123 market rate units in 11 rental properties. The rental properties range from four units to 17 units. The units include one, two, and three-bedroom units, however, most of the units are two-bedroom. The utilities the tenants pay in addition to rent vary by rental property. The manager reports an overall 15% vacancy rate.
225 Dakota Ave.	15 - efficiency <u>7 - 1 bedroom</u> 22 total units	\$225 \$325	2 vacancies	General occupancy	225 Dakota Ave is a 22-unit general occupancy market rate project. The building is located downtown and is a converted creamery. The manager reports that the tenants are primarily singles. Utilities are included in the rent. The manager reported two vacancies at the time of the survey.
614 Dakota Ave.	22 - 1 bedroom <u>4 - 2 bedroom</u> 26 total units	\$415 \$430	1 vacancy	General occupancy	614 Dakota Ave. is a general occupancy market rate downtown building with 24 units. Twenty-two units have one-bedroom and four units have two-bedrooms. Tenants pay electricity in addition to rent. The manager reports 1 vacancy.

Table 33 Wahpeton Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Westwood Apartments 2101, 1207, 1209, 1211 3 rd Ave. N	4 - 1 bedroom <u>50 - 2 bedroom</u> 54 total units	\$400 \$400-\$495	1 vacancy	General occupancy	Westwood Apartments is a 54-unit general occupancy market rate project constructed in 1976. Fifty units have two bedrooms and four units have one bedroom. Tenants pay electricity in addition to the rent. The manager reports one vacancy.
Western Road Apartments 909, 911 Western	1 - efficiency 21 - 2 bedroom <u>1 - 3 bedroom</u> 23 total units	\$300 \$450 \$420	No vacancies	General occupancy	Western Road Apartments is a 23-unit general occupancy market rate project constructed in 1972. Twenty-one of the 23 units have two bedrooms. Tenants pay electricity in addition to rent. Garages available for \$40 per month. Approximately 50% of the tenants are students. The manager reported no vacancies at the time of the survey.
Prolific Management Properties 1702 9 th St. N 1652 8 th St. N 1676 9 th St. N 1706 9 th St. N	4 - 1 bedroom <u>36 - 2 bedroom</u> 40 total units	\$520 \$575	1 vacancy	General occupancy	Prolific Management Properties includes four buildings with a total of 40 units. Thirty-six units have two bedrooms and four units have one bedroom. Tenants pay utilities in addition to rent. The manager reported one vacancy at the time of the survey.
802 16 th Ave. N	4 - efficiency <u>29 - 1 bedroom</u> 33 total units	\$225 \$250-270	2 vacancies	General occupancy	802 16 th Ave. N is a 33-unit general occupancy market rate project. There are four efficiency and 29 one-bedroom units. The manager reported that the tenants are primarily singles. Tenants pay heat and electricity in addition to rent. The manager reports two vacancies.
Southview Apartments 815, 829, 925 & 809 Center St. S	<u>32 - 2 bedroom</u> 32 total units	\$499	1 vacancy	General occupancy	Southview Apartments is a 32-unit market rate general occupancy project that was constructed in the mid-1970s. All of the units are two-bedroom and the units are in four 8-plexes. Tenants pay electricity in addition to rent. The manager reports one vacancy.

Table 33 Wahpeton Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Palmer House 321 4 th Ave. N	1 - 1 bedroom <u>11 - 2 bedroom</u> 12 total units	\$425 \$540	No vacancies	General occupancy	The Palmer House is a 12-unit general occupancy market rate project. Eleven of the 12 units are two-bedroom. The two-bedroom units include garages. Tenants pay electricity in addition to rent. The manager reports no vacancies.
West Elm Apartments 903 Western Rd	2 - 1 bedroom <u>6 - 2 bedroom</u> 8 total units	\$440 \$475	No vacancies	General occupancy	West Elm Apartments is an eight-unit market rate general occupancy project. Tenants pay electricity in addition to the rent. The units include a garage. The manager reports no vacancies.
Westdale Apartments	26 - 1 bedroom 40 - 2 bedroom <u>12 - 3 bedroom</u> 78 total units	\$650-725 \$815-\$895 \$995-\$1,005	9 vacancies	General occupancy	Westdale Apartments includes two 39-unit buildings. The 78 units include 26 one, 40 two and 12 three-bedroom units. The project is market rate general occupancy. The buildings were constructed in 2015 and 2016. Tenants pay electricity in addition to rent. The units include dishwashers, blinds, microwaves, garbage disposals, decks, etc. The rent also includes double garages. There were nine vacancies at the time of the survey, however, the project is still in its initial lease-up phase.
Sierra Apartments 1166 15 th Ave. N	<u>12 - 2 bedroom</u> 12 total units	\$765-\$865	1 vacancy	General occupancy	Sierra Apartments is a 12-unit general occupancy market rate project. All of the units have two bedrooms. The project was constructed in 1996. Units have washers and dryers, dishwashers, disposals, walk-in closets, microwaves, 1.5 baths and garages. Tenants pay electricity in addition to rent. The manager reported one vacancy.
Heritage Square Apartments	36 - 1 bedroom <u>8 - 2 bedroom</u> 44 total units	\$409 \$499-\$529	4 vacancies	General occupancy	Heritage Square Apartments are in a downtown mixed-use building and include 44 units. Some of the units were previously subsidized, but all of the units are now market rate. Thirty-six units are one-bedroom and eight units are two-bedroom. Two of the two-bedroom units have two bathrooms. Manager reported four vacancies at the time of the survey. Tenants pay electricity in addition to rent.

Table 33 Wahpeton Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Heritage Square Lofts	7 - 1 bedroom 4 - 2 bedroom 11 total units	\$525 \$685-\$725	3 vacancies	General occupancy	Heritage Square Lofts are on the upper floor of downtown buildings and include 11 units. Seven units are one-bedroom and four units are two-bedroom. The units were completed for occupancy approximately two years ago. Tenants pay electricity in addition to the rent. The manager reported 3 vacant units.
St. Aubin Properties 511 5 th St. N 410 6 th Ave. N 328 3 rd Ave. N 530 3 rd St. N 202 5 th Ave. N 430 10 ½ St. N 1101 Westmore 133 Westmore	6 - 1 bedroom 53 - 2 bedroom 6 - 3 bedroom 65 total units	\$400-\$450 \$520-\$585 \$650-\$680	1 vacancy	General occupancy	St. Aubin Properties includes 65 units in eight projects and 10 buildings. The 65 units include six one-bedroom, 53 two-bedroom and six three-bedroom units. The tenants in most of the units pay electricity in addition to rent. The owner reports one vacancy in the 65 units, however, he reported that demand for units has reduced significantly over the past several months.

Table 33 Wahpeton Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate 55 and Older - Wahpeton					
The Village at Rivers Edge	1 - 1 bedroom <u>29 - 2 bedroom</u> 30 total units	\$1250 \$1540-2300	24 vacancies	55 & older	The Village at Rivers Edge is a 30-unit 55 and older market rate project. Twenty-nine of the 30 units have two bedrooms. The project opened for occupancy in Nov. 2016. The facility and the individual units are very high quality and include in-unit washers/dryers, granite countertops, window treatments, dishwashers, microwaves, underground parking, a community room, multi-purpose room, rec rooms, etc. Tenants pay electricity in addition to the rent. At the time of the survey, six of the 30 units were rented. The owner is offering a \$500 Visa card to a new tenant that signs a one-year lease. The owner is also offering \$250 for a referral that rents a unit.
Fourth Avenue Manor	6 - 1 bedroom <u>18 - 2 bedroom</u> 24 total units	\$885 \$985	6 vacancies	Seniors	Fourth Avenue Manor is a 24-unit senior market rate project. The project was constructed in 2002. Tenants pay electricity in addition to rent. The project has an emergency call system, common areas and laundry hook ups. Garage rent is optional for \$30 per month. The manager reported six vacancies at the time of the survey.
Lindenwood & Elmwood	<u>16 - 2 bedroom</u> 16 total units	\$1075-1125	No vacancies	55 & older	Lindenwood & Elmwood are two market rate 8-plexes constructed in 2011 and 2012. The units are for tenants 55 and older. All of the units are townhome style and have two bedrooms. Twelve units have attached single car garages and four units have two-car garages. Rents range from \$1,075 to \$1,125 based on the garage size. Tenants pay heat and electricity in addition to the rent. Each 8-plex has a community room. The owner reports no vacancies.

Table 33 Wahpeton Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate 55 and Older - Breckenridge					
Willows & Maplewood Senior Living	3 - 1 bedroom <u>13 - 2 bedroom</u> 16 total units	\$995 \$1,085	No vacancies	55 & older	The Willows and Maplewood are two 8-plexes constructed in 2005 and 2008. The units are for tenants 55 and older. The units are townhouse style and include three one-bedroom units and 13 two-bedroom units. The units have attached garages. Each 8-plex has a community room. The owner reported no vacancies at the time of the survey.

Table 33 Wahpeton Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized - Wahpeton					
Northland Elderly Apartments	<u>13 - 1 bedroom</u> 13 total units	\$575-\$835 market 30% of income	3 vacancies	Seniors	Northland Elderly Apartments is a 13-unit USDA Rural Development senior/disabled project constructed in 1982. Tenants pay 30% of income up to the market rent listed. Tenants receive a \$51 utility allowance. The manager reports three vacancies. Recent improvements include new windows in all of the units.
Evergreen Manor	24 - 2 bedroom <u>8 - 3 bedroom</u> 32 total units	\$589 \$659 30% of income	8 vacancies	General occupancy	Evergreen Manor is a 32-unit general occupancy HUD Section 8 Project constructed in 1980. Tenants pay 30% of income up to the market rents listed. Detached garages are available. The manager reports eight vacancies. Recent improvements include new soffits, fascia and gutters.
Rainbow Court I & II	50 -1 bedroom <u>6 - 2 bedroom</u> 56 total units	\$600-\$649 \$714-\$718 30% of income	9 vacancies	General occupancy	Rainbow Court I & II includes 56 total units. The units were constructed in 1977 and 1980. Tenants pay 30% of income up to the market rents listed. The manager reports nine vacancies. Students must meet qualifications to be eligible to rent a unit. Recent improvements have been made to the parking lots and cabinets and sinks are being upgraded.
Northland Apartments	<u>24 - 2 bedroom</u> 24 total units	\$459-\$751 30% of income	7 vacancies	General occupancy	Northland Apartments is a 24 two-bedroom unit USDA Rural Development Project constructed in 1982. Tenants pay 30% of income up to the market rent listed. Tenants receive a \$58 utility allowance. The manager reports seven vacancies. Improvements include concrete work and new patios are being phased in.

Table 33 Wahpeton Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized - Wahpeton					
Community Homes	2 - efficiency 26 - 1 bedroom 44 - 2 bedroom <u>22 - 3 bedroom</u> 94 total units	\$404 \$484 \$551 \$650 30% of income	21 vacancies	General occupancy	Community Homes is a 94-unit HUD Section 8 project with 94 units. The project was constructed in 1971. The units are located in several buildings. Tenants pay 30% of their income up to the market rents listed. The manager reports that approximately 50% of the tenants are paying the market rent. Students can rent a unit if they are in their second year and have been independent from their parents for at least a year. Currently, only a few students are living in the project. The manager reported 21 vacancies at the time of the survey. Most of the vacancies were two-bedroom units.
Southside Villas	4 - 1 bedroom 16 - 2 bedroom <u>4 - 3 bedroom</u> 24 total units	\$618 \$687 \$784 30% of income	10 vacancies	General occupancy	Southside Villas is a HUD Section 8 Project constructed in 1980. The project is townhome style with separate entrances. Tenants pay 30% of their income up to the market rent. The manager reports 10 vacancies. Ongoing improvements to the units including new cabinets and sinks.
Century Apartments	2 - 1 bedroom <u>22 - 2 bedroom</u> 24 total units	\$575 30% of income	No vacancies	General occupancy	Century Apartments is a 24-unit general occupancy USDA Rural Development/Tax Credit Project. The project was constructed in 1978 with Rural Development funds and was renovated in 1998 through the Tax Credit Program. The manager reported no vacancies at the time of the survey and the project is almost always fully occupied. Tenants pay 30% of their income up to the market rent listed. Tenants also pay heat and electricity.

Table 33 Wahpeton Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized - Breckenridge					
Appletree Court Senior Living	<u>20 - 1 bedroom</u> 20 total units	30% of income	3 vacancies	Seniors	Appletree Court Senior Living is a HUD subsidized senior project constructed in 1998. Tenants must meet income guidelines and pay 30% of their gross adjusted income for rent. The facility does not provide services, however, tenants can obtain services from are service providers. The manager reported three vacancies at the time of the survey.
Park Manor	64 - 1 bedroom <u>5 - 2 bedroom</u> 69 total units	\$50-\$410 30% of income	No vacancies	General occupancy	Park Manor is a 69-unit general occupancy HUD Public Housing Project constructed in 1970. The project has income, but does not have age restrictions. Several one-bedroom units have been combined to create two-bedroom units. Tenants pay 30% of income up to the maximum rent listed. The building and units are updated on an ongoing basis based on available funding. The units were fully occupied at the time of the survey, however, the manager reported that there is an average of three to four vacancies.
Scattered Site Public Housing	6 - 2 bedroom <u>4 - 3 bedroom</u> 10 total units	\$545 \$793 30% of income	No vacancies/ waiting list	General occupancy	The Scattered Site Public Housing units include three two-bedroom duplexes and four three-bedroom single family homes for a total of 10 units. Tenants pay 30% of their income up to maximum rents listed. The tenants also receive a utility allowance. The manager reported no vacancies at the time of the survey and there is a waiting list.
York Apartments 405 & 415 9 th St. S	<u>16 - 2 bedroom</u> 16 total units	\$665-\$685 30% of income	No vacancies	General occupancy	York Apartments is a general occupancy USDA Rural Development Project constructed in 1986. The project has 16 two-bedroom units. Fifteen of the 16 units have rent assistance. The tenants pay 30% of their income up to the market rent listed. Tenants pay electricity, but receive a utility allowance. The manager reports no vacancies.

Table 33 Wahpeton Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized - Breckenridge					
York Manor	47 - 1 bedroom <u>1 - 2 bedroom</u> 48 total units	\$676 30% of income	No vacancies	Senior/ disabled	York Manor is a senior/disabled HUD Section 8 project constructed in 1980. The project has 47 one-bedroom units and one one-bedroom unit. Tenants pay 30% of their income up to the maximum rent listed. Tenants pay heat and electricity, but receive a utility allowance. The manager reported no vacancies at the time of the survey.

Table 33 Wahpeton Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Tax Credit - Wahpeton					
Prairiewood I & II Apartments	4 - 1 bedroom 32 - 2 bedroom <u>24 - 3 bedroom</u> 60 total units	\$495 \$570 \$645	11 vacancies	General occupancy	Prairiewood I & II Apartments include 60 tax credit units in four 15-unit buildings. The units were constructed in 1995. Tenants must meet income requirements. Units include dishwashers, disposals, A/C, walk-in closets and garages. The project has one, two and three-bedroom units. The manager reports 11 vacancies. Students who meet income requirements are eligible to rent a unit. Heat and water is included in the rent.
Kennedy Park Townhomes	20 - 2 bedroom <u>20 - 3 bedroom</u> 40 total units	\$406-\$699 \$776-\$849	Project is in the lease-up phase with 10 vacancies	General occupancy	Kennedy Park Townhomes is a new 40-unit general occupancy tax credit project. The 40 units are in four 10-plexes. Twenty units have two bedrooms and 20 units have three bedrooms. The units have washer/dryer hookups, dishwashers, microwaves, garbage disposals, attached garages, etc. The project also has a community building. The tenants must meet income requirements. The rent range is based on tenant income thresholds. At the time of the survey, there were 10 vacant units, however, the project is in the lease-up phase.
Dakota's Edge Townhomes	8 - 1 bedroom 12 - 2 bedroom <u>30 - 3 bedroom</u> 50 total units	\$392 \$645 \$700	3 vacancies	General occupancy	Dakota's Edge Townhomes is a 50-unit General Occupancy Section 42 Tax Credit project constructed in 1996. Tenants must meet income guidelines to live in the project. Tenants pay electricity in addition to rent. The manager reported three vacancies at the time of the survey.
Ridgeview Townhomes	8 - 2 bedroom <u>4 - 3 bedroom</u> 12 total units	\$580 \$640	No vacancies	General occupancy	Ridgeview Townhomes is a 12-unit tax credit project constructed in 1998. Tenants must meet income guidelines. Tenants pay electricity in addition to rent. The project was purchased by the Breckenridge HRA from the Breckenridge Port Authority in 2013. The manager reported no vacancies at the time of the survey.

Table 33 Wahpeton Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Senior with Services - Wahpeton/Breckenridge					
Leach Home - Wahpeton	<u>39 single rooms</u> 39 total	Based on level of services	Staff reported vacancies	Assisted living	Leach Home is an assisted living facility with 39 rooms. The facility provides senior services including meals, laundry, bathing, a 24-hour staffing, housekeeping, etc. The staff reported that the facility has vacancies.
St. Catherine's Living Center - Wahpeton	<u>66 beds</u> 66 total	Based on level of services	7 vacant beds	Skilled nursing home	St. Catherine's Living Center is a nursing home with 66 skilled nursing beds. St. Catherine's Living Center is part of the Benedictine Living Community of Wahpeton. Staff reported seven vacant beds at the time of the survey.
Siena Court Assisted Living - Wahpeton	30 - 1 bedroom <u>2 - 2 bedroom</u> 32 total units	Based on level of services	No vacancies	Assisted living	Siena Court Assisted Living is a 32-unit facility that includes 16 assisted living units and 16 basic care units. The assisted living units provide all the assisted living services including meals, laundry, medication management, bathing, etc. The basic care units provide a lower level of services. Siena Court Assisted Living is part of the Benedictine Living Community of Wahpeton. The facility was constructed in 2012. The Director reported no vacancies at the time of the survey.
Pioneer Senior Cottages - Breckenridge	6 - single rooms <u>6 - double rooms</u> 18 resident capacity	\$5,495 \$4,960	2 vacancies	Memory care	Pioneer Senior Cottages is a memory care facility constructed in 2006. The facility has an 18-resident capacity. The rent and fees cover all services and amenities including meals, laundry, housekeeping, activities, etc. Rent and fees are \$5,495 for a single room and \$4,960 for a companion room. The Director reported two vacancies.

Table 33 Wahpeton Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Senior with Services - Wahpeton/Breckenridge					
Twin Town Villa Assisted Living Community Breckenridge	20 - studio 46 - 1 bedroom 4 - 1 bed + den <u>11 - 2 bedroom</u> 81 total units	Based on level of services	1 vacancy	Assisted living	The Twin Town Villa Assisted Living Community includes 81 total units. Sixty-one units are assisted living and 20 units are memory care studio units. Senior services include meals, housekeeping, laundry, a security system, medication managements, bathing, transfers, activities, etc. Residents can move in requiring only basic services and purchase services as needed. The rent and fees are based on the type of unit and level of services.
St. Francis Nursing Home Breckenridge	<u>80 beds</u> 80 total	Based on level of services	High occupancy rate	Skilled nursing home	The St. Francis Nursing Home is part of the St. Francis Healthcare campus. The facility has 80 skilled nursing beds. The staff reported 100% occupancy at the time of the survey.

Source: Community Partners Research, Inc.

Employment and Local Economic Trends Analysis

While many factors influence the need for housing, employment opportunities represent a predominant demand generator. Without jobs and corresponding wages, the means to pay for housing is severely limited.

Employment opportunities may be provided by a broad range of private and public business sectors. Jobs may be available in manufacturing, commercial services, agriculture, public administration, and other industries. The type of employment, wage level, and working conditions will each influence the kind of housing that is needed and at what level of affordability.

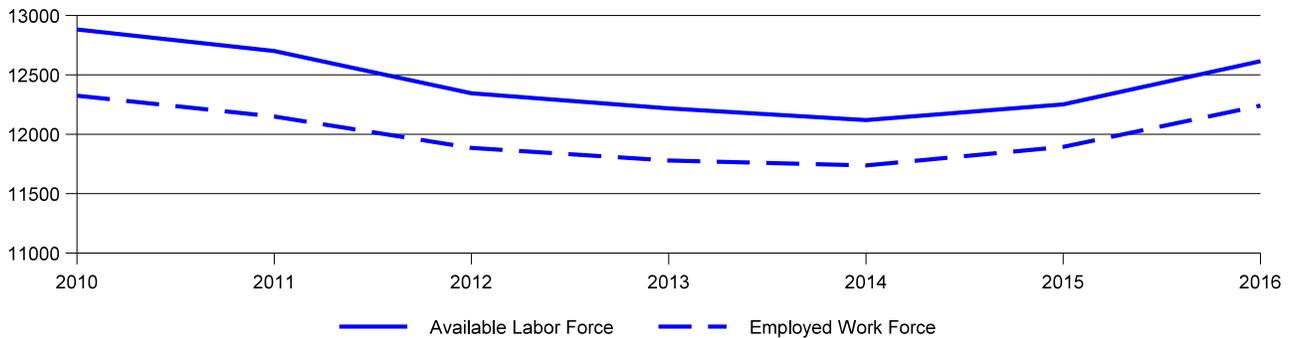
The City of Wahpeton has been aggressively pursuing economic development and job growth. While working on attracting new business to the area, the City has also worked with existing businesses to facilitate job expansion in the communities.

Employment information is available at the Micropolitan Statistical Area (Micro Area) level. The following table displays information for the two-county Micro Area that includes Richland County, ND and Wilkin County, MN. The labor force statistics in the tables below track people by place of residence, rather than place of employment.

Table 34 Micro Area Average Annual Labor Statistics: 2010 to 2016						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - City	Unemployment Rate - ND	Unemployment Rate - US
2010	12,882	12,325	557	4.3%	3.8%	9.6%
2011	12,701	12,149	552	4.3%	3.5%	8.9%
2012	12,345	11,855	490	4.0%	3.1%	8.1%
2013	12,218	11,779	439	3.6%	2.9%	7.4%
2014	12,120	11,738	382	3.2%	2.7%	6.2%
2015	12,252	11,894	358	2.9%	2.8%	5.3%
2016	12,615	12,241	374	3.0%	3.2%	4.9%

Source: Job Service North Dakota - Not seasonally adjusted

Micro Area Labor Force and Employed Work Force

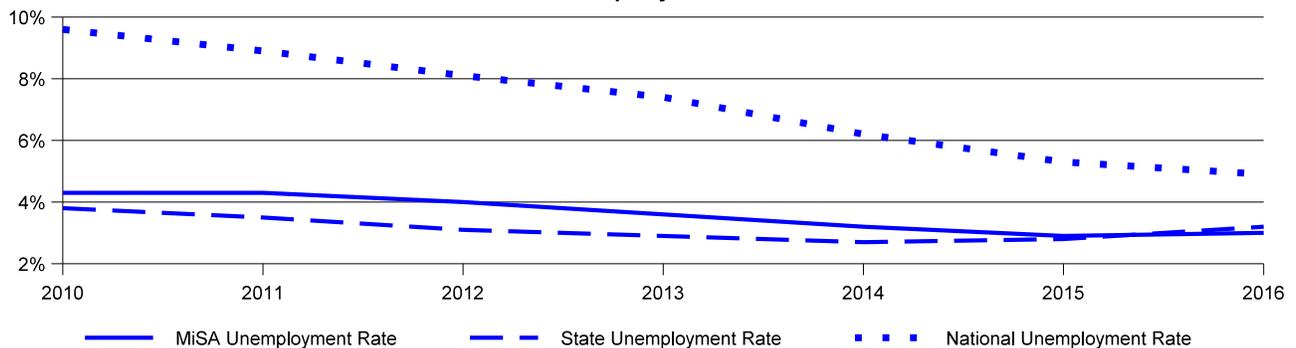


Wahpeton has experienced some fluctuation in recent years in the available labor force and the employed work force. Between 2010 and 2016, the last full year of data, the City’s labor force decreased by 2.1%, or 267 people. However, the resident labor force reached its recent low point in 2014, before once again starting to grow in size. From its recent low in 2014, the labor force has increased by nearly 500 people.

The same basic pattern has generally been evident in the employed work force. After continually decreasing from 2010 to 2014, the number of employed Micro Area residents then began to increase once again, and from 2014 through 2016, the Area added more than 500 employed residents. However, when compared back to 2010, the Micro Area has slightly fewer employed people.

With overall reductions to both the available labor force and the employed work force so far this decade, the Micro Area’s unemployment rate has remained low. Throughout the time period reviewed, the Area’s unemployment rate has been well below the National rate, and in 2016, dropped below the unemployment rate for the State of North Dakota.

Micro Area Annual Unemployment Rate: 2010 to 2016



Employment and Wages by Industry Sector

The following table shows the annual employment and average annual wages by major employment sector in Richland County in 2016, the last full year of data. Covered employment and wages are based on the location of the job, not the residency of the worker. It is important to note that the major employment sectors listed do not represent all employment in the County.

Table 35 Richland County Average Wages by Industry Detail: 2016		
Industry	2016 Employment	2016 Average Weekly Wage
Total All Industry	7,874	\$775
Construction	496	\$1,000
Education and Health Services	1,802	\$704
Financial Activities	225	\$865
Information	68	\$809
Leisure and Hospitality	987	\$443
Manufacturing	1,855	\$965
Natural Resources, Mining	246	\$745
Other Services	154	\$521
Professional and Business Services	350	\$1,042
Public Administration	305	\$668
Trade, Transportation, Utilities	1,387	\$740

Source: Job Service North Dakota

The average weekly wage for all industry in 2016 was \$775. At full-time employment this would yield an average annual wage of \$40,300.

The highest paying private industry sectors were Professional and Business Service, Construction, and Manufacturing, each with an annual average wage above \$50,000. Manufacturing is also the largest industry supersector for number of employees.

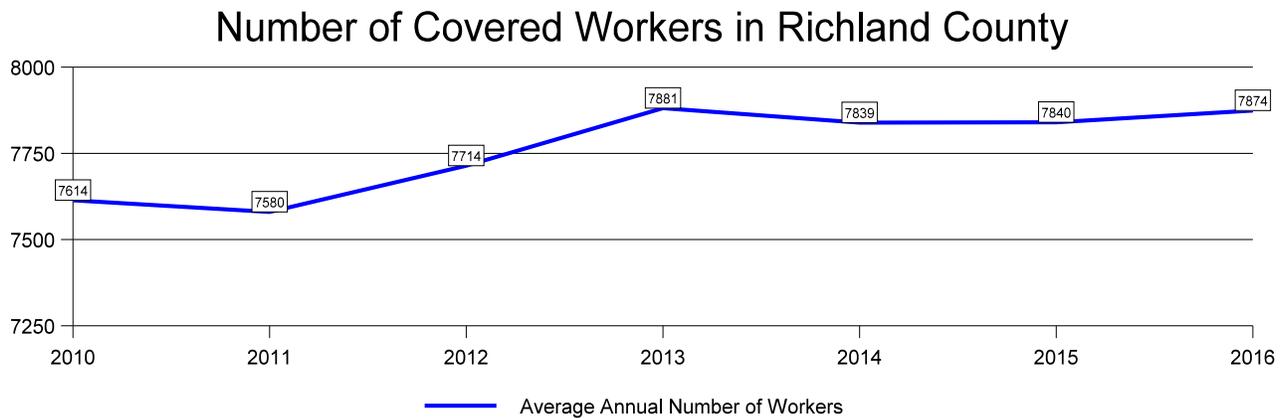
The lowest paying wage sector was Leisure and Hospitality, with an average annual wage of only \$23,000.

This same data source, the Quarterly Census of Employment and Wages, can be used to track the total annual employment in the County over time. This tracks employment that is located in the County.

Table 36 Richland County Average Annual Employment			
Year	Total Covered Employment	Year	Total Covered Employment
2010	7,614	2014	7,839
2011	7,580	2015	7,840
2012	7,714	2016	7,874
2013	7,881	2017	-

Source: SD Department of Labor & Regulation

From 2010 through 2016, there has been some growth in employment, as tracked by reporting for unemployment compensation. If total employment in 2010 is compared to the year 2016, there had been an increase of 260 jobs, or 3.4% over this period.



Major Employers in Wahpeton

Major employers in the City of Wahpeton include the following:

North Dakota State College of Science
Woodcraft Industries, Inc.
Minn-Dak Farmers Co-op
Wahpeton Public Schools
Wal-Mart Supercenter
St. Catherine's Living Center
ComDel Innovation
Econofoods
Comstock Construction of North Dakota
Cargill
Wil-Rich LLC
WCCO Belting
Richland County
Sanford Health Wahpeton Clinic
Circle of Nations School

Source: North Dakota Labor Market Information Center

Commuting Patterns of Area Workers

Some information is available on area workers that commute for employment. The first set of information is from the 2015 American Community Survey, and has been examined for the City of Wahpeton. The first table examines travel time for Wahpeton residents, and excludes people that work at home.

Table 37 Commuting Times for Wahpeton Residents - 2015		
Travel Time	Number	Percent
Less than 10 minutes	2,248	55.8%
10 to 19 minutes	1,253	31.1%
20 to 29 minutes	115	2.9%
30 minutes +	414	10.3%
Total	4,030	100%

Source: American Community Survey 5-year estimates

The large majority of Wahpeton residents were commuting less than 20 minutes to work in 2015. Overall, nearly 87% of residents commuted less than 20 minutes to their primary employment. Only 10.3% of the City’s residents had a longer-distance commute of a half hour or more.

The American Community Survey also identifies travel time by location of employment. For people that worked in Wahpeton, the following travel times were identified. This would include people that both lived and worked in the City

Table 38 Commuting Times for Wahpeton Employees - 2015		
Travel Time	Number	Percent
Less than 10 minutes	2,357	54.4%
10 to 19 minutes	1,075	24.8%
20 to 29 minutes	321	7.4%
30 minutes +	578	13.3%
Total	4,331	100%

Source: American Community Survey 5-year estimates

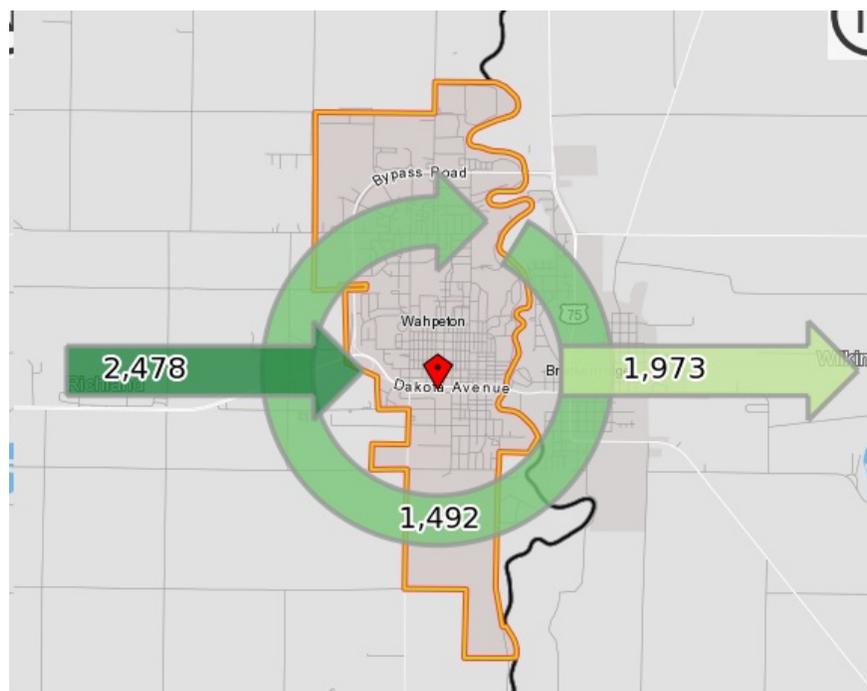
For people that were employed within the City of Wahpeton, nearly 21% traveled 20 minutes or more. Overall, approximately 79% had a travel time of 19 minutes or less. This would include a large number of people that live and work in the City.

Census On the Map

The Census Bureau also produces commuter reports through its Center for Economic Studies division. This information is based on reports for the year 2014, and provides a further breakdown of worker movement patterns.

According to the report for Wahpeton, there were 3,970 people that were employed within the city limits in 2014. Approximately 38% of these Wahpeton-based employees also lived within the City, but nearly 2,500 employees lived outside the City limits and commuted in daily. Fargo, Breckenridge, West Fargo and Fergus Falls were the primary identified locations that were supplying workers to Wahpeton.

Although many Wahpeton residents also worked within the City, nearly 2,000 City residents were commuters and left Wahpeton for their primary job. Among the primary destinations for commuting residents were Breckenridge and Fargo.



Findings on Growth Trends

As part of this Study, Community Partners Research, Inc., has examined growth patterns for Wahpeton, Richland County and the Micro Area over the past few decades. These historic growth trends have then been used as a basis for projecting future demographic changes in the area.

Wahpeton's population decreased by 1.9% from 1990 to 2000. The population decreased from 8,751 in 1990 to 8,586 in 2000. From 2000 to 2010, Wahpeton's population decreased by 820 people, which was a population loss of 9.6%.

Richland County's population decreased from 18,148 in 1990 to 17,998 in 2000, which was a decrease of 0.8%. The population decreased in the 2000s from 17,998 in 2000 to 16,321 in 2010, which was a population loss of 9.3%.

The Micro Area's population decreased from 25,664 in 1990 to 25,136 in 2000, which was a decrease of 2.1%. The population decreased in the 2000s from 25,136 in 2000 to 22,897 in 2010, which was a population loss of 8.9%.

Household levels in Wahpeton, Richland County and the Micro Area increased from 1990 to 2000, but decreased from 2000 to 2010. Wahpeton experienced a gain of 287 households from 1990 to 2000 and a loss of 103 households from 2000 to 2010. Richland County had an increase of 367 households from 1990 to 2000 and a loss of 234 households from 2000 to 2010. The Micro Area added 314 households from 1990 to 2000, but had a decrease of 296 households from 2000 to 2010.

The U.S. Census estimates that Wahpeton and Richland County have reversed the population losses from 2010 and have gained population from 2010 to 2016. The U.S. Census estimates that Wahpeton gained 64 people and Richland County gained 32 people 2010 to 2016. The U.S. Census estimates that the Micro Area had a loss of 186 people from 2010 to 2016.

Community Partners Research, Inc., estimates that from 2010 to 2017, Wahpeton gained 44 households and the Mirco Area had a minimal loss of two households.

Findings on Projected Growth

This Study has utilized Community Partners Research, Inc. growth projections for Wahpeton and the Micro Area. Community Partners Research, Inc., projects that Wahpeton's population will increase by 50 people through the year 2022. The household projections expect a gain of 55 households from 2017 to 2022.

The Micro Area is expected to gain approximately 27 people through the year 2022. The Micro Area's household projections expect a gain of 65 households from 2017 to 2022.

Summary of Wahpeton’s Growth Projections by Age Group

The Demographic section of this Study presented Wahpeton projection information on anticipated changes by age group from 2017 to 2022. This information can be informative in determining the housing that may be needed due to age patterns of the City’s population.

Consistent with the age distribution data presented earlier, the movement of the “baby boom” generation through the aging cycle should generate much of the City’s growth in households in the age range between 65 and 74 years old. Age projections would expect the City to add approximately 82 households in the 65 to 74 age range from 2017 to 2022.

The age-based projections also expect an increase of 51 households in the 25 to 44 age ranges and a gain of 32 households in the 75 and older age range.

Wahpeton is projected to lose 35 households in the 15 to 24 age range and 75 households in the 45 to 64 age ranges.

The projections assume that historical patterns will continue into the near-future, especially related to household formation and household size within specific age groups. If Wahpeton adds population at a rate that is faster or slower than past patterns would suggest, traditional age-based forecasts would be altered.

<u>Age Range</u>	<u>Projected Change in Wahpeton Households 2017 to 2022</u>
15 to 24	-35
25 to 34	34
35 to 44	17
45 to 54	-55
55 to 64	-20
65 to 74	82
75 and older	<u>32</u>
Total	55

Findings on Unit Demand by Type of Housing

Based on the household by age projections presented earlier, the changing age composition of Wahpeton's population through the projection period will have an impact on demand for housing.

Age 24 and Younger - The projections used for this Study expect a loss of 35 households in the 15 to 24 age range from 2017 to 2022. Past tenure patterns indicate that approximately 92% of these households in Wahpeton will rent their housing. A decrease in the number of households in this age range should mean that rental demand from younger households will decrease during the projection period.

25 to 34 Years Old - The projections show a gain of 34 households in this age range by 2022. Within this age range households often move from rental to ownership housing. The ownership rate among these households in Wahpeton was approximately 45% in 2010. A gain of households within this age range indicates demand for both first-time home buyer and rental opportunities from this age range will increase during the projection period.

35 to 44 Years Old - The projections for this 10-year age cohort expect a gain of 17 households between 2017 and 2022 in Wahpeton. In the past, this age group has had a 60% rate of home ownership in Wahpeton. Households within this range often represent both first-time buyers and households looking to trade-up in housing, selling their starter home for a more expensive house.

45 to 54 Years Old - By 2022, this age cohort will represent the front-end of the "baby bust" generation that followed behind the baby boomers. This age group represents a much smaller segment of the population than the baby boom age group. For Wahpeton, the projections show a loss of 55 households in this age range. This age group historically has had a relatively high rate of home ownership, approximately 68% in Wahpeton in 2010, and will often look for trade-up housing opportunities. A loss in the number of households in this age group indicates that the demand for trade-up housing from this age range will decrease during the projection period.

55 to 64 Years Old - This age range is part of the baby boom generation. The projections show a decrease of 20 households in this 10-year age range by the year 2022 in the City. This age range has traditionally a high rate of home ownership in Wahpeton, at approximately 71% in 2010. Age-appropriate housing, such as town house or twin home units, 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.

65 to 74 Years Old - A significant gain of 82 households is expected by the year 2022 in the 65 to 74 age range. While this group will begin moving to life-cycle housing options as they age, the younger seniors are still predominantly home owners. At the time of the 2010 Census, approximately 71% of the households in this age range owned their housing in Wahpeton. Preferences for age-appropriate units would increase from household growth within this age cohort.

75 Years and Older - There is a projected gain of 32 households in Wahpeton in this age range between 2017 and 2022. In the past, the older households within this age range have had a relatively low rate of home ownership in Wahpeton. An expansion of housing options for seniors, including high quality rental housing, should appeal to this age group. 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.

These demographic trends will be incorporated into the recommendations that follow later in this section.

Findings on Housing Unit Demand and Tenure

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

Demand from Growth - The household projections used for this Study expect Wahpeton to gain 55 households and the Micro Area will gain 65 households from 2017 to 2022. Household growth in Wahpeton and the Micro Area will yield demand for new housing production in Wahpeton.

Replacement of Lost Owner-Occupancy Units - It is 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. In Wahpeton, some dilapidated housing has been demolished, and more units will be removed in the future. As a result, we have included an allowance for unit replacement in the recommendations that follow.

Replacement of Lost Renter-Occupancy Units - It is also difficult to accurately quantify the number of units that are lost from the rental housing stock on an annual basis, however, we are projecting that rental units will be removed from the rental inventory over the next several years. As a result, we have included a minor allowance for unit replacement in the recommendations that follow.

Pent-Up Demand - The third primary demand-generator for new housing is caused by unmet need among existing households, or pent-up demand. Household growth and shifting age patterns have created demand for certain types of age-appropriate housing in Wahpeton. We have included our estimates of pent-up demand into the specific recommendations that follow later in this section.

Strengths for Housing Development

The following strengths for the City of Wahpeton were identified through statistical data, information from the Wahpeton/Breckenridge 2010 Housing Study, local interviews, research and on-site review of the local housing stock.

- ▶ **Wahpeton serves as a small regional center** - Wahpeton provides employment opportunities, retail/service options, health and professional services, governmental services, recreational facilities and cultural amenities for a geographical area that surrounds the City.
- ▶ **Affordable priced housing stock** - The City of Wahpeton has a stock of affordable, existing houses. Our analysis shows that the City's median home value based on 2017 sales is approximately \$143,535. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Public school system** - Wahpeton has an excellent public K-12 school system.
- ▶ **North Dakota State College of Science (NDSCS)** - NDSCS is an excellent two-year accredited college.
- ▶ **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, medical and entertainment facilities and opportunities.
- ▶ **Infrastructure** - Wahpeton's water and sewer infrastructure is in excellent condition and can accommodate future expansion.
- ▶ **Commercial development** - Wahpeton's commercial district is adequate to meet daily needs and commercial development is ongoing.
- ▶ **Employers** - Wahpeton has employers that provide job opportunities for local residents.
- ▶ **Commuters** - Nearly 2,500 employees are commuting into Wahpeton daily for work. These commuters are a potential market for future housing construction.

- ▶ **Wahpeton Economic Development Commission and the Wahpeton Community Development Corporation** - The Wahpeton Economic Development Commission and the Wahpeton Community Development Corporation have been active in developing and expanding business opportunities and residential development.
- ▶ **Housing Agencies** - Several housing agencies have been active in the past in addressing Wahpeton's housing needs.
- ▶ **Population and household growth** - Wahpeton is projected to add people and households over the next five years.
- ▶ **Health facilities** - Wahpeton has excellent health facilities including a hospital, a medical clinic, assisted living and a nursing home.
- ▶ **Active builders and developers** - Wahpeton has active housing builders that are willing to invest in new housing construction.
- ▶ **Desirable location for seniors and retirees** - Wahpeton is an attractive option for seniors as a retirement location. As a provider of health, retail and governmental services and senior housing options, the City has amenities that are attractive for seniors as they age.
- ▶ **Proactive city involvement** - The City and housing stakeholders have a track record of being proactive in developing housing opportunities including rental housing and subdivision development.
- ▶ **Tourism** - Wahpeton has several tourism attractions including the Chahinkapa Zoo, the Kidder Recreation Area, the Bois De Sioux Golf Course, etc.
- ▶ **Incentives** - The City of Wahpeton is providing tax incentives to promote new rental housing.
- ▶ **Home prices** - The median sale price in Wahpeton is \$143,535, which provides confidence for developers, builders and households to construct new homes.
- ▶ **Flood Protection/Mitigation** - Wahpeton and Breckenridge have undertaken a flood control project that has resulted in the City of Wahpeton being removed from the 100-year flood plain.

Barriers or Limitations to Housing Activities

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

- ▶ **Competition with Breckenridge and surrounding communities** - Wahpeton is competing with Breckenridge as well as other surrounding communities for new residents and household growth.
- ▶ **Competition with Fergus Falls and Fargo/Moorhead** - Although it is an asset to be located within commuting distance of Fergus Falls and Fargo/Moorhead, it is also a barrier to new housing construction. These cities have more employment, service, retail and entertainment opportunities. The amenities Fergus Falls and Fargo/Moorhead have to offer can make them the preferred location for many households.
- ▶ **Age and condition of the rental housing stock** - While the existing rental stock is affordable, some of this housing is in need of improvements to meet expectations of potential renters.
- ▶ **Low rent structure** - The area's rent structure is relatively low, which makes it difficult to construct new rental housing.
- ▶ **Lower paying jobs** - Although Wahpeton has job opportunities, some jobs are at the lower end of the pay scale and employees with these jobs have limited housing choices.
- ▶ **Housing Agencies** - Although the City of Wahpeton has access to several housing agencies, these agencies housing activities have been limited over the past several years.
- ▶ **Adequate land for development** - The City of Wahpeton has limited available land for future housing development.

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 Wahpeton. They are based on the following strategies:

- ▶ **Focus heavily on the preservation, maintenance and improvement of the housing stock that already exists** - While significant 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 self-contained community to provide housing opportunities for all ages and household types. These housing opportunities enable a community to thrive, 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 into the future.
- ▶ **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.
- ▶ **Prioritize community housing goals** - Many of the recommendations in the Study will require staff-intensive efforts. The City should prioritize its housing goals and 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. These findings/recommendations have been divided into the following five categories and include 28 recommendations:

- ▶ **Rental Housing Development**
- ▶ **Single Family Housing Development**
- ▶ **Home Ownership Recommendations**
- ▶ **Housing Rehabilitation and Neighborhood Revitalization**
- ▶ **Other Housing Issues**

The findings/recommendations for each category are as follows:

Findings and Recommendations for the City of Wahpeton	
Rental Housing Recommendations	
1.	Develop 28 to 32 general occupancy conventional market rate rental housing units
2.	Monitor the need for additional tax credit/moderate rent housing units
3.	Develop 10 to 12 senior independent rental units
4.	Monitor the need for subsidized rental housing units
5.	Preserve the existing supply of subsidized rental housing
6.	Support the development of additional senior housing with services
7.	Promote the development/conversion of 10 to 12 affordable market rate rental units
8.	Promote the development of a mixed-use commercial/housing project
9.	Continue to utilize the Housing Choice Voucher Program
10.	Student housing

Findings and Recommendations for the City of Wahpeton	
Single Family Housing Development	
11.	Findings on lot availability and development
12.	Strategies to encourage continued residential lot sales and new home construction in Wahpeton
13.	Promote twin home/town house development
14.	Consider the development of an affordable modular subdivision
15.	Coordinate with agencies/nonprofits that develop very affordable ownership
Home Ownership Programs	
16.	Continue to utilize and promote all programs that assist with home ownership
17.	Develop a purchase/rehabilitation program
18.	Consider the development of a local down payment assistance program
Housing Rehabilitation and Neighborhood Revitalization	
19.	Promote rental housing rehabilitation
20.	Promote owner-occupied housing rehabilitation programs
21.	Develop a neighborhood revitalization program
22.	Continue to acquire and demolish dilapidated structures
23.	Consider the adoption of a Landlord/Quality of Life Ordinance
Other Housing Initiatives	
24.	Promote employer involvement in housing programs
25.	Develop mobile home park improvement programs
26.	Create a plan and a coordinated effort among housing agencies
27.	Strategies for downtown redevelopment
28.	Develop home ownership and new construction marketing programs and strategies

More detail on these recommendations is provided in the following section. Prior to the specific recommendations, a summary of some of the key growth-related findings and projections has been presented.

Wahpeton Rental Housing Development

Rental Housing Development

Overview: In recent decades it has been difficult for most cities to produce new rental housing units that are viewed as “affordable” when compared to existing rental housing. A number of factors, including federal tax policy, state property tax rates, high construction costs and a low rent structure, have all contributed to the difficulty in developing rental housing in most North Dakota communities.

However, approximately 196 rental units have been constructed in Wahpeton since 2010. The 196 units constructed in Wahpeton since 2010 include:

- ▶ **Westdale Apartments** - 78 market rate general occupancy units in two 39-unit buildings
- ▶ **Kennedy Park Townhomes** - 40 general occupancy tax credit units in four 10-plexes
- ▶ **The Village at Rivers Edge** - 30 market rate units for tenants age 55 and older in one 30-unit building
- ▶ **Lindenwood and Elmwood** - 16 market rate units for tenants age 55 and older in two 8-plexes
- ▶ **Siena Court Assisted Living** - a 32-unit assisted living project

In addition to the 196 units constructed since 2010, 24 market rate units will be constructed in the City’s Renaissance Zone, and a vacant existing 24-unit rental building is being totally renovated. Additionally, a developer is planning to construct units in Breckenridge.

Demand for new rental housing is typically generated from three factors:

- ▶ Growth from new households
- ▶ Replacement of lost units
- ▶ Pent-up demand from existing households

The household summary provided earlier in this section has projected that the Micro Area will add approximately 65 households over the next five years. We are also projecting that approximately 50% of these households will be renters. Therefore, there will be a demand for approximately 33 additional rental units in Wahpeton due to household growth over the five-year projection period.

Demand created by replacement of lost units is difficult to determine, but the best available evidence suggests that Wahpeton will lose as many as 25 to 30 units over the next five years. As a result, approximately 25 to 30 additional units will be needed over the next five years to replace lost units. In some cases, this unit replacement will be necessary as existing units are removed from the inventory through demolition. In other cases, this replacement is appropriate due to the deteriorating condition of older, substandard rental housing that should be removed from the occupied stock. Rental units will also be lost due to rental units converting to owner-occupancy.

Pent-up demand also exists. As part of this study, a rental survey was conducted in Wahpeton. We have identified demand for new general occupancy market rate units, senior market rate units, and senior with services units.

The City of Wahpeton is projected to gain approximately 55 households and the Micro Area is projected to gain approximately 65 households through 2022. With an above average vacancy rate and the projected modest gain of households in Wahpeton and the Micro Area, as we did in the 2010 Housing Study, we continue to recommend several strategies to create a healthy rental market in the City of Wahpeton. These strategies include:

- ▶ **Increase household gains** - The City and all stakeholders should continue to implement all strategies possible to increase household gains including job creation, increasing college enrollment, marketing the community, assuring a healthy housing stock, etc. All of these efforts will continue to 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 Landlord/Tenant Quality of Life Ordinance 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 above average 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 above average rental vacancy rates and is projected to have modest household gains. 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 and keeping existing households

Based on the three demand generators and strategies stated above, we have identified a need for 46 to 54 rental units over the next five years, which is an average of nine to 11 units annually. Based on the factors stated above, we recommend the development of the following new rental units over the next five years from 2018 to 2023.

▶ General Occupancy Market Rate	28-32 units
▶ Conversions (Affordable Market Rate)	10-12 units
▶ Subsidized	0 units
▶ Tax Credit/Moderate Rent	0 units
▶ Senior (Independent)	<u>8-10 units</u>
Total	46-54 units/beds

1. Develop 28 to 32 general occupancy market rate rental units

Findings: Approximately 72% of the rental housing units in the City of Wahpeton can be classified as general occupancy market rate housing. These units are free of any specific occupancy restrictions such as financial status, age, or student enrollment. Market rate housing does not have any form of rent controls, other than those imposed by the competitive marketplace.

Of the total 735 market rate rental units surveyed, we found 56 vacancies, which is a 7.6% vacancy rate, above the healthy vacancy rate of 3% to 5%. The owners and managers of rental properties generally reported high occupancy rates and good demand for rental housing. However, some owners and managers reported demand has decreased over the past several months.

Nine of the vacancies were in Westdale Apartments, which is still in its initial lease-up phase. Also, some of the vacancies were substandard units.

There is a wide rental rate variation in the market rate segment in the City of Wahpeton. The existing rent range in the multi-family rental projects including utilities is \$400 to \$785 for a one-bedroom unit, \$500 to \$960 for a two-bedroom unit, and \$720 to \$1,075 for a three-bedroom unit.

Since 2010, approximately 124 market rate rental units have been constructed in Wahpeton, including Westdale Apartments with 78 units, and 46 senior (55 and older) market rate rental units. Also, a 24-unit general occupancy market rate project will begin construction soon, and a 24-unit market rate project that had only four occupied units is being totally renovated. Also, a developer is planning to construct rental units in Breckenridge.

Recommendation: As stated earlier in this section, rental housing demand is based on household growth, pent-up demand and replacement of housing units that have been demolished or converted. Based on this combination of demand generators, we believe that it is reasonable to plan for the production of a combined total of between 28 to 32 market rate rental units over the next five years from 2018 to 2023.

Although the current vacancy rate for general occupancy market rate units is currently above the healthy vacancy rate of 3% to 5%, some of the vacant units are in the lease-up phase and some of the vacant units are substandard or lack amenities. It is vital for a community to provide new rental housing for households seeking housing with 'State of the Art' amenities, while not over-saturating the rental market to the extent that it will detrimentally impact the existing rental housing stock.

With the influx of new rental housing over the past several years, a modest recommendation of 28 to 32 general occupancy market rate units is warranted. New rental units also tend to raise the overall rent structure, which allows rental property owners to continue to upgrade their rental projects.

Based on our research, the new units constructed over the next five years should continue to include one, two and three-bedroom units. Our rental inventory found very few three-bedroom units in existing rental projects.

Town home style units or high quality apartment buildings are both options in addressing the need for market rate units. The projects, to be successful, should have 'state of the art' amenities. It would be advantageous for new units to be constructed in smaller project phases. This strategy allows the new units to be absorbed into the market.

There are two market rate rental segments in Wahpeton. One segment is seeking a high quality unit and can afford a higher rent. The second segment is seeking work force housing at a more modest rent. This segment may not qualify for subsidized units, but affordability is still an issue.

There is a need to construct both types of market rate rental housing. There is a wide rent range in the following table reflecting the two segments. To construct the workforce housing and charge affordable rents, financial assistance, such as land donations, tax abatement, tax increment financing and other resources may be needed.

The first option to developing market rate housing would be to encourage private developers to undertake the construction of market rate rental housing. Over the past several years, developers have developed market rate rental housing in Wahpeton and several rental property owners expressed interest in constructing additional rental housing in Wahpeton.

If private developers cannot develop affordable workforce rental housing, the Wahpeton Economic Development Commission or a regional housing agency could potentially utilize essential function bonds, or similar funding sources, to construct market rate units.

It may also be possible to utilize Housing Choice Vouchers if some of the new units have rents that are at or below the Fair Market Rents. The Housing Voucher Fair Market Rents currently are \$550 for a one-bedroom, \$690 for a two-bedroom and \$950 for a three-bedroom unit.

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

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One-Bedroom	7-8	700 - 800	\$700 - \$850
Two-Bedroom	15-17	900 - 1,050	\$775 - \$1,000
Three-Bedroom	6-7	1,150 - 1,250	\$900 - \$1,250
Total	28-32		

Note: The recommended rents are gross rents including all utilities. The rents are quoted in 2017 dollars. It is assumed that rents will increase later in the five-year projection period.

2. Monitor the need for additional general occupancy tax credit/moderate rent housing units

Findings: The City of Wahpeton has three tax credit general occupancy rental projects totaling 150 units. Tax credit units are moderate income (workforce) housing and have income limits. The three projects include:

- ▶ **Prairiewood I & II Apartments** - Prairiewood I & II Apartments include 60 units in four 15-unit buildings. The units were constructed in 1995.
- ▶ **Dakota’s Edge Twinhomes** - Dakota’s Edge Twinhomes includes 50 units and was constructed in 1996.
- ▶ **Kennedy Park Townhomes** - Kennedy Park Townhomes includes 40 units in four 10-plexes. The units were constructed in 2016 and 2017 and construction has recently been completed.

In the three projects, there are 12 one-bedroom units, 64 two-bedroom units and 74 three-bedroom units.

At the time of the survey, Prairiewood I & II had 11 vacancies and Dakota’s Edge reported three vacancies. Ten vacancies were reported in Kennedy Park Townhomes, however, this project is in its initial lease-up phase. Rents range from \$450 to \$585 for a one-bedroom unit, \$460 to \$780 for a two-bedroom unit and \$745 to \$835 for a three-bedroom unit.

In addition to the three Wahpeton tax credit projects, one tax credit project is located in Breckenridge. Ridgeview Townhomes is a 13-unit project constructed in 1998. The project has eight two-bedroom units and four three-bedroom units. The rents are \$580 for a two-bedroom unit and \$640 for a three-bedroom unit plus electricity. The manager reported no vacancies at the time of the survey.

Recommendation: There are 150 tax credit units in Wahpeton and 40 of these units have recently been constructed. There are 14 vacant units in the two older tax credit projects. Kennedy Park Townhomes had 10 vacancies, however, the project is in the initial lease-up phase. With the number of tax credit units in Wahpeton, the current vacancies and a new tax credit project recently constructed, we do not recommend the construction of additional tax credit units over the next five years.

We do recommend that the need for additional tax credit units continue to be monitored, as additional units may be needed after the five-year projection period.

3. Develop 10 to 12 senior independent market rate units

Findings: There are three independent senior market rate rental projects in Wahpeton, with a combined total of 70 units. The three projects include:

- ▶ **Fourth Avenue Manor** - Fourth Avenue Manor is a 24-unit project constructed in 2002. There are six one-bedroom units and 18 two-bedroom units. Rents range from \$885 to \$985 plus electricity. The manager reported six vacancies at the time of the survey.
- ▶ **Lindenwood and Elmwood** - Lindenwood and Elmwood include two townhouse 8-plexes constructed in 2011 and 2012. All 16 units have two bedrooms. Rent is \$1,075 to \$1,125 plus heat and electricity. The owner reported no vacancies at the time of the survey.
- ▶ **The Village at Rivers Edge** - The Village at Rivers Edge is a 30-unit project constructed in 2016. The 30 units include one one-bedroom and 29 two-bedroom units. The rent ranges from \$1,250 to \$2,300 plus electricity. Six of the 30 units were rented at the time of the survey, however, the project is still in its initial lease-up phase.

Additionally, there is a 55 and older project in Breckenridge. Willows and Maplewood Senior Living includes 16 units in two townhouse 8-plexes constructed in 2005 and 2008. The rents range from \$995 to \$1,085. The owner reported no vacancies.

In 2017, there were approximately 4,705 households age 55 or older in the Micro Area. It is projected that there will be 274 additional households age 55 and older by 2022.

Recommendation: We are recommending the development of an additional 10 to 12 senior independent townhome units in Wahpeton. Fourth Ave. Manor and the Village at River's Edge are serving the senior population that is seeking apartment style living and the services and amenities provided by these projects. Also, because both of these projects have vacancies, we are projecting these projects will adequately serve the Micro Area over the next five years.

The Lindenwood and Elmwood project in Wahpeton and the Willows and Maplewood Senior Living project in Breckenridge serve the senior townhome market. All of these units are fully occupied and there is pent-up demand for additional townhome 55 and older units. Therefore, we recommend the development of an additional 10 to 12 townhome units for 55 and older over the next five years. The unit design and amenities should be similar to the Lindenwood and Elmwood project, which has been very successful.

4. Monitor the need for subsidized rental housing units

Findings: There are seven federally subsidized rental projects in Wahpeton. Combined, these projects have 267 units of subsidized housing. Six projects with 254 units are general occupancy and one project with 13 units are senior/disabled.

The seven subsidized projects are as follows:

- ▶ **Northland Apartments** - Northland Apartments is a 24-unit general occupancy project constructed in the early 1980s. All 24 units have one bedroom.

- ▶ **Northland Elderly Apartments** - Northland Elderly Apartments is a 13-unit USDA Rural Development senior/disabled project constructed in 1982. The 13 units all have one bedroom.
- ▶ **Evergreen Manor** - Evergreen Manor is a 32-unit HUD Section 8 general occupancy project constructed in 1980. The 32 units include 24 two-bedroom and eight three-bedroom units.
- ▶ **Rainbow Court I and II** - Rainbow Court I and II are HUD Section 8 housing projects with a combined 56 units, constructed in 1977 and 1980. The project was originally a senior/disabled project, but has converted to general occupancy. The 56 units include 50 one-bedroom and six two-bedroom units.
- ▶ **Community Homes** - Community Homes is a 94-unit HUD Section 8 General Occupancy Project constructed in 1971. The project includes two efficiency, 26 one-bedroom, 44 two-bedroom and 22 three-bedroom units.
- ▶ **Southside Villas** - Southside Villas is a 24-unit General Occupancy HUD Section 8 Project constructed in 1980. The project includes four one-bedroom, 16 two-bedroom and four three-bedroom units.
- ▶ **Century Apartments** - Century Apartments is a 24-unit General Occupancy USDA Rural Development/Tax Credit Project constructed in 1978 and renovated in 1998. The project includes two one-bedroom and 22 two-bedroom units.

In addition to the 267 subsidized rental units in Wahpeton, there are 163 subsidized units in Breckenridge. These units are in five projects. The five projects include a senior project with 20 units, a senior/disabled project with 48 units and three general occupancy projects with 95 units.

The majority of the subsidized units have access to project-based rent assistance. These units can charge rent based on 30% of the tenant's household income up to a maximum rent.

Fifty-eight vacancies were identified in the 267 subsidized units in Wahpeton at the time of the survey. This is a vacancy rate of 21.7%.

In addition to the project-based subsidized housing, Richland County households have access to approximately 73 HUD Housing Choice Vouchers (formerly Section 8 Existing Program). A significant majority of these vouchers are being utilized by Wahpeton households.

Wahpeton has lost 42 subsidized housing units since 2010. Thirteen subsidized units at 614 Dakota Ave. and 29 units at Town Square Apartments converted to market rate housing.

Despite the subsidized housing offerings in the City, based on the 2015 American Survey, approximately 27% of the renter households in Wahpeton reported that 30% or more of their income was required to pay housing costs. At that time, most of these households had annual incomes of less than \$25,000, and needed a very affordable unit to avoid a housing cost burden.

Recommendation: We are not recommending the development of additional subsidized rental housing in Wahpeton over the next five years. There are a substantial number of subsidized units in Wahpeton and Breckenridge. Also, the subsidized projects in Wahpeton have a very high vacancy rate.

There could be a need for additional subsidized rental housing if some of the existing subsidized units are lost due to demolition or conversion to market rate. In the recommendation that follows, we have discussed the need to preserve the existing project-based subsidized housing in the community.

We also strongly recommend the ongoing rehabilitation and renovation of subsidized projects as most of these buildings were constructed in the 1970s and 1980s.

The City of Wahpeton and area housing agencies should continue to monitor the need for subsidized housing in the future.

5. Preserve the existing supply of subsidized housing

Findings: The City of Wahpeton has seven “deep subsidy” rental housing projects with 267 units that allow tenants to pay rent based on 30% of income. All of these projects are more than 30 years old and were constructed when the federal government was actively involved in producing low income housing. The seven subsidized projects include six subsidized general occupancy units with 254 units and one senior/disabled project with 13 units. Since the 2010 Wahpeton Housing Study, two projects with 42 subsidized units converted from subsidized to market rate.

The 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.

We believe that all of the “deep subsidy” rental housing projects in Wahpeton are 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. Subsidized housing that is lost cannot be cost-effectively replaced with the low income housing production resources that are available today.

Recommendation: The North Dakota Housing Finance Agency (NDHFA) may know of subsidized housing in North Dakota that is at risk of being lost. NDHFA administers subsidy programs statewide and would therefore be aware of any subsidized housing that is in the process of ending its subsidy contract. USDA Rural Development would know of any projects leaving their subsidy program.

Local and regional housing agencies should check with NDHFA, USDA Rural Development and/or the subsidized project owners on an ongoing basis to determine if any subsidized housing projects are considering the option to drop their subsidy contract. In some communities, public or nonprofit agencies have been able to purchase projects that are at risk of being lost, to preserve their affordable housing resources.

6. Support the development of additional senior housing with services units

Findings: Wahpeton and Breckenridge have six specialized senior housing options, serving residents as they move through the aging cycle. The six existing senior housing with services projects are:

- ▶ **Leach Homes** - Leach Homes is a 39 single room assisted living facility. The facility provides assisted living services including meals, medication management, laundry, 24-hour staffing, bathing, housekeeping, etc.
- ▶ **Siena Court Assisted Living** - Siena Court Assisted Living is a 32-unit assisted living project. The facility was constructed in 2012. Sixteen units offer the full array of senior assisted living services including three daily meals, laundry, housekeeping, medication management, etc. Sixteen units provide basic care, a lighter level of services. The rent and fees are based the type of unit and the level of services. Siena Court Assisted Living is part of the Benedictine Living Community of Wahpeton that includes St. Catherine’s Living Center.
- ▶ **St. Catherine’s Living Center** - St. Catherine’s Living Center is a 66-bed skilled nursing facility. St. Catherine’s Living Center is part of the Benedictine Living Community of Wahpeton that includes Sienna Assisted Living.
- ▶ **Pioneer Senior Cottages** - Pioneer Senior Cottages is a memory care facility constructed in 2006 and has six single rooms and six double rooms for an 18-resident capacity. The facility is secure and includes 24-hour staffing, three daily meals, medication management, bathing, housekeeping, etc.
- ▶ **Twin Town Villa Assisted Living Community** - The Twin Town Villa Assisted Living Community has 61 assisted living units and 20 memory care units. Fifty units were constructed approximately 10 years ago and there was a 31-unit expansion in 2013. The facility offers the full array of senior assisted living services including three daily meals, laundry, housekeeping, medication management, bathing, etc. Residents can also opt for a lighter level of services. The rent and fees are based on the type of unit and the level of services.

- ▶ **St. Francis Nursing Home** - The St. Francis Nursing Home is an 80-bed skilled nursing facility. Staff reports a very high occupancy rate. At the time of the survey, there were no vacant beds. The St. Francis Nursing Home is part of the St. Francis Health Care Campus.

At the time of the survey, the six facilities reported the following vacant units/beds:

- ▶ St. Catherine's Living Center reported seven vacant beds
- ▶ Siena Court Assisted Living reported no vacant beds
- ▶ Leach Home reported several vacant beds, but did not provide a specific number
- ▶ Twin Town Assisted Living reported one vacant unit
- ▶ St. Francis Nursing Home reported two vacancies
- ▶ Pioneer Senior Villages reported two vacancies

We have defined the Micro Area as the Market Area for senior with services housing in Wahpeton. While the Micro Area may not be a perfect indicator of overall demand, it does provide an informative look at planning for specialized senior housing. Based on 2017 estimates from Esri, there are 1,954 older senior citizens, age 75 and above, residing in the Micro Area jurisdictions. This population of older seniors has increased by 19 people since 2010.

The projections contained in this Study anticipate growth in the number of older seniors from 2017 to 2022. For the Micro Area, the age-based forecasts from Esri point to an increase of approximately 150 older senior citizens, age 75 and above, from 2017 to 2022.

Using the current estimates for senior population, the current estimated capture rates for the existing providers are as follows.

Skilled Nursing Beds - When compared to the older senior population in the Micro Area in 2017, the total supply of 146 longer-term nursing home beds in St. Catherine's Living Center and the St. Francis Nursing Home, would require a capture rate of approximately 7.5% of the total population of older seniors (age 75+).

Assisted Living - There are approximately 1,808 older seniors, age 75 and above, in the Micro Area in 2017 that currently are not in nursing homes. There are 116 assisted living units/beds in three Wahpeton and Breckenridge senior with services facilities. In 2017, a capture rate of approximately 6.4% is required to fully occupy the beds.

Basic Care/Light Services - There are 16 basic care/light services beds/units in Siena Court Assisted Living. A capture rate of approximately 1.0% is required to maintain full occupancy. In addition to the basic care beds in Siena Court Assisted Living, residents can move into Twin Town Villas at a lower level of services, although the beds are assisted living beds.

Memory Care - Pioneer Senior Cottages and Twin Town Assisted Living have a total 38 beds for memory care needs that are in a secure environment. A capture rate of approximately 2.0% is required to fully occupy the total 35 memory care beds.

Recommendation: The purpose of the information in this recommendation is to provide general guidance to potential developers. A developer or existing senior with services facility planning the construction of additional units should have a project-specific study conducted which focuses on the specific segment to be served.

Skilled Nursing Home - The research for this Study points to a decreasing reliance on nursing homes as a long-term residence option for older senior citizens. Over time, the nursing homes have tended to use more beds for rehab/recovery stays, or other specialized uses. No recommendations are offered for this type of specialized housing. The Micro Area has two well-established providers, St. Catherine's Living Center and the St. Francis Nursing Home, that serve this section of the market. At the time of the survey, St. Catherine's had seven vacant beds and St. Francis was fully occupied.

Assisted Living, Basic Care/Light Services, Memory Care - The Micro Area appears to be well served with 116 assisted living units/beds, 16 designated basic care/light services units/beds and 38 memory care beds in four facilities.

However, the Directors of the facilities report high occupancy rates. Also, the older senior population will increase over the next five years and will significantly increase after 2022 as the 'baby boom' generation ages and needs senior with services housing. Also, although the Micro Area has been identified as the Market Area for senior with services facilities in Wahpeton and Breckenridge, the facilities are attracting residents from outside the Micro Area which increases demand for senior with services housing. We are aware of a new Breckenridge senior with services project that is in the planning phase. Also, a Wahpeton senior with services facility is in the preliminary planning phase to add units to its facility.

As stated earlier, developers planning new facilities in the Micro Area should conduct specific studies that address the project they are proposing including type of units, number of units, the Market Area, capture rates, rents and fees, etc.

7. Promote the development/conversion of 10 to 12 affordable market rate rental housing units

Findings: The market rate recommendation addressed the market potential to develop high quality rental units in Wahpeton. Unfortunately, these units would tend to be beyond the financial capability of many area renters. A majority of Wahpeton’s renter households have an annual income below \$25,000. These households would need a rental unit at \$625 per month or less.

There is evidence that Wahpeton has lost rental housing over the years due to redevelopment or due to deterioration and demolition. Part of the need for additional rental units in Wahpeton is to provide for unit replacement. Unfortunately, most of the lost units are probably very affordable, and new construction will not replace these units in a similar price range.

Recommendation: We encourage the City of Wahpeton to promote the development/conversion of more affordable rental units. A goal of 10 to 12 units over the next five years would help to replace affordable housing that has been lost.

It would be difficult to create units through new construction. Instead, it may be more practical to work on building renovation or conversion projects that can create housing. This opportunity may arise in downtown buildings, or through the purchase and rehabilitation of existing single family homes.

Several of Wahpeton’s downtown buildings have potential on the upper floors to convert space into rental housing or to rehabilitate rental housing that has been vacant. Since 2000 several upper floors of buildings in downtown Wahpeton have been converted to rental housing. Although this recommendation is promoting the development of affordable rental housing, several Wahpeton downtown conversions could be high end rental housing.

The estimated prevailing rent range for older rental units in Wahpeton is typically between \$400 and \$650 per month. Creating some additional units with contract rents below \$625 per month would help to expand the choices available to many of Wahpeton's renter households.

It is probable that the proposed rent structure for some units could only be obtained with financial commitments from other sources such as tax increment financing, property tax deferral, and other financial resources from funding agencies such as the North Dakota Housing Finance Agency.

8. Promote the development of a Downtown Mixed-Use Commercial/Housing Project in Wahpeton

Findings: The City of Wahpeton has undertaken projects in the Downtown Business District to revitalize the downtown and to develop a more active and vibrant downtown area. A new mixed-use rental housing/commercial project would complement these redevelopment efforts. Currently, there are several existing mixed-use buildings downtown.

New mixed use projects have been developed in several cities comparable to the size of Wahpeton. Some of these projects were developed because of market demand, while others were developed to enhance the downtown, to introduce a new product to the market or to serve as a catalyst for downtown redevelopment. Also, there is a demand for downtown rental housing.

There may be parcels downtown suitable for a mixed-use project. Also, a dilapidated downtown building or buildings could be demolished downtown to provide a site for a new mixed-use building.

Recommendation: We recommend the development of a mixed-use building in the downtown area, which includes commercial space on the first floor and rental units on the second floor. The number of units would be based on the size of the site. Prior to construction, a portion of the commercial space should be leased to an anchor tenant who would complement existing downtown businesses and attract people to downtown.

The rental units should be primarily market rate units, but could be mixed income with some moderate income units. The units should be one-bedroom and two-bedroom units.

Please note that these units are not in addition to the units recommended in the market rate rental recommendations of this section. If a mixed use building was constructed, the number of units recommended previously should be reduced.

Ideally, a private developer would construct and own the building. The City may have a role in the project by providing tax increment financing, tax abatement, or other local funds and land at a reduced price.

9. Continue to utilize the Housing Choice Voucher Program

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 administered in Wahpeton and Richland County by the Richland Housing Authority. At the time of the research for this Study, it is estimated that 73 Richland County households were utilizing the Housing Voucher Program, a significant majority of which are in Wahpeton.

Recommendation: The City of Wahpeton should work with rental property owners to assure that renter households are aware of the Housing Choice Voucher Program and have the opportunity to apply for a Voucher.

The Voucher Program currently does not have a waiting list, thus, a household may be immediately eligible for a voucher.

10. Student Housing

Findings: North Dakota State College of Science (NDSCS) has approximately 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 upcoming school year on-campus housing will be at approximately a 74% occupancy rate. The apartments are almost fully occupied, thus, the majority of the vacancies are in the residence halls. The Director also stated that students who choose to live off-campus have reported that they have not had difficulty finding suitable rental units.

The enrollment at NDSCS has been stable or increasing, however, some of the enrollment is located in Fargo. Also, some students are taking classes on-line and are not on campus.

Recommendation: Based on our research, NDSCS students have on-campus and off-campus housing options and the current supply of housing is meeting the students housing needs. We recommend that the City of Wahpeton continue to work with the NDSCS administration to assure that students continue to have adequate housing options.

We also recommend that the City of Wahpeton continue to foster good communication between students, rental housing owners, neighborhood residents, and NDSCS.

A variety of housing options will assist NDSCS with maintaining a stable to increasing student enrollment.

Wahpeton Single Family Housing Development

New Housing Construction

Findings: Wahpeton has experienced some single family housing construction over the past 18 years. According to City and U.S. Census records, from 2000 to 2010, approximately 84 owner-occupied single family units including twin homes were constructed in Wahpeton, which is an average of seven to eight units annually. From 2011 to 2017, approximately 59 owner-occupied units have been constructed, which is an average of eight to nine units annually.

The Wahpeton area has many attractive features and qualities, including available jobs, high amenity lots, strong home values, projected household growth, the City’s status as a small regional center and a past history of housing development. The efforts of local stakeholders, including developers and builders, should result in the continued construction of owner-occupied single family housing units over the five-year projection period. However, attractive residential lot options must continue to be available for new home construction.

Household growth is projected in Wahpeton in the 25 to 44 age ranges over the next five years. Households in these age ranges are typically first-time home buyers or are in the market for trade-up, higher-priced housing. Growth is also projected in the 65 to 74 age range. Households in this age range are often seeking low maintenance housing such as twin homes and townhomes.

It is our opinion that if the City of Wahpeton, the Economic Development Commission (EDC), the Community Development Corporation (CDC), developers, builders, and local and regional housing agencies continue to be proactive, an average of 11 to 14 single family housing units could be constructed in Wahpeton annually from 2018 to 2023 to address demand. This is a total of 55 to 70 housing units over the five-year period.

Our projection for owner-occupancy new single family housing units 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 11 to 14 new housing units annually is as follows:

▶ Higher & moderate-price homes	3-4 homes
▶ Affordable homes	5-6 homes
▶ Twin homes/town homes	<u>3-4 units</u>
Total	11-14 homes/ units

11. Findings on lot availability and lot 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, based on our research, there are approximately 40 lots that already exist or are in the development pipeline. These lots are in the Oakwood and Rosewood subdivisions, as well as in the new Westdale subdivision which is adjacent to Wal-Mart.

There are also miscellaneous infill lots scattered around the City that we did not attempt to count. We do not know the availability of some of these infill lots. Also, there are dilapidated homes in the City. If these homes are demolished, some of the cleared lots may be sites for new construction.

Recommendation: We generally use a standard that a 2 ½ year supply of lots should be available in the marketplace based on annual lot usage. With projections that 11 to 14 new single family housing units could be constructed per year, the City should have approximately 28 to 35 residential lots available to meet the expected demand. Part of this demand would be for attached unit construction.

With approximately 40 lots available now or in near-future, plus infill lots, the City has an adequate supply of lots for the next 2 ½ years. However, with the projections that 11 to 14 new single family units will be constructed annually, there may be a need for additional lots after approximately three years. Also, the majority of the available lots are in one location, the Westdale Subdivision, and it is vital to provide lot options for builders and home buyers in various areas of the City for houses in a range of sizes and price ranges. Although there has been an average of eight to nine owner-occupied units constructed in Wahpeton since 2010, there have been only 11 units constructed over the past three years. Part of the reason for the decrease in new single family housing construction is the lack of lot options.

Therefore, we recommend that the City, the EDC, the CDC, and developers monitor lot sales and new home construction. If new construction projections come to fruition, a plan to develop additional lots should be advanced within the next three years. The developers in Wahpeton have a history of creating lots for new home construction to address demand.

Future lot development should be subject to the following considerations:

- ▶ Lots should be developed in small phases, based on actual demand.
- ▶ The lots must include as many high quality amenities as financially feasible.
- ▶ The lots should have covenants that assure high quality development. However, the covenants should not be so restrictive that they eliminate the target market's ability to construct a home.
- ▶ Some lots should be developed that expand the market by providing an attractive, affordable product.
- ▶ Future lot development should accommodate a variety of home designs and home prices.
- ▶ A cluster of lots should be available for twin home/town home development.
- ▶ Future lot development will need the cooperation of financial institutions, employers, developers, home builders, realtors, the City of Wahpeton, the EDC, and the CDC. Financial assistance such as tax increment financing and tax abatement may be necessary to make the development of lots feasible.

12. Strategies to encourage continued residential lot sales and new home construction in Wahpeton

Findings: Single family construction has been slowing over the past few years. Over the past four years, Wahpeton has averaged three to four new owner-occupied units annually. From 2010 to 2013, an average of 11 owner-occupied single family units were constructed in the City annually.

Recommendation: We recommend that the City of Wahpeton, the EDC, CDC, developers, builders, realtors and other housing stakeholders continue to coordinate efforts to promote lot development, lot sales and housing development.

Our recommendations to continue to promote lots sales and housing development include:

- ▶ ***Competitive pricing*** - There are lots available in communities throughout the region. Some of these lots are being offered for substantially less than their original asking price. To stay competitive, Wahpeton should offer lots at a competitive price.
- ▶ ***Plan for long-term absorption*** - The research completed for this Study expects limited annual absorption of lots in Wahpeton. We are projecting the construction of 11 to 14 housing units per year. It is necessary to view lot sales and housing development as a long-term plan.
- ▶ ***User-Friendly*** - The lot purchase and home building process must be 'user friendly.' This includes the construction of spec homes, builders that are readily available to build custom homes and city regulations that are fair and reasonable. The entire process must be as 'user friendly' as possible to encourage home construction.
- ▶ ***Consider developing an exclusive builder(s) relationship*** - A block of lots could be sold to a builder(s). Momentum can be created when a builder has access to several lots. This allows for marketing opportunities and efficiencies in the home building process. Builders are more willing to enter a market when the lots are attractive and very affordable. Selling a block of lots available to an exclusive builder or developer should be explored.
- ▶ ***Lot availability for twin home/town home development*** - It is our opinion that there will be a demand for twin homes/town homes over the next five years. Lots should be available for a twin home/town home development.
- ▶ ***Range of house prices*** - Lots should be available to as wide a range of home sizes and prices as possible, without compromising the subdivisions. This broadens the lot buyer market. Also, smaller infill lots with fewer amenities should be marketed for affordable homes.
- ▶ ***Provide incentives*** - The City of Wahpeton, the EDC, CDC, developers and area businesses, could provide incentives for households to buy lots and construct homes. Incentives could include reduced hookup and permit fees, reduced lot prices, discounts at area businesses, tax abatements, construction financing, etc.

- ▶ **Marketing** - The City of Wahpeton, the EDC, the CDC and the Chamber of Commerce will need to develop a comprehensive marketing strategy to sell available lots. All stakeholders including developers, realtors, financial institutions, builders, employers, etc. should be included in marketing strategies. In addition to marketing the lots, the City of Wahpeton and its amenities should be marketed.

- ▶ **Consider partnerships that share and split financial risk to construct spec homes** - Spec houses could potentially attract a buyer that is not interested in going through the home building process, but instead wants a turnkey unit. A spec home can also serve as a model, allowing potential home buyers to examine specific floor plans and features in the home before committing to buy. In an attempt to spur spec home construction, some communities have formed partnerships with private home builders to share the financial risks. For example, subdivision owners have been willing to defer the payment for the lot until the spec home is sold. Another builder incentive is for the City to waive any water/sewer hook up fees, special assessment payments and building permit fees until the home is sold. A more aggressive approach is to become directly involved in helping cover the payments on a home builder's construction loan, if the house does not sell within a reasonable period of time. A community risk pool would need to be established for this type of activity. These types of approaches would somewhat reduce the builder's risk, by lowering the upfront development costs. The EDC and local builders have constructed spec homes in Wahpeton in the past and may construct spec homes in the City in the future.

- ▶ **Consider innovative housing developments** - Innovative projects provide unique opportunities for home buyers and can help broaden the housing market.

13. Promote town house and twin home development

Findings: Wahpeton has experienced some attached housing development from 2000 to 2017. Many communities over the past two decades have seen attached housing take an increasingly large share of new construction. In cities the size of Wahpeton, 20% to 25% of the housing starts are typically twin homes/town homes. Over the past 18 years, twin home/town home construction for home ownership in Wahpeton has been approximately 14%.

Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making traditional single family homes available for families. Attached housing may also be an affordable option for younger households.

In 2017, based on Esri estimates, there were 3,413 households in the Micro Area with a head of household in the 55 to 74 year old age ranges and it is estimated that the 55 to 74 age ranges will increase by 184 households in the Micro Area from 2017 to 2022. It is estimated that Wahpeton had 930 households in the 55 to 74 age range in 2017 and the households in the 55 to 74 age ranges will increase by 46 households from 2017 to 2022.

It is important for the City and developers to offer a range of life-cycle housing options as many of these households will be seeking to downsize into low maintenance housing options.

Recommendation: It is our projection that three to four new owner single family units per year should be twin homes or town houses over the next five years, which is a total of 15 to 20 units during the five-year period.

We recommend continued twin home/town home lot 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 at a price that is acceptable to the market

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

It may be advantageous to meet with a group of empty nesters and seniors who are interested in purchasing a twin home or town home to solicit their ideas.

14. Consider the development of an affordable manufactured home cooperative subdivision

Findings: Providing affordable new construction ownership options in Wahpeton is a critical issue. Households at or near the median income level often do not have the financial ability to afford the costs associated with new housing construction. Many of the stakeholders we interviewed identified a need for affordable new homes in Wahpeton.

The Wahpeton EDC has been working with the Northcountry Cooperative Foundation to plan a 17-lot cooperative affordable manufactured home subdivision. The cost of the new affordable homes would be in a \$160,000 to \$170,000 price range. The EDC has identified a site for the cooperative subdivision.

A market analysis was conducted to determine the feasibility of this proposed subdivision. Also, a significant number of the homes will be pre-sold prior to the start of the development.

Recommendation: We recommend that the City of Wahpeton, the EDC and the Northcountry Cooperative Foundation continue their efforts to develop an affordable manufactured home cooperative subdivision.

The cooperative subdivision is an innovative option that will provide affordable new housing. To be successful, the subdivision and the homes should have as many amenities as possible. Also, the City of Wahpeton must play an active role in the marketing and pre-sales of homes.

15. Coordinate with agencies/nonprofits that develop affordable housing

Findings: With the difficulty of producing new housing units that are affordable to moderate income households, it is important to take advantage of opportunities presented by housing agencies and nonprofit groups such as Habitat for Humanity, the Region V Community Development Corporation and the Northcountry Cooperative Foundation. These sources can help generate new homes for moderate income families in Wahpeton. The Region V Community Development Corporation has constructed affordable homes in Wahpeton in the past.

Recommendation: We recommend that the City coordinate with housing agencies, nonprofit groups and private sector builders to produce housing units for moderate income ownership. The City could contribute to the project through land donations, TIF, tax abatement, or project coordination activities.

If dilapidated homes are demolished, some of the cleared lots may be suitable for redevelopment and these in-fill lots may be good sites for this type of new construction activity.

Wahpeton Home Ownership

Home Ownership

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 approximately \$143,535, based on recent sales activity. The home values in Wahpeton provide some limited opportunities for first time buyers and households seeking moderately priced homes.

Our analysis of Wahpeton demographic trends projects a significant increase over the next five years in the number of households in the 25 to 44 age ranges. Some of these households are first-time home buyers. Some household in these age ranges, as well as households in other age ranges 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.

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

16. Continue to utilize and promote all programs that assist with home ownership

Findings: We believe that affordable home ownership is one of the major issues facing Wahpeton in the future. Home ownership is generally the preferred housing option for most households and most communities. There are a number of strategies and programs that can be used to promote home ownership programs, and can assist with this effort.

First time home buyer assistance, down payment assistance, low interest loans and home ownership counseling and training programs can help to address affordable housing issues. The City of Wahpeton has a supply of houses that are suitable for these assistance programs, due to the high prices that exist. However, the home value estimates used in this study indicate that some of the existing stock is more affordable and suitable for the first-time home buyer assistance programs.

While these individual home ownership assistance programs may not generate a large volume of new ownership activity, the combination of below-market mortgage loans, 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: The City of Wahpeton should work with area and regional housing agencies, the North Dakota Housing Finance Agency, USDA Rural Development and local financial institutions to utilize all available home ownership assistance programs. Private and nonprofit agencies should also be encouraged to provide home ownership opportunities.

The City of Wahpeton should also work with housing agencies to assure that Wahpeton residents are receiving their share of resources that are available in the region.

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

17. Develop a Purchase/Rehabilitation Program

Findings: The City of Wahpeton has a limited stock of older, lower valued homes, some of which need repairs. As some lower valued homes come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

Some communities with a stock of older homes that need rehabilitation have developed a purchase/rehabilitation program. Under a purchase/rehabilitation program, the City or a housing agency purchases an existing home that needs rehabilitation, rehabilitates the home, sells the home to a low/moderate income family and provides a mortgage with no down payment, no interest and a monthly payment that is affordable for the family.

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

Recommendation: We recommend that Wahpeton work with a housing agency to develop and implement a purchase/rehab program. 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, a majority of survey respondents who were renters, indicated an interest in buying a home in need of repair, if rehabilitation assistance was available.

A purchase/rehabilitation program achieves several goals. The program encourages home ownership, prevents substandard homes from becoming rental properties and rehabilitates homes that are currently substandard.

Because a purchase/rehabilitation program can be expensive and its cost effectiveness in some cases may be marginal, it may be advantageous in some cases to directly assist low and moderate income households with purchasing and rehabilitating homes. Area housing agencies and financial institutions could offer some rehabilitation assistance in conjunction with first-time home buyer programs to make the City's older housing a more attractive option for potential home buyers. Also, USDA Rural Development provides purchase/rehabilitation loans to low and moderate income buyers.

Also, some private individuals on a limited basis have purchased homes in Wahpeton, rehabbed the homes and have then sold the homes. There may be an opportunity for local housing agencies to financially assist the private sector with purchasing, rehabilitating and selling homes. This may increase the inventory of substandard homes that economically can be rehabilitated and sold.

18. Consider the development of a local down payment assistance program

Findings: One of the 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 and some conventional loans require a lower loan-to-value ratio.

There are examples of cities and counties that have created a local fund to assist home owners with a down payment assistance program. Under these programs the city or county establishes a loan pool. Eligible applicants are provided a “soft second” loan that can be applied to a home purchase.

This down payment/closing cost loan is typically secured against the property, behind the primary mortgage. Repayment can be triggered if the buyer sells the home within a certain period of time, but often the loan is forgiven if the borrower meets the basic program requirements. In other cases, the loan may need to be repaid after a certain period of time, or when the borrower sells or transfers the house in the future. Loans with repayment requirements typically do not accrue interest. The size of the loan is generally \$5,000 or less, but depends upon the resources that are available for the loan pool.

Recommendation: We recommend that the City of Wahpeton consider the development of a local down payment/closing cost assistance program. Following the collapse of the national housing bubble, and resulting rise in foreclosures, more stringent lending criteria now apply to many conventional mortgage loans, and a larger borrower contribution may be required.

Major local employers, the Federal Home Loan Bank, the North Dakota Housing Finance Agency, the Wahpeton EDC and local employers may be potential sources to contribute to the fund. In some communities, recaptured grant funds have also been used to create a loan pool.

Wahpeton Housing Rehabilitation and Neighborhood Revitalization

Housing Rehabilitation and Neighborhood Revitalization

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. Investment in housing rehabilitation activities will be critical to offering affordable housing opportunities.

It is our opinion that Wahpeton and area housing agencies will need to make housing rehabilitation a priority in the future. New housing construction that has occurred is often in a price range that is beyond the affordability level for many Wahpeton households. Housing options for households at or below the median income level will largely be met by the existing, more affordable housing stock. As this existing stock ages, more maintenance and repair will be required. Without rehabilitation assistance, there is a chance that this affordable stock could shrink, creating an even more difficult affordability situation.

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

19. Promote rental housing rehabilitation

Findings: Based on the U.S. Census and City of Wahpeton data, the City of Wahpeton has approximately 1,815 rental units in 2017. We have estimated that the 1,815 rental units represent approximately 48% of all housing options in the City. These rental buildings are in multi-family projects, small rental buildings, duplexes, single family homes, mobile homes and mixed-use buildings. Many of these rental structures could benefit from rehabilitation as a significant number of these rental structures are more than 30 years old and some rental units may be in poor condition. Wahpeton has approximately 1,380 rental units more than 30 years old, which is 76% of Wahpeton's total rental housing stock.

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

With rental housing demand from students decreasing and the construction of new rental housing in Wahpeton, it is necessary to maintain and improve the existing rental housing stock to keep it a viable housing option in the future. A local individual is currently renovating a 24-unit rental housing project that was largely vacant.

Recommendation: The City of Wahpeton should work with housing agencies and financial institutions to seek funds that allow for program design flexibility that make a rental rehabilitation program workable. Potential funding sources may include USDA Rural Development, HUD, the North Dakota Housing Finance Agency, the Federal Home Loan Bank and local funds. The City should consider developing a local rental rehabilitation program and incentives that assist rental property owners with the renovation of their properties. The City should also assist the private sector in identifying rental housing that is feasible to rehabilitate and rental housing that should be demolished and removed from the housing stock.

Some communities have also established rental housing inspection and registration programs that require periodic inspections to assure that rental housing is maintained and meets applicable codes and standards.

20. Promote owner-occupied housing rehabilitation programs

Findings: The affordability and quality of the existing housing stock in Wahpeton will continue to be an attraction for families that are seeking housing in Wahpeton. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities. Wahpeton has approximately 1,750 owner-occupied units that are more than 40 years old. Some of these units need rehabilitation.

The housing condition survey of 714 homes in three of Wahpeton's oldest neighborhoods found 305 homes that need minor repairs and 96 homes that need major repairs. Without rehabilitation assistance, the affordable housing stock will shrink in Wahpeton.

Recommendation: We recommend that the City of Wahpeton continue to seek local, state and federal funds to assist in financing housing rehabilitation and to develop ongoing owner-occupied housing rehabilitation programs. USDA Rural Development, the North Dakota Housing Finance Agency, the Federal Home Loan Bank, HUD, the Southeastern North Dakota Community Action Agency and local funds are potential funding sources.

We also recommend that the City continue to offer and publicize the Home Improvement Partnership Program.

Also, the City of Wahpeton has a Mini-Match Program. Churches and nonprofit organizations can utilize this program to financially assist with the rehabilitation of residential properties.

21. Develop a Neighborhood Revitalization Program

Findings: The City of Wahpeton has neighborhoods that are on “the bubble”. These neighborhoods have a limited number of homes that need rehabilitation or should be demolished. These neighborhoods may also 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: Over the years, there has been housing and neighborhood revitalization projects in the neighborhoods including housing rehabilitation, the demolition of dilapidated housing, the development of new housing and public facility improvements. We recommend that the City of Wahpeton, area housing agencies, and the private housing sector continue these efforts, select a neighborhood and develop and implement a Neighborhood Revitalization Program.

Redevelopment strategies and opportunities should be identified 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 re-zoning, variances and/or re-platting 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. As a neighborhood is revitalized, a new neighborhood can be selected for revitalization.

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.

22. Continue to acquire and demolish dilapidated structures

Findings: The housing condition survey of three older neighborhoods in Wahpeton identified 10 houses that were dilapidated and viewed as too deteriorated to rehabilitate. We also identified 96 homes as needing major repair and several of these homes may be too dilapidated to rehabilitate. It is probable that some additional deteriorated houses exist in other neighborhoods that were not surveyed. There are also rental structures that may be dilapidated and beyond repair that should be demolished.

Recommendation: We recommend that the City of Wahpeton continue to work with property owners to demolish and clear dilapidated structures. The City is enhanced when blighted and dilapidated structures are removed. It is possible that some of the cleared lots could be utilized for the construction of new affordable housing units.

The City could develop partnerships with the private sector and housing agencies to construct new housing on cleared parcels. Tax increment financing, tax abatement, NDHFA funds, Federal Home Loan Bank funds and local funds are potential funding sources for this initiative.

Also, we recommend that the City continue to maintain an inventory of structures that may be candidates for future demolition. Additionally, an inventory of in-fill lots for future development should be maintained.

23. Consider the Adoption of a Landlord/Tenant Quality of Life Ordinance

Findings: A Landlord/Tenant Quality of Life Ordinance can be a valuable tool in improving the quality of a City's rental housing. In 2017, there are approximately 1,815 rental units in Wahpeton, 76% of which are more than 30 years old. Neighborhood deterioration, lower property values and unsafe rental units are often prevented when a Landlord/Tenant Quality of Life Ordinance is successfully implemented.

It is our understanding that the City of Wahpeton has considered adopting a Landlord/Tenant Quality of Life Ordinance in the past, but has made the decision to not go forward with the ordinance.

The need for an ongoing 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

- ▶ A significant majority of the existing rental housing stock in Wahpeton is more than 30 years old.
- ▶ Older housing needs continued rehabilitation and maintenance.
- ▶ Older housing often has difficulty complying with current codes.

Conversions

- ▶ Some of the rental buildings were originally constructed for other uses, including single family homes converted into multiple units, or commercial buildings converted to residential use. In conversion, owners often 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

- ▶ Many of Wahpeton's buyers want more amenities and conveniences, and less maintenance, thus, they are less likely to purchase older homes. Also, there was an increase in foreclosures during the recession. These issues resulted in the conversion of older homes to rental use.

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 have a negative impact on residential neighborhoods.

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 a record of rental units and owners.
- ▶ The program provides a better opportunity for coordination of city programs and codes.

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

Wahpeton Other Housing Initiatives

Other Housing Initiatives

24. Promote employer involvement in housing

Findings: The City of Wahpeton has a number of large employers. The connection between economic development and housing availability has become an increasingly important issue as local employers have the need to attract new workers into the community.

Although the jobs being created may have good wages for the area, many jobs do not pay wages sufficient for workers to buy or improve their housing. Housing for new employees is a concern for employers. It may be advantageous for employers to become involved in housing.

Recommendation: We recommend an ongoing effort to involve employers as partners in addressing Wahpeton's housing needs. Several funding sources have finance programs that include employers. The funding agencies often view applications favorably that include employers in the problem solving process.

Employer involvement can include direct assistance to their employees such as a grant, loan, forgivable loan, deferred loan, down payment assistance, loan guarantee, etc. In many cases, employers do not wish to provide assistance to specific employees, but are willing to contribute to an overall city project, such as work force oriented rental housing, an affordable residential subdivision or local down payment assistance program.

25. Develop mobile home park improvement programs

Findings: Wahpeton has 183 mobile homes in three mobile home parks. Community Partners Research, Inc., conducted a housing condition survey of the mobile/manufactured homes in the City's mobile home parks. Of the 183 mobile/manufactured homes surveyed in the three mobile home parks, 50 (27%) needed minor rehabilitation, 39 (21%) needed major rehabilitation and 24 (13%) were dilapidated and possibly beyond repair. Seventy mobile homes (38%) were sound and in good repair.

In 2010, Community Partners Research, Inc., surveyed the mobile homes in the three parks and 30% needed minor repairs, 35% needed major repairs and 9% were dilapidated and beyond repair. Only 27% were sound and in good repair. Therefore, it appears that the quality of the mobile homes in the mobile home parks have improved over the past seven years.

Recommendation: Addressing the issues created by substandard mobile homes is not easily solved. Some communities have rehabilitated older units, but this is difficult to accomplish because of the type of construction of mobile homes, and it is rarely cost effective.

Some communities have established programs that provide for the purchase and removal of substandard mobile home units, provided a newer unit is purchased to replace the acquired dwelling. While this approach can work well in upgrading the stock, it can be expensive, especially if there are a large number of homes in poor condition.

It may be appropriate for the community to initiate programs to improve the quality of mobile homes, even if these programs can only address a few units per year.

Some of the innovative programs that have been used in other communities to address mobile home conditions and mobile home park issues include:

- ▶ ***Operation Safe Mobile Home Park*** - Owners of substandard mobile homes are given the option of voluntarily selling their substandard mobile home to the City or an area housing agency for a fixed minimum price. The mobile homes are then removed from the park and demolished/salvaged. The owner can then use the funds from the sale to help purchase a new home. Mobile home dealerships have sometimes participated by buying or removing the salvaged homes.
- ▶ ***Time of Sale Inspection Program*** - This inspection program is designed to provide safe living conditions through the identification and elimination of basic life/safety hazards in older mobile homes. Mobile homes are subject to inspection prior to their sale. All identified safety hazards must be corrected before the unit is sold and/or occupied.
- ▶ ***Cooperative/Land Trust*** - Some mobile home parks have created a cooperative or a land trust which enables the home owners to own the mobile home park land and facilities. This ownership often creates pride which results in a clean, safe park atmosphere.
- ▶ ***Acquisition of the Mobile Home Park*** - In some mobile home parks, a number of the mobile homes may be substandard or vacant, and the park may be on land that has a better use. In these situations, it may be advantageous to purchase the park and relocate the remaining tenants.

- ▶ ***Age of mobile/manufactured homes*** - Some cities have adopted regulations that mobile/manufactured homes older than a designated age cannot be moved into the City and mobile/manufactured homes that are not new must be inspected prior to being moved into the City.

26. Create a plan and a coordinated effort among housing agencies

Findings: The City of Wahpeton will continue to need staff resources in addition to existing City staff to plan and implement many of the housing recommendations advanced in this Study.

The City of Wahpeton has access to the Lake Agassiz Housing Corporation, the Region V Community Development Corporation, the Southeastern North Dakota Community Action Agency, the North Dakota Housing Finance Agency and USDA Rural Development. These agencies all have experience with housing and community development programs.

Recommendation: Wahpeton has access to multiple agencies that can assist with addressing housing needs. It is our recommendation that the City prioritize the recommendations of this Study and develop a plan to address the identified housing needs. The Plan should include strategies, time lines and the responsibilities of each agency. It will be important that a coordinated approach be used to prioritize and assign responsibility for housing programs.

It will also be important for the City of Wahpeton to continue to look for opportunities to work cooperatively with Breckenridge and other area cities to address housing issues. With limited staff and resources at both the city and county levels, 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.

27. Strategies for Downtown Redevelopment

Findings: The City of Wahpeton and building owners have been redeveloping and revitalizing the downtown over the years including new public improvements and building renovations. As a result, downtown Wahpeton has buildings that have been renovated and have high quality commercial and/or housing space. However, there are still buildings that have not been maintained and are substandard. This recommendation provides an outline of actions that could be taken to continue to redevelop the downtown, to maximize the usage of downtown buildings, to promote new downtown businesses and to identify and to continue to implement upper floor renovations/conversions for housing.

When households are selecting a city to purchase a home in, they often determine if the city's commercial sector is sufficient to serve their daily needs. A vibrant commercial district is an important factor in their decision making process.

Recommendation: We are recommending the following actions for downtown Wahpeton:

- ▶ Interview all downtown property owners to develop a database and to determine their future plans (expanding, selling, renovations, etc.)
- ▶ Review the plan for the downtown and update it if necessary to address potential new businesses, parking needs, an overall theme, art and cultural opportunities, etc.
- ▶ Develop a mini-plan for each downtown property and each downtown block. This may include:
 - ▶ Commercial building rehab and renovations
 - ▶ Facade work
 - ▶ Upper floor rental unit conversions or rehab
 - ▶ Building demolition
 - ▶ New construction
 - ▶ Recruiting new businesses

- ▶ Identify funding sources
 - ▶ Property owner funds
 - ▶ City EDC and CDC funds
 - ▶ Federal Home Loan Bank
 - ▶ Historic tax credits
 - ▶ Special tax districts
 - ▶ Tax increment financing
 - ▶ Tax abatement
 - ▶ Funds from North Dakota State agencies

- ▶ Work with stakeholders to identify roles, secure funding, develop and implement programs and projects
 - ▶ Property owners
 - ▶ City of Wahpeton
 - ▶ EDC and CDC

28. Develop home ownership and new construction marketing programs and strategies

Findings: Cities that invest in marketing have a competitive advantage. Opportunities to buy or construct a home are sometimes limited because of the lack of information and awareness of financing and incentive programs, homes and 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 intimidating for first-time buyers and builders. It is important for the home buying or home building process to be user-friendly.

The City of Wahpeton, the EDC, the CDC, the Chamber of Commerce, other organizations and agencies, and private builders and developers have been active in promoting the City and its housing opportunities.

Recommendation: We recommend that the stakeholders continue to promote and market housing in Wahpeton as follows:

- ▶ Determine the City’s strengths and competitive advantages and heavily promote them
- ▶ Continue to create marketing materials that can be distributed regionally (including internet, TV, radio, etc.)
- ▶

- ▶ Work closely with employers (Wahpeton and the area) to provide employees (especially new employees) with housing opportunities in Wahpeton
- ▶ Work with housing agencies to provide down payment assistance, low interest loans, home owner education and home owner counseling and other housing programs
- ▶ Consider an annual Housing Fair that provides information on lots, builders, finance programs, etc. Developers, builders, lenders, realtors, public agencies and local businesses could participate
- ▶ Work with builders and developers to make sure the construction of a new home is a very user friendly process
- ▶ Continue to work on the creation of jobs and the development of retail, service and recreational opportunities that make the City a “full service” community
- ▶ Provide attractive lots at an affordable price for a variety of home sizes, styles and price ranges
- ▶ Preserve the quality of existing neighborhoods through the rehabilitation of substandard owner-occupied and rental housing and the demolition of dilapidated owner-occupied and rental structures that are beyond repair
- ▶ Continue to develop new housing choices that serve life-cycle housing needs, such as new rental housing, twin homes, senior with services, etc.
- ▶ Review the City’s policies and fees to assure that they are user-friendly, fair and receptive for developers, builders and households.
- ▶ Develop a coordinated housing plan with the private sector area housing agencies.

Agencies and Resources

Wahpeton Economic Development Commission

1900 Fourth Street North
Wahpeton, ND 58075
(701) 642-8559

Wahpeton Community Development Corporation

1900 Fourth Street North
Wahpeton, ND 58075
(701) 642-8559

Richland County Housing Authority

230 8th Avenue West
West Fargo, ND 58078
(701) 282-3443

Lake Agassiz Housing Corporation

417 Main Avenue
Fargo, ND 58103
(701) 235-1197

Region V Community Development Corporation

3233 South University Drive
Fargo, ND 58104
(701) 232-2452

South Eastern North Dakota Community Action Agency

511 10 ½ Street North
Wahpeton, ND 58074
(701) 642-3497

North Dakota Housing Finance Agency

2624 Vermont Avenue
P.O. Box 1535
Bismarck, ND 58502
(701) 328-8080

USDA Rural Development

1687 Bypass Rd.
Wahpeton, ND 58075
(701) 642-1438