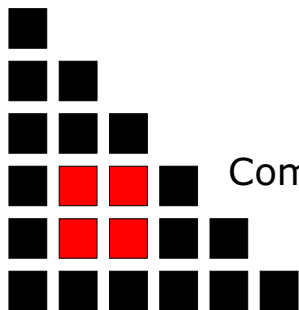


Wahpeton HOUSING STUDY UPDATE

May 2021

An updated analysis of the overall housing needs
of the City of Wahpeton, ND



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 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 Housing Study, last completed in 2017. This 2021 Update examines the housing needs and conditions in Wahpeton using the latest available data.

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 January to April 2021. Data sources included:

- U.S. Census Bureau
- American Community Survey
- Esri, a private data company
- Records and data from the City of Wahpeton
- 2017 Wahpeton 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.

During the course of the research for this project, a global pandemic was occurring, which has had immediate and widespread impacts, including on economic, housing and educational conditions. The longer-term effects of the pandemic cannot be predicted, and the analysts have proceeded with the best information available at the time of the research.

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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 County, ND and Wilkin County, MN. In this Study, the Micropolitan Statistical Area is often referred to as the “Micro Area” or the “MiSA”.

At the time this Housing Study Update was completed, the 2020 U.S. Census had been conducted, but no data had yet been released. As a result, estimates for the years 2019 or 2020 have been used. When detailed tables are released from the 2020 Census this information should be compared to the estimates used for this document.

Although the 2020 Census results are not available, the Census Bureau does produce annual detailed demographic reports through the American Community Survey. There is a data lag on the release and the most recent estimates from the American Community Survey are for 2019, based on surveys collected over a five-year period from 2015 to 2019.

The Census Bureau also produces annual population estimates for individual jurisdictions. These are separate from the American Community Survey. However, the estimates are only available for population, and do not provide any additional demographic details. The most recent estimates are for 2019.

An additional data provider, Esri, Inc., has been reviewed for 2020 estimates. Esri is a private company that produces demographic data reports that are often used by financial institutions. However, after review, Esri’s estimates and projections for the City of Wahpeton were determined to be flawed, and have not been included in the analysis that follows. Esri’s data for the entire Micropolitan Statistical Area (MiSA) is more reliable and has been used.

Market Area Designation

The Office of Management and Budget identifies Richland County, ND and Wilkin County, MN as a Micropolitan Statistical Area (MiSA), known as the Wahpeton Micro Area. Demographic information is sometimes provided for Richland County and the MiSA.

Population Data and Trends

Table 1 Population Trends - 1990 to 2019						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2019 ACS Estimate
Wahpeton	8,751	8,586	-1.9%	7,766	-9.6%	7,802
Richland Co.	18,148	17,998	-0.8%	16,321	-9.3%	16,254
MiSA	25,664	25,136	-2.1%	22,897	-8.9%	22,545

Source: U.S. Census Bureau; American Community Survey

- ▶ In the opinion of the analysts, the American Community Survey provides the best available recent population estimate for Wahpeton. For 2019, this source showed 7,802 people living in the City. When compared to the 2010 Census, Wahpeton had added 36 residents over the decade.
- ▶ In addition to the American Community Survey, the Census Bureau also issues separate population estimates annually. The most recent data from this source showed the City with 7,734 people in 2019, down by 32 people between 2010 and 2019.
- ▶ Although there is a slight difference between the two estimates available from the Census Bureau, both essentially show a stable population level in Wahpeton over the past decade. As will be discussed later in this document, the City has added a substantial number of new housing units and resident households. However, according to the data sources there has been an ongoing trend of fewer people living in the average household which has resulted in little to no growth in the City’s population despite the addition of households since 2010.
- ▶ The relative stability in the number of people living in Wahpeton since 2010 does indicate a change from longer-term patterns, as the City lost residents between 1990 and 2000, and between 2000 and 2010.
- ▶ The Census Bureau’s population estimate for all of Richland County showed a modest decrease in the number of residents. According to the American Community Survey there were 16,254 people living in the County in 2019, down by 67 people from the 2010 Census count.

- ▶ The Census Bureau's 2019 estimates program had a slightly lower population level for Richland County, with an estimate of 16,177 residents, down by 144 people from 2010.
- ▶ The Census Bureau's population estimates for the entire Micropolitan Statistical Area (MiSA) showed a modest reduction in the number of residents. According to the American Community Survey there were 22,545 people living in the two-county area in 2019. The separate annual estimates program from the Census Bureau showed 22,384 people in the MiSA. Depending on which estimate is used, the MiSA had a reduction of between 352 and 513 permanent residents between 2010 and 2019.
- ▶ However, another data source, Esri, shows the estimated population for the MiSA in 2020 at 22,860 people, down by only 37 residents from the 2010 Census.
- ▶ Longer-term, there has been a consistent reduction in the number of people living Richland County and in the two-county MiSA, which also includes Wilkin County, MN.

Population Characteristics

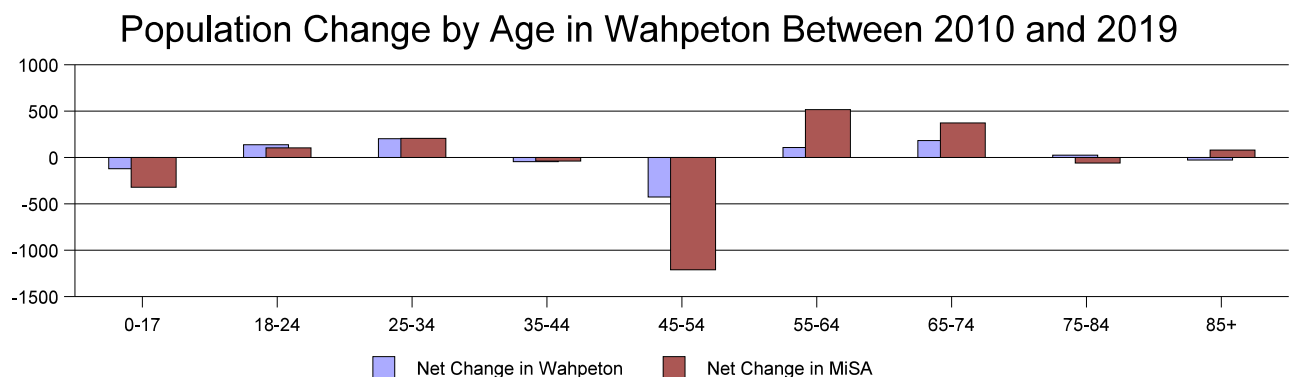
- ▶ According to the 2019 American Community Survey, approximately 89% of the residents in Wahpeton identified their race as White. Fewer than 5% of the City's residents were of Hispanic/Latino ethnicity. Due to the limited racial and ethnic diversity in Wahpeton, no additional demographic data is provided.
- ▶ In 2010, Wahpeton had 918 people living in group quarters. Approximately 83% of these people lived in college housing. Approximately 10% of group quarters residents were in skilled nursing homes. There are no specific estimates for 2019 on the types of group quarters housing, but it is probable that the distribution in 2010 still represents an accurate indication of the City's group quarters population.

Population by Age Trends: 2010 to 2019

The following table compares population by age in 2010 and 2019, along with the numeric changes. The 2019 estimates are from the American Community Survey.

Table 2 Population by Age - 2010 to 2019						
Age	Wahpeton			Micropolitan Statistical Area		
	2010	2019	Change	2010	2019	Change
0-17	1,578	1,457	-121	5,236	4,915	-321
18-24	1,719	1,857	138	2,589	2,693	104
25-34	872	1,074	202	2,313	2,519	206
35-44	723	678	-45	2,469	2,430	-39
45-54	1,022	596	-426	3,775	2,564	-1,211
55-64	872	979	107	2,922	3,438	516
65-74	403	586	183	1,658	2,031	373
75-84	357	382	25	1,302	1,242	-60
85+	220	193	-27	633	713	80
Total	7,766	7,802	36	22,897	22,545	-352

Source: U.S. Census; ACS



From 2010 to 2019, both Wahpeton and the MiSA have experienced a decline in the number of children, age 17 and under. However, there was growth in the young adult ranges between 18 and 24 years old, presumably due in part to an increased post-secondary student population.

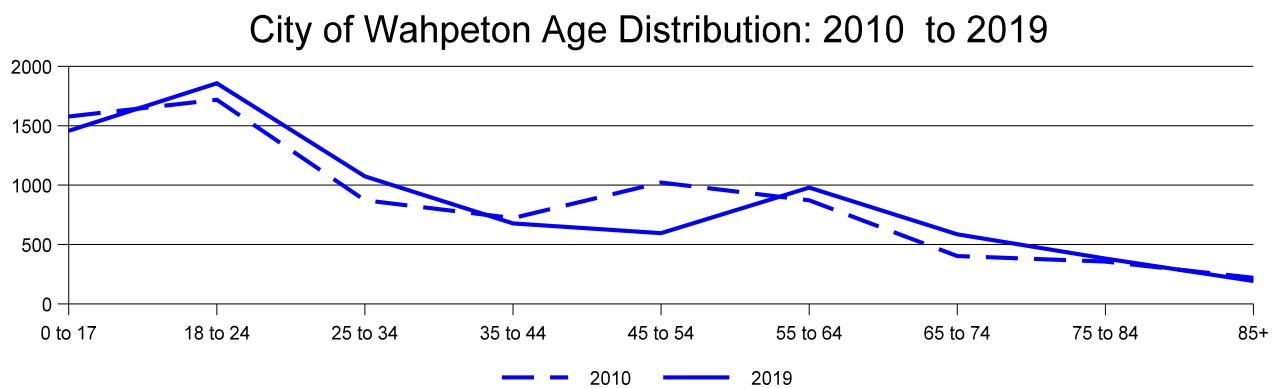
There was also some growth in the younger adult range between 25 and 34 years old. But this was more than offset by population reductions in the next two 10-year age groupings. Very large population declines occurred within the 45 to 54 year old group.

There was solid growth in the 55 to 64 year old range, and in the 65 to 74 year old group. Age progression patterns among the large “baby boom” generation continues to advance a large segment of the area’s population.

Limited change occurred within the older senior citizen groups, age 75 and older, between 2010 and 2019.

If aggregated into larger groupings, the City of Wahpeton had a reduction of more than 250 people in the age ranges 54 and younger, but a net increase of nearly 290 people age 55 and older.

The aging trends present in Wahpeton can be traced between 2010 and 2019. In the City of Wahpeton, the post-secondary student-age population represents the largest demographic segment. However, the advancing wave of the baby boom generation is also evident over time.



Population Projections

Community Partners Research has examined population projections from Esri, Inc., but these are not viewed as reliable. In the following table, a trend-based population projection has been generated by the analysts using the annual rate of change that has been present since 2010.

Table 3 Population Projections Through 2025			
	2019 ACS Estimate	2025 Projection	Change
Wahpeton	7,802	7,826	24
Richland County	16,254	16,210	-44
MiSA	22,545	22,314	-231

Source: American Community Survey; Community Partners Research, Inc.

- ▶ The trend-based projection for the City of Wahpeton expects minor population growth through the year 2025, with the anticipated addition of approximately 24 permanent residents.
- ▶ Both Richland County and the larger MiSA are expected to lose residents, continuing a long-term pattern dating back to at least 1990. By trending forward recent patterns, Richland County would be projected to lose approximately 44 people, while the entire two-county MiSA would be projected to lose 231 permanent residents over the next five years.
- ▶ While not displayed in the table above, a population projection was also obtained from Esri. This source projected that the MiSA would have 22,453 residents in the year 2025. While slightly higher than the trend-based projection, Esri is also expecting a decrease in the area’s population level going forward.

Household Data and Trends

Table 4 Household Trends - 1990 to 2019						
	1990 Households	2000 Households	% Change 1990-2000	2010 Households	% Change 2000-2010	2019 ACS Estimate
Wahpeton	2,967	3,254	9.7%	3,151	-3.2%	3,275
Richland Co.	6,518	6,885	5.6%	6,651	-3.4%	6,777
MiSA	9,323	9,637	3.3%	9,341	-3.1%	9,595

Source: U.S. Census; American Community Survey

- ▶ The 2019 estimate from the American Community Survey shows that Wahpeton added 124 households between 2010 and 2019. If viewed as an annual average, the City added between 13 and 14 households per year over the decade.
- ▶ Despite the gain since 2010, the number of households in Wahpeton was only slightly larger than counted in the 2000 Census, as the City lost households between 2000 and 2010.
- ▶ The American Community Survey also tracked growth for Richland County. According to this source, the County added 126 households between 2010 and 2019. However, all but two of this household gain would be attributed to the City of Wahpeton, so in the remainder of the County the household count has remained stable over the past decade.
- ▶ For the entire MiSA there was an estimated gain of 254 households between 2010 and 2019. If viewed as an annual average the two-county area had growth of approximately 28 households per year. In addition to the household growth in Wahpeton, there has also been an increasing number of households in the Wilkin County portion of the MiSA.
- ▶ Although the entire MiSA has added households since 2010, the estimated household count in 2019 was still lower than recorded in the 2000 Census, as longer-term, the rural areas have been experiencing a deduction of households.
- ▶ A 2020 household estimate was also obtained from Esri for the MiSA. This source showed 9,435 households living in the two-county area, up by only 94 households from the 2010 Census.

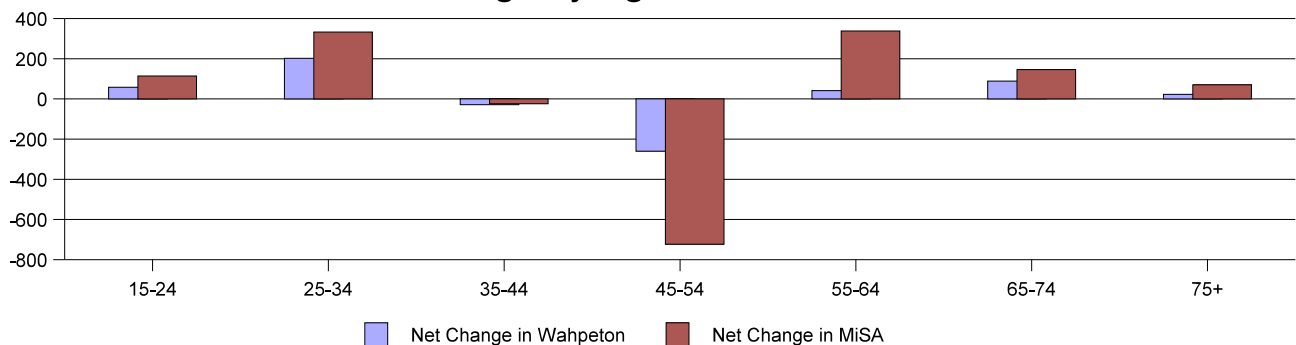
Household by Age Trends: 2010 to 2019

The following table compares households by age of householder in 2010 and 2019, along with the numeric changes. This table uses the American Community Survey's age-based estimates for 2019.

Table 5 Households by Age - 2010 to 2019						
Age	Wahpeton			Micro Area		
	2010	2019	Change	2010	2019	Change
15-24	450	508	58	616	730	114
25-34	472	674	202	1,173	1,506	333
35-44	434	405	-29	1,367	1,343	-24
45-54	604	344	-260	2,090	1,367	-723
55-64	533	574	41	1,761	2,099	338
65-74	264	353	89	1,017	1,163	146
75+	394	417	23	1,317	1,387	70
Total	3,151	3,275	124	9,341	9,595	254

Source: U.S. Census; ACS

Household Change by Age Between 2010 and 2019



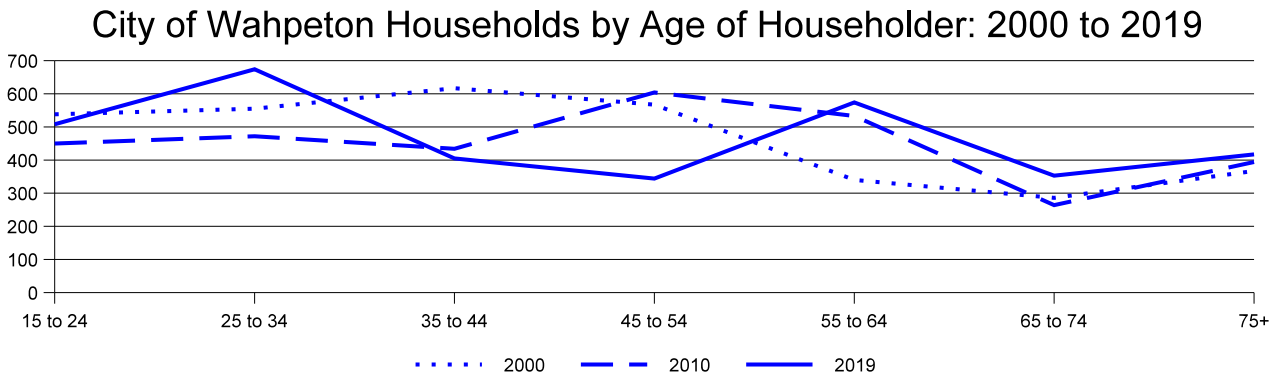
Based on the American Community Survey's age-based household estimates for 2019, Wahpeton added households in the younger adult ranges age 34 and younger. However, there was a large reduction in the 20-year range from 35 to 54 years old, and as a result, the City had an overall reduction of households age 54 and younger between 2010 and 2019.

All of the age ranges 55 and older increased in size in Wahpeton. If all of these older adult ranges are combined, the City added more than 150 households age 55 and older between 2010 and 2019.

These same patterns were generally evident within the entire Micropolitan Statistical Area. If aggregated into larger ranges, the MiSA had a net loss of 300 households age 54 and younger, but an increase of 554 households age 55 and older.

The largest numeric changes appear to be due to the aging of the baby boom generation, as households that were in the 55 to 64 year old increased in number, along with households age 65 to 74. However, these advancing baby boom age cohorts were not replaced, as the trailing age ranges were smaller in size.

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 information for households by the age of householder.



Average Household Size

The following table provides decennial Census information on average household size, and a 2019 estimate from the American Community Survey.

Table 6 Average Number of Persons Per Household: 1990 to 2019				
	1990 Census	2000 Census	2010 Census	2019 Estimate
Wahpeton	2.49	2.28	2.17	2.03
Richland County	2.55	2.43	2.31	2.22
Micro Area	N/A	2.32	2.33	2.21

Source: U.S. Census; American Community Survey

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.

The pattern of decreasing average household size has been very evident in Wahpeton. The American Community Survey estimate for 2019 showed only 2.03 persons per household, down significantly from the average of 2.17 persons in 2010. At the time of the 1990 Census the City’s average household size was 2.49 persons.

The average household sizes for Richland County and the two-county MiSA have also been decreasing over the past decade, but remain larger than the average in Wahpeton. The American Community Survey estimates for 2019 showed 2.22 people per household in Richland County and 2.21 persons in the MiSA.

Household Projections

The following table presents trend-based projections for Wahpeton and the MiSA to the year 2025. These projections have been calculated by Community Partners Research, Inc., using the annual average growth rate between 2010 and 2019.

Table 7 Household Projections to 2025			
	2019 Estimate	2025 Projection	Change
Wahpeton	3,275	3,361	86
Richland County	6,777	6,863	86
MiSA	9,595	9,769	174

Source: ACS; Community Partners Research, Inc.

- ▶ The trend-based household projection expects the City of Wahpeton to add 86 households between 2019 and 2025, or an annual average of between 14 and 15 households per year.
- ▶ Richland County would also be projected to add 86 households by trending forward the recent growth patterns. However, this increase would be expected to occur within Wahpeton, while the household count in the remainder of the County would remain stable.
- ▶ For the entire two-county MiSA, this forecasting method expects the addition of 174 households over the 6-year period, or approximately 29 households per year.
- ▶ If accurate, this would indicate that approximately half of the projected growth within the MiSA will be located in the City of Wahpeton, and the other half in the Minnesota portion of the MiSA, including Breckenridge.
- ▶ A projection to the year 2025 from Esri has also been reviewed for the Micropolitan Statistical Area. However, this source expects that the MiSA will see a reduction of 144 households between 2020 and 2025, or an annual loss of approximately 29 households per year. In the opinion of the analysts, this forecast for the MiSA is overly pessimistic, given the growth potential that exists in Wahpeton.

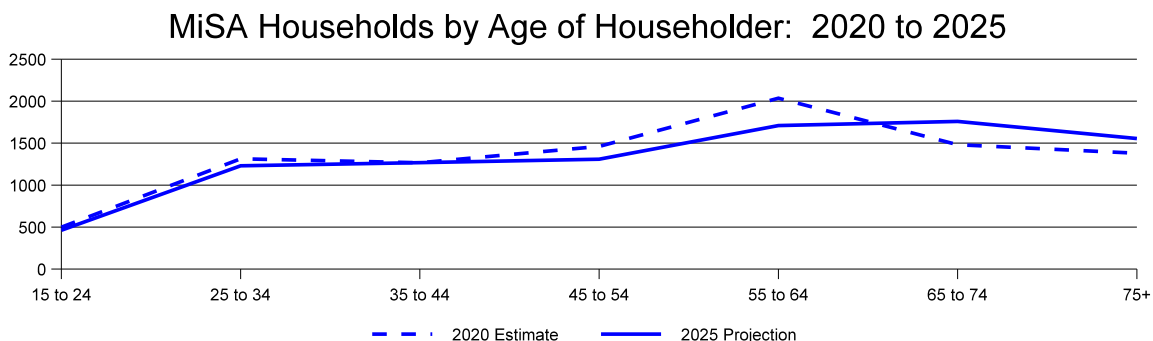
Wahpeton Household by Age Projections: 2020 to 2025

Esri has released age-based household projections to the year 2025 for the Micropolitan Statistical Area. In the opinion of the analysts, the projections for 2025 are too low. Based on other sources, the difference between the Esri projections for 2025 and those provided on the previous page is approximately 5%. Despite the low numbers for 2025, the age-based changes can be informative in examining expected changes in the area.

Table 8 MiSA Projected Households by Age - 2020 to 2025			
	2020 Estimate	2025 Projection	Change
15-24	499	462	-37
25-34	1,313	1,230	-83
35-44	1,266	1,268	2
45-54	1,461	1,308	-153
55-64	2,035	1,709	-326
65-74	1,481	1,759	278
75+	1,380	1,555	175
Total	9,435	9,291	-144

Source: Esri

In general, Esri believes that over the 5-year projection period, the entire MiSA will see a growing number of senior citizen households, age 65 and older. However, the age progression of the baby boom generation will result in a smaller number of near-senior households, especially in the 55 to 64 year old age range. The MiSA is also expected to see a decreased number of young adult households, although the reduction of households age 44 and younger is relatively small.



Households by Type - Wahpeton

The 2019 American Community Survey estimates can be compared to the 2010 Census to examine changes in household composition. The following table looks at household trends within the City of Wahpeton.

Table 9 Wahpeton Household Composition - 2010 to 2019			
	2010 Census	2019 ACS	Change
Family Households			
Married Couple with own children	505	453	-52
Single Parent with own children	299	445	146
Married Couple without own children	779	774	-5
Family Householder without spouse	134	148	14
Total Families	1,717	1,820	103
Non-Family Households			
Single Person	1,145	1,039	-106
Two or more persons	289	416	127
Total Non-Families	1,434	1,455	21

Source: U.S. Census

Between 2010 and 2019, Wahpeton experienced an overall net increase of 103 “family” households. This was due to a large increase of single parent families with children. The City had a decrease of married couples, both without and with their own children.

Wahpeton had a small increase of 21 “non-family” households. This was due to an increase unrelated individuals living together, such as a roommate situation. There was a decrease of people living alone during the decade.

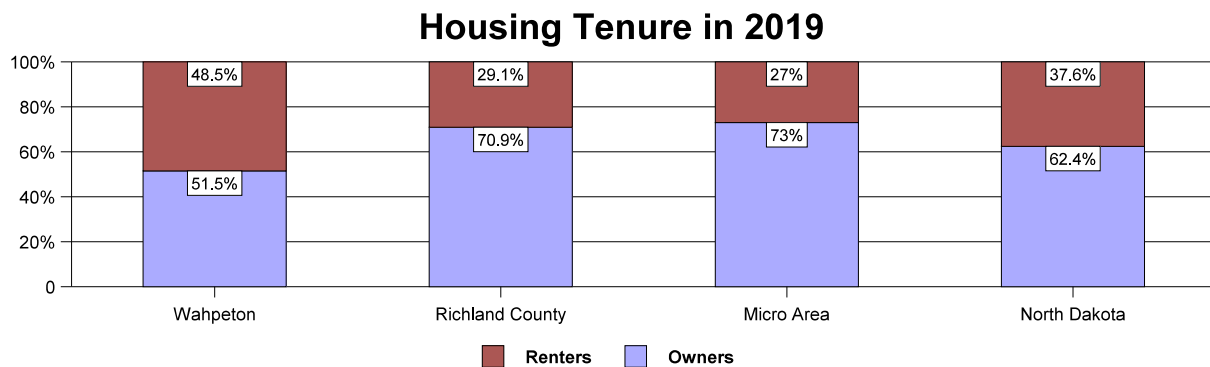
Housing Tenure

The 2019 American Community Survey provided an estimate on housing occupancy tenure patterns.

Table 10 Household Tenure - 2019				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Wahpeton	1,687	51.5%	1,588	48.5%
Richland County	4,803	70.9%	1,974	29.1%
MiSA	7,004	73.0%	2,591	27.0%
State	-	62.4%	-	37.6%

Source: American Community Survey

According to the 2019 American Community Survey, the ownership tenure rate in Wahpeton was 51.5%. This was lower than the ownership rate of 54% at the time of the 2010 Census. Over the past decade a substantial number of new rental units were built in the City, which probably increased the number of renter-occupancy households.



Despite the high rental rate in Wahpeton, nearly 71% of households in Richland County were home owners. In the jurisdictions outside of Wahpeton the home ownership rates were high.

The estimated home ownership rate for the MiSA was 73% in 2019, down slightly from 73.9% in 2010.

Median Income Data

Income estimates are available at the City and MiSA level through the American Community Survey. Estimates from 2010 and 2019 can be compared to track changes over the decade. It is important to note that the American Community Survey is based on household sampling, and a margin of error exists within each estimate.

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. 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.

Table 11 Median Household Income - 2010 to 2019			
	2010 Median	2019 Median	% Change
Households			
Wahpeton	\$42,745	\$45,150	5.6%
MiSA	\$47,392	\$61,163	29.1%
North Dakota	\$46,781	\$64,577	38.0%
Families			
Wahpeton	\$70,417	\$70,377	-0.06%
MiSA	\$62,693	\$77,902	24.3%
North Dakota	\$62,920	\$87,055	38.4%

Source: ACS 5-year survey

Information contained in the American Community Survey shows that the median household and family incomes levels in Wahpeton changed very little over the past decade. The City's median household income increased by less than 6%, while the median family income remained stable during this time.

The median levels for the entire MiSA did increase over the decade, although they did remain below the comparable median for the State of North Dakota. The median household income in the MiSA increased by approximately 29%, while the median family income increased by more than 24%.

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 \$1,130 per month and a median income family household could afford \$1,760 per month for ownership or rental housing in 2019.

However, there is generally a significant difference between income levels for home owners and renters. In 2019, the estimated median household income for renter households in Wahpeton was \$26,629. At 30% of income, a renter household at the median income level could apply approximately \$665 per month to housing costs without experiencing a cost burden.

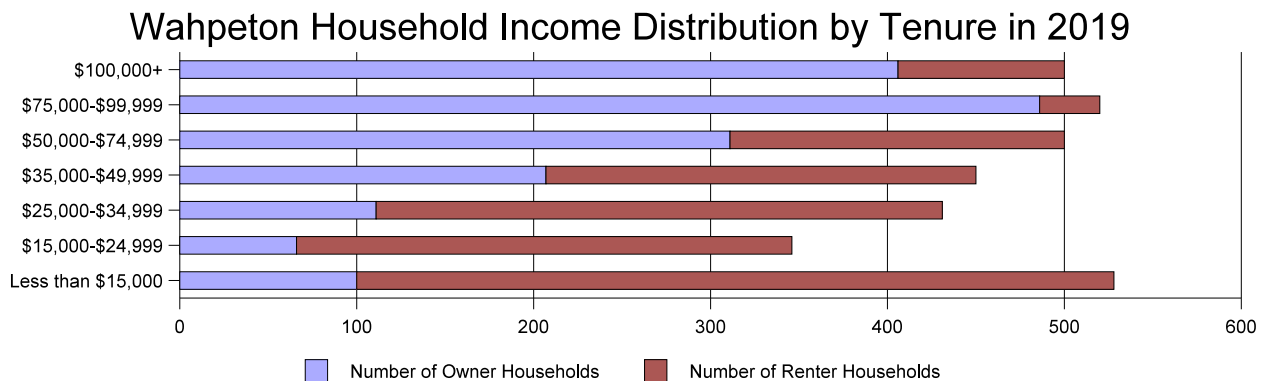
The estimated median income for home owners in Wahpeton was \$76,639 in 2019. At 30% of income a home owner at the median level could apply approximately \$1,915 to monthly housing costs.

Wahpeton Income Distribution by Housing Tenure

The American Community Survey provides income data by owner and renter status. The following table examines income distribution in Wahpeton in 2019.

Household Income	Owner Households	Renter Households	Total Households
\$0 - \$14,999	100 / 18.9%	428 / 81.1%	528
\$15,000 - \$24,999	66 / 19.1%	280 / 80.9%	346
\$25,000 - \$34,999	111 / 25.8%	320 / 74.2%	431
\$35,000 - \$49,999	207 / 46.0%	243 / 54.0%	450
\$50,000 - \$74,999	311 / 62.2%	189 / 37.8%	500
\$75,000 - \$99,999	486 / 93.5%	34 / 6.5%	520
\$100,000+	406 / 81.2%	94 / 18.8%	500
Total	1,687	1,588	3,275

Source: 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 each of the defined income ranges below \$35,000, a large majority of households were renters in 2019.

In 2019, approximately 65% 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. Most owner households had a higher income level than renter households. Nearly 53% of all owner households had an annual income of \$75,000 or more.

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 households that are paying different percentages of their household income for rental housing in Wahpeton.

Table 13 Gross Rent as a Percentage of Income in 2019 - Wahpeton				
Percent of Income for Housing	Households Age 24 and Younger	Households Age 25 to 64	Households Age 65 and Older	Total
Less than 20%	74 / 15.7%	365 / 40.6%	27 / 12.4%	466 / 29.3%
20% to 29.9%	101 / 21.4%	151 / 16.8%	75 / 34.4%	327 / 20.6%
30% to 34.9%	0 / 0%	124 / 13.8%	7 / 3.2%	131 / 8.2%
35% or more	269 / 57.1%	155 / 17.2%	96 / 44.0%	520 / 32.7%
Not Computed	27 / 5.7%	104 / 11.6%	13 / 6.0%	144 / 9.1%
Total	471	899	218	1,588

Source: American Community Survey

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”.

According to the American Community Survey, approximately 41% of all renters in Wahpeton 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. However, the likelihood of experiencing a housing cost burden did vary widely depending on age.

More than 57% of all renters age 24 and younger were applying more than 30% of this income for housing. Presumably, this would include some traditional student households.

Senior households, age 65 and older, also had a high frequency of cost burden. More than 47% of senior renters were applying 30% or more of their income for housing.

Although households age 25 to 64 years old had the lowest frequency of cost burden, approximately 31% of households in these age groups also applied 30% or more of their income to rental costs.

Estimated Income and Housing Costs - Wahpeton Renters

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 14 Ownership Costs as a Percentage of Income - Wahpeton			
Percentage of Household Income for Housing Costs	Owners with mortgage	Owners without mortgage	All Owner Households
0% to 19.9%	572 / 61.8%	659 / 86.5%	1,231 / 73.0%
20% to 29.9%	229 / 24.8%	26 / 3.4%	255 / 15.1%
30% or more	115 / 12.4%	69 / 9.1%	184 / 10.9%
Not Computed	9 / 1.0%	8 / 1.0%	17 / 1.0%
Total	925	762	1,687

Source: American Community Survey

Mortgage lending practices generally attempt to keep housing related costs below 30% of a household's income level. A large majority of owner-occupants in Wahpeton, which would include both households with or without a mortgage, reported paying less than 30% of their income for housing in 2019.

Approximately 11% of all home owners reported that they paid more than 30% of their income for housing costs.

As would be expected, most of the households with a cost burden had a mortgage on their home, but there were also some households without a mortgage.

Occupancy Status of Housing Units - 2019

Table 15 Occupancy Status of Housing Units - 2019						
	Occupied Units		Vacant Units			
	Owner	Renter	For Rent	For Sale	Seasonal Use	Other Vacant
Wahpeton	1,687	1,588	232	0	60	68
MiSA	7,004	2,591	347	58	128	427

Source: American Community Survey

- ▶ According to the American Community Survey, there were 232 unoccupied rental housing units in Wahpeton in 2019.
- ▶ There were some houses that were vacant and for sale, but in the entire MiSA, only 58 owner-occupancy units were unoccupied. The estimate for Wahpeton was flawed, as presumably some vacant houses were present that were available for purchase. However, this did not appear to be a significant cause for unoccupied housing.
- ▶ Both Wahpeton and the MiSA have some seasonal/recreational use housing, but only 60 units in the City were estimated in 2019.
- ▶ The American Community Survey indicated that a number of “other” vacant housing existed. This was not more specifically defined, but could include things such as trailers, migrant housing, or similar units.

Existing Home Sales

The following table examines the annual sales summary information in Wahpeton for the years 2014 through 2020. 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 primarily for existing homes, and rarely reflect the sales of newly constructed houses.

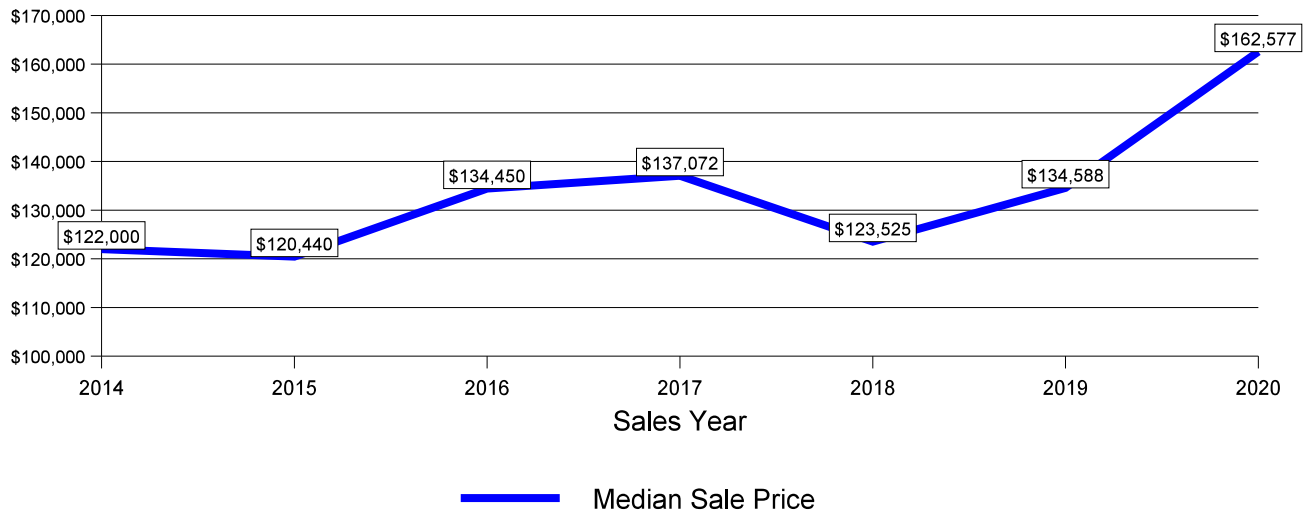
Table 16 Residential Sales in Wahpeton: 2014 to 2020			
Year	Number of Good Sales	Median Sale Price	Average Sales Price
2020	106	\$162,577*	\$167,844
2019	99	\$134,588	\$147,197
2018	100	\$123,525*	\$127,323
2017	42	\$137,072*	\$151,754
2016	88	\$134,450*	\$147,253
2015	97	\$120,440	\$126,097
2014	73	\$122,000	\$125,585

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

* Median calculated from two nearest sales

Based on the median sale prices in recent years, existing home values in Wahpeton have fluctuated from year to year, but increased rapidly between 2019 and 2020. The median price in 2020 was above \$162,500, and had increased by nearly \$28,000 from 2019. Also, the average sale price in 2020 was more than \$20,000 above the average for 2019.

Median Sale Price of Single Family Homes - Wahpeton



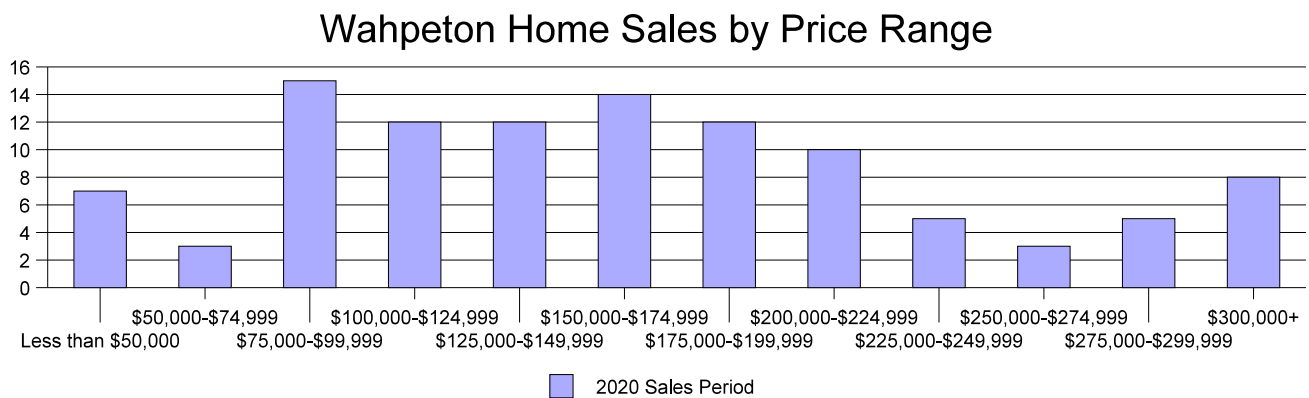
The median sale price in 2020 is significantly higher, as the annual median for the six prior years had been below \$140,000. This could be an indication of increased demand, which has rapidly driven up existing home values.

Home Sales by Price Range

The following table examines the residential sales that were recorded in calendar year 2020.

Table 17 Wahpeton Home Sales by Price Range: 2020		
Sale Price	Number of Sales	Percent of Sales
Less than \$49,999	7	6.6%
\$50,000 - \$74,999	3	2.8%
\$75,000 - \$99,999	15	14.2%
\$100,000 - \$124,999	12	11.3%
\$125,000 - \$149,999	12	11.3%
\$150,000 - \$174,999	14	13.2%
\$175,000 - \$199,999	12	11.3%
\$200,000 - \$224,999	10	9.4%
\$225,000 - \$249,999	5	4.7%
\$250,000 - \$274,999	3	2.8%
\$275,000 - \$299,999	5	4.7%
\$300,000+	8	7.5%
Total	106	0.998

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



Recent home sales in Wahpeton have been widely distributed in different price ranges, but approximately 50% of the home sales in 2020 were priced between \$75,000 and \$174,999.

Approximately 9.4% of homes sold for less than \$75,000. Approximately 25% of sales were priced between \$175,000 and \$249,999, and 15% of all sales were for \$250,000 or more.

Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of 708 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 - 2nd Ave. N.
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 18 Windshield Survey Housing Condition Estimate - 2021					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
Neighborhood #1	65 / 31.0%	103 / 49.0%	39 / 18.6%	3 / 1.4%	210
Neighborhood #2	140 / 42.8%	148 / 45.3%	32 / 9.8%	7 / 2.1%	327
Neighborhood #3	78 / 45.6%	74 / 43.3%	17 / 9.9%	2 / 1.2%	171
Total	283 / 40.0%	325 / 45.9%	88 / 12.4%	12 / 1.7%	708

Source: Community Partners Research, Inc.

- ▶ Approximately 46% of the houses in the three combined neighborhoods need minor repair and more than 12% need major repair. Even in these oldest neighborhoods, 40% of the houses are sound, with no required improvements. Twelve houses are dilapidated and possibly beyond repair.
- ▶ In 2017, Community Partners Research, Inc., conducted a housing condition analysis in the same three Wahpeton neighborhoods. The results of the 2017 housing condition survey were:
 - ▶ Sound - 42.4%
 - ▶ Minor Repair - 42.7%
 - ▶ Major Repair - 13.5%
 - ▶ Dilapidated - 1.4%
- ▶ When the surveys in 2021 and 2017 are compared, only minor changes have occurred in the physical condition of the housing stock. Although the number of sound houses decreased slightly, in 2021 nearly 85.9% of the houses were rated in one of the two highest condition categories, compared to 85.1% in 2017.

Mobile Home Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 152 mobile homes located in three mobile home parks in the City.

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.

Table 19 Windshield Survey Mobile Home Condition Estimate - 2021

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Wahpeton Mobile Home Community	55 / 59.1%	23 / 24.7%	10 / 10.8%	5 / 5.4%	93
Briarwood	10 / 22.7%	15 / 34.1%	12 / 27.3%	7 / 15.9%	44
Red River	1 / 6.7%	4 / 26.7%	6 / 40.0%	4 / 26.6%	15
Total	66 / 43.4%	42 / 27.7%	28 / 18.4%	16 / 10.5%	152

Source: Community Partners Research, Inc.

- ▶ Citywide, 42 of the mobile homes in the parks need minor repair and 28 need major repair. Sixty-six mobile homes are sound, with no required improvements. Sixteen 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 2020.

Table 20 Wahpeton Housing Unit Construction Activity: 2010 to 2020			
Year	Single Family	Two or More Units	Total Units Constructed
2020	11	25	36
2019	4	0	4
2018	1	0	1
2017	6	45	51
2016	3	51	54
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	78	261	339

Source: City of Wahpeton

Over the past 11 years, from 2010 to 2020, 339 new housing units were constructed in Wahpeton, based on information provided by the City. Seventy-eight units are single family homes and 261 units are in multi-family projects, including nine twin homes, two 8-plexes, a 30-unit senior project, a 23-unit market rate project for general occupancy, 123 general occupancy market rate units in a 3-building complex, 11 loft units above some downtown buildings, and four tax credit 10-plexes.

In addition to these projects, a 32-unit senior facility was constructed with 16 basic care units and 16 assisted living units. These specialized care units were not included in the table above.

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

At the time of 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%.

The 2019 American Community Survey included an estimate of the rental housing inventory in Wahpeton. According to this source there were 1,588 occupied rental units in the City in 2019, and 232 unoccupied units, for a total rental inventory of 1,820 units. If accurate, the City had added 140 renter-occupancy households and 155 rental units between 2010 and 2019. According to the American Community Survey, the rental tenure rate was at 48.5% in 2019, up from 46% in 2010.

Based on other available information, the American Community Survey estimate would appear to be reasonably accurate. From 2010 to 2020 the City added approximately 260 new construction housing units in multifamily structures. While some of these new units may have been intended for owner-occupancy, it is probable that 250 of the multi-unit construction created rental housing. Based on multifamily housing construction over the past decade, we are estimating that there are approximately 1,900 rental units in the City in 2021.

The rental projects that were constructed from 2010 to 2020 include:

- ▶ **Westdale Apartments** - 123 market rate general occupancy units in three 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
- ▶ **Dakota's Estates** - 23-unit market rate general occupancy project

- ▶ **Heritage Square Lofts** - 11 loft apartments created on the upper floors of downtown buildings.
- ▶ **Twin Homes** - Approximately eight rental units were constructed in four twin home structures.

In addition to these traditional rental projects, Siena Court Assisted Living, a 32-unit senior facility was constructed, with 16 basic care units and 16 assisted living units. These specialized care units were not included in the multifamily rental totals above.

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 in February and March, 2021. 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 1,389 Wahpeton rental housing units of all types that were contacted in the survey. We also surveyed St. Catherine's Living Center, the 50-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:

- ▶ 962 general occupancy market rate units
- ▶ 70 senior market rate units
- ▶ 150 tax credit units
- ▶ 136 federally subsidized units
- ▶ 71 senior with services units/beds
- ▶ 50 skilled nursing beds

In addition to the units surveyed in Wahpeton, we surveyed the senior with services facilities in Breckenridge, which include:

- ▶ 99 senior with services units/beds
- ▶ 80 skilled nursing beds

General Occupancy Market Rate Summary

Information was obtained on 962 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 766 market rate units. The bedroom mix of these units is:

▶	Efficiency	-	22 (2.9%)
▶	One-bedroom	-	192 (25.1%)
▶	Two-bedroom	-	504 (65.8%)
▶	Three-bedroom	-	46 (6.0%)
▶	Four-bedroom	-	<u>2 (0.2%)</u>
▶	Total	-	766

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 939 units surveyed provided vacancy rate information. There were 32 vacant units in the 939 units surveyed. This represents a vacancy rate of 3.4%.

Most of the market rate general occupancy projects had only one or two vacancies and several projects reported no vacancies. Dakota's Estates reported 10 vacancies, however, the project is new and is still in the lease-up phase, thus, this project was excluded from the vacancy rate calculation.

At the time of the 2017 Wahpeton Housing Study, the market rate vacancy rate was 7.6%.

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	\$250-\$350
One-bedroom	\$400-\$800
Two-bedroom	\$550-\$1,000
Three-bedroom	\$800-\$1,250
Four-bedroom	\$1,100

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

Market Rate General Occupancy Rental Construction from 2010 to 2020

From 2010 to 2020, three market rate projects were constructed, Westdale Apartments with 123 units, Dakota's Estates with 23 units, and Heritage Square Lofts with 11 units. Also, it is estimated that eight rental units were added in four new twin homes.

Additionally, three federally subsidized rental projects, with a total of 131 units, converted from subsidized rental housing to market rate rental housing.

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 five 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 \$1,245 to \$1,310 plus heat and electricity. The owner reported no vacancies and a waiting list 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 \$1,200 to \$2,100 plus electricity. The owner reported five vacancies at the time of the survey.

Tax Credit Summary

Tax Credit rental housing projects provide or preserve moderate rent housing. As a condition of receiving tax credits, there are income limits for tenants in assisted units, and maximum rent caps apply.

Since the tax credit program was started in the 1980s, there have been four projects in Wahpeton that have received awards:

- ▶ Prairiewood I & II received credits in 1995 and 1996 and has 60 units
- ▶ Century Apartments received credits in 1996 for renovation - this is also a USDA Rural Development subsidized project
- ▶ Dakota's Edge received credits in 1998 and has 50 units
- ▶ Kennedy Park Townhomes received credits in 2016 and has 40 units

Century Apartments utilizes assistance from USDA Rural Development and has been included in a separate analysis of subsidized housing. The other three projects operate under the moderate rent tax credit requirements and have a combined inventory of 150 affordable units.

We are not aware of any applications for tax credit assistance in Wahpeton since Kennedy Park Townhomes in 2016.

There is one tax credit project in Breckenridge, Ridgeview Townhomes. This project received an award in 1998 and has 12 affordable units, with 8 two-bedroom and 4 three-bedroom units.

Unit Mix

We obtained bedroom mix information on the 150 units in tax credit projects located in Wahpeton. The bedroom mix of the units is:

- ▶ One-bedroom - 12 (8.0%)
- ▶ Two-bedroom - 70 (42.7%)
- ▶ Three-bedroom - 68 (49.3%)
- ▶ Total - 150

Occupancy/Vacancy

At the time of the survey, Prairiewood I & II reported five vacancies, Dakota's Edge reported five vacancies and Kennedy Park Townhomes reported two vacancies. Therefore, there was a total of 12 vacancies in the 150 units, which is an 8.0% vacancy rate.

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 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	\$525-\$630
Two-bedroom	\$550-\$800
Three-bedroom	\$640-\$950

Subsidized Summary

The telephone survey contacted four income-restricted projects in Wahpeton that provide rental opportunities for lower income households. These projects have a combined 136 units. All four projects are general occupancy. The subsidized projects were developed with HUD and/or USDA Rural Development assistance. At the time of the 2017 Housing Study, Wahpeton had seven subsidized projects. However, three subsidized projects, Northland Elderly Apartments, Northland Apartments and Community Homes, with a total of 131 units, have opted out of their subsidy programs and have converted to market rate.

The four subsidized rental projects in Wahpeton include:

- ▶ **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.
- ▶ **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:

▶ One-bedroom -	56 (41.2%)
▶ Two-bedroom -	68 (50.0%)
▶ Three-bedroom -	<u>12 (8.8%)</u>
Total -	136

Occupancy / Vacancy

There were five vacant units identified in the subsidized projects at the time of the survey, which is a 3.7% vacancy rate. Southside Villas had one vacancy, Rainbow Court I & II had three vacancies, Evergreen Manor had one vacancy and Century Apartments was fully occupied. At the time of the 2017 survey, these four subsidized rental projects had 27 vacancies, which is a 19.9% vacancy rate.

Breckenridge Subsidized Summary

In addition to the 136 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.

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, five projects in Wahpeton with 173 units converted from subsidized to market rate housing.

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, there are approximately 125 Richland County households that are receiving assistance through the Housing Voucher Program, with most of these households living in the City of Wahpeton.

The Voucher Program currently has a six to eight-month waiting list.

Senior Housing with Services Summary

Wahpeton and Breckenridge have six senior with services facilities.

Wahpeton

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/basic care 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 50-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 11 vacant beds.

Breckenridge

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 14 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. 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 five memory care and 12 assisted living vacancies and Pioneer Senior Villages reported four vacancies in double rooms and four vacancies in single rooms. St. Francis Nursing Home reported a 50% to 60% occupancy rate at the time of the survey.

Table 21 Wahpeton Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Dakota's Estates 901 8 th Ave S	5 - 1 bedroom 13 - 2 bedroom <u>5 - 3 bedroom</u> 23 total	\$650 \$875-\$900 \$925-\$950	10 vacancies	General occupancy	Dakota's Estates is a new 23-unit general occupancy market rate project. There are five one-bedroom, 13 two-bedroom and five three-bedroom units. Some of the units have two baths. The rent includes heat, water and garbage. The manager reported 10 vacancies at the time of the survey, however, the project is in the initial least-up phase.
Fairfield Manor	24 - 2 bedroom <u>4 - 2 bdrm + den</u> 28 total units	\$600-\$725 \$750	No vacancies	General occupancy	Fairfield Manor is a 28-unit market rate project. The 28 units include 24 two-bedroom and four two-bedroom plus den units. The project includes townhouse and apartment units. The units include a garage and washer/dryer hook ups. The manager reported no vacancies at the time of the survey. Tenants pay electricity in addition to rent.
Loy Apartments	4 - 1 bedroom 12 - 2 bedroom <u>4 - 2 bdrm + den</u> 20 total units	\$525 \$600 \$700	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 reported one vacancy at the time of the survey.
1621 8 th St. N 1631 8 th St. N	22 - 2 bedroom <u>2 - 4 bedroom</u> 24 total units	\$525 \$1,000	1 vacancy	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 one vacancy at the time of the survey.
403 3 rd St. N	<u>18 - 2 bedroom</u> 18 total units	\$595	1 vacancy	General occupancy	403 3 rd St. N is an 18-unit general occupancy market rate project. The tenant pays electricity in addition to rent. All of the units are two-bedroom. The manager reported one vacancy at the time of the survey.
621 3 rd Ave. N	<u>6 - 2 bedroom</u> 6 total units	\$725	No vacancies	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 no vacancies at the time of the survey.

Table 21 Wahpeton Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Town Square Apartments	<u>12 - 2 bedroom</u> 12 total units	\$525	No vacancies	General occupancy	Town Square Apartments includes 12 two-bedroom market rate units. The rent is \$525 and the rent includes water and garbage pick-up. The units are 950 sq. ft. and have one bath. The manager reported no vacancies at the time of the survey.
Auburn Apartments	<u>36 - 2 bedroom</u> 36 total units	\$725-\$775	6 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 six vacancies at the time of the survey.
De Je Vu Apartments	<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 th 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 903 5 th St S 330 Dakota Ave 332 Dakota Ave	1 bedroom 2 bedroom <u>3 bedroom</u> 101 total units	\$350-\$700	10% vacancy rate, approx. 10 vacancies	General occupancy	Johnson Properties manages 101 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 10% vacancy rate.

Table 21 Wahpeton Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
225 Dakota Ave	15 - efficiency <u>7 - 1 bedroom</u> 22 total units	\$250 \$325	No 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 no vacancies at the time of the survey.
614 Dakota Ave	22 - 1 bedroom <u>4 - 2 bedroom</u> 26 total units	\$450-\$600	2 vacancies	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 one vacancy. There were two vacancies at the time of the survey.
Westwood Apartments	4 - 1 bedroom <u>50 - 2 bedroom</u> 54 total units	\$425-\$600	No vacancies	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 reported no vacancies at the time of the survey.
Western Road Apartments	1 - efficiency 21 - 2 bedroom <u>1 - 3 bedroom</u> 23 total units	\$300 \$450 \$525	1 vacancy	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 an additional fee. The manager reported one vacancy 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	\$550 \$619	No vacancies	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 no vacancies at the time of the survey.

Table 21 Wahpeton Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
802 16 th Ave N	4 - efficiency <u>29 - 1 bedroom</u> 33 total units	\$225 \$260	No 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 utilities in addition to rent. The manager reports no vacancies.
Southview Apartments	<u>32 - 2 bedroom</u> 32 total units	\$550	3 vacancies	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 reported three vacancies at the time of the survey.
Palmer House	1 - 1 bedroom <u>11 - 2 bedroom</u> 12 total units	\$525 \$575	1 vacancy	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 reported one vacancy at the time of the survey.
West Elm Apartments	2 - 1 bedroom <u>6 - 2 bedroom</u> 8 total units	\$450 \$575	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 reported no vacancies at the time of the survey.
Westdale Apartments	1 bedroom 2 bedroom <u>3 bedroom</u> 123 total units	\$680-740 \$825-\$895 \$1005-\$1115	1 vacancy	General occupancy	Westdale Apartments includes three buildings with 123 units. The project is market rate general occupancy. The buildings were constructed in 2015, 2016 and 2018. Tenants pay electricity in addition to rent. The units include dishwashers, blinds, microwaves, garbage disposals, decks, etc. The rent also includes double garages. The manager reported one vacancy at the time of the survey.

Table 21 Wahpeton Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Sierra Apartments	<u>12 - 2 bedroom</u> 12 total units	\$850	No vacancies	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 no vacancies at the time of the survey.
Heritage Square Apartments	36 - 1 bedroom <u>8 - 2 bedroom</u> 44 total units	\$419 \$509-\$539	Manager reported several vacancies	General occupancy	Heritage Square Apartments are in a downtown mixed-use building and include 44 units. 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.
Heritage Square Lofts	7 - 1 bedroom <u>4 - 2 bedroom</u> 11 total units	\$525 \$685-\$725	No 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. Tenants pay electricity in addition to the rent. The manager reported no vacancies at the time of the survey.
St. Aubin Properties	1 bedroom 2 bedroom 3 bedroom <u>4 bedroom</u> 209 total units	\$425-\$475 \$520-\$625 \$650-\$680 \$1100	2 vacancies	General occupancy	St. Aubin Properties includes 209 units in 23 buildings. The 209 units include one, two, three and four-bedroom units. The utilities that tenants pay varies by project. The owner reported two vacancies at the time of the survey. The 209 units include 93 units at the Courtyard, which previously was Community Homes. The owner purchased the project and renovated the units. The project converted from subsidized to market rate.
Northland Apartments 14 th Ave N	<u>13 - 1 bedroom</u> 13 total units	\$525	1 vacancy	General occupancy	Northland Apartments was a 13-unit USDA Rural Development senior/disabled project, however, the project has converted to market rate. The project was constructed in 1982. There was one vacancy at the time of the survey.

Table 21 Wahpeton Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Northland Apartments 1505 N 12 th St	<u>24 - 2 bedroom</u> 24 total units	Not available	No vacancies	General occupancy	Northland Apartments was a 24 two-bedroom unit USDA Rural Development Project, but has converted to market rate. The project was constructed in 1982. There were no vacancies at the time of the survey.
Market Rate 55 and Older - Wahpeton					
The Village at Rivers Edge	<u>1 - 1 bedroom</u> <u>29 - 2 bedroom</u> 30 total units	\$1200 \$1390-\$2100	5 vacancies	Age 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, multipurpose room, rec rooms, etc. Tenants pay electricity in addition to the rent. At the time of the survey, there were 5 vacancies.
Fourth Avenue Manor	<u>6 - 1 bedroom</u> <u>18 - 2 bedroom</u> 24 total units	\$885 \$985	5 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 five vacancies at the time of the survey.
Lindenwood & Elmwood	<u>16 - 2 bedroom</u> 16 total units	\$1,245- \$1,310	No vacancies and waiting list	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 \$1,245 to \$1,310 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 and a waiting list at the time of the survey.

Table 21 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	\$525 \$600 \$685	5 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 reported five vacancies at the time of the survey. Heat and water is included in the rent.
Kennedy Park Townhomes	20 - 2 bedroom <u>20 - 3 bedroom</u> 40 total units	\$500-\$749 \$583-\$899	2 vacancies	General occupancy	Kennedy Park Townhomes is a 40-unit general occupancy tax credit project that was converted in 2017. 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 two vacant units.
Dakota's Edge Townhomes	8 - 1 bedroom 18 - 2 bedroom <u>24 - 3 bedroom</u> 50 total units	\$470-\$575 \$700-\$725 \$750-\$800	5 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 rent a unit. Tenants pay electricity in addition to rent. The manager reported five vacancies at the time of the survey.

Table 21 Wahpeton Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized - Wahpeton					
Evergreen Manor	24 - 2 bedroom <u>8 - 3 bedroom</u> 32 total units	\$631 \$710 30% of income	1 vacancy	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. The rent includes utilities. 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	\$661 \$791 30% of income	3 vacancies	General occupancy	Rainbow Court I & II is a HUD Section 8 project and includes 56 total units. The units were constructed in 1977 and 1980. Tenants pay 30% of income up to the market rents listed. The rent includes utilities. The manager reports three vacancies. Recent improvements have been made to the parking lots and cabinets and sinks are being upgraded.
Southside Villas	4 - 1 bedroom 16 - 2 bedroom <u>4 - 3 bedroom</u> 24 total units	\$663 \$738 \$840 30% of income	1 vacancy	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 rent includes utilities. The manager reports one vacancy. Ongoing improvements to the units include new cabinets and sinks.
Century Apartments	2 - 1 bedroom <u>22 - 2 bedroom</u> 24 total units	\$595 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 always fully occupied. Tenants pay 30% of their income up to the market rent listed. Tenants also pay heat and electricity.

Table 21 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	Basic Care Facility	Leach Home is a basic care 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>50 beds</u> 50 total	Based on level of services	11 vacant beds	Skilled nursing home	St. Catherine’s Living Center is a nursing home with 50 skilled nursing beds. St. Catherine’s Living Center is part of the Benedictine Living Community of Wahpeton. Staff reported 11 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/ Basic Care	Siena Court Assisted Living is a 32-unit facility that includes 16 assisted living apartments 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.
PioneerCare Memory Cottages Breckenridge	6 - single rooms <u>6 - double rooms</u> 18 resident capacity	Based on type of room	4 double room and 4 single room vacancies	Memory care	Pioneer Senior Cottages is a memory care facility constructed in 2006. The facility has an 18-resident capacity. The facility includes services and amenities including meals, laundry, housekeeping, activities, etc. The Director reported four double room and four single room vacancies at the time of the survey.

Table 21 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 Community Breckenridge	20 - studio 46 - 1 bedroom 4 - 1 bed + den <u>11 - 2 bedroom</u> 81 total units	Based on level of services	5 memory care and 12 assisted living vacancies	Assisted living and memory care	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. The staff reported five vacant memory care units and 12 assisted living vacant units.
St. Francis Nursing Home Breckenridge	80 licensed beds	Based on level of services	50% to 60% occupancy	Skilled nursing home	The St. Francis Nursing Home is part of the St. Francis Healthcare campus. The facility has 80 skilled nursing beds. The Administrator reported 50% to 60% occupancy at the time of the survey. The Administrator reported that the low occupancy rate is due to the Covid pandemic.

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.

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

Labor Force and Unemployment

Employment information is available at the Micropolitan Statistical Area (MiSA) level. The following table displays information for the MiSA which 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 22 MiSA Average Annual Labor Statistics: 2010 to 2020*						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - MiSA	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	12,204	11,765	439	3.6%	2.9%	7.4%
2014	12,095	11,716	379	3.1%	2.7%	6.2%
2015	12,269	11,912	357	2.9%	2.8%	5.3%
2016	12,632	12,267	365	2.9%	3.1%	4.9%
2017	12,344	12,023	321	2.6%	2.7%	4.4%
2018	12,193	11,862	331	2.7%	2.6%	3.9%
2019	12,046	11,727	319	2.6%	2.4%	3.7%
2020*	11,874	11,419	455	3.8%	5.1%	8.1%

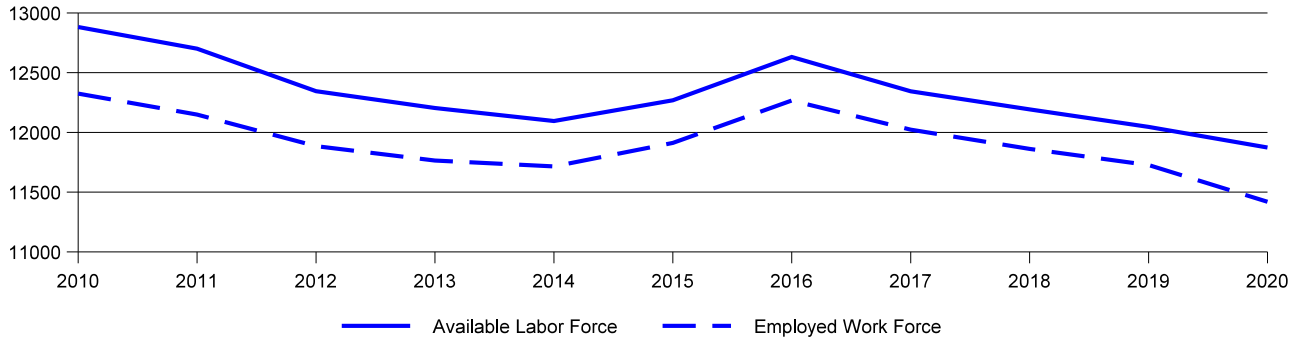
Source: Job Service North Dakota - Not seasonally adjusted

*2020 is preliminary

The Wahpeton MiSA has experienced some fluctuation in recent years in the available labor force. But longer-term, there has been a reduction in the size of the available labor force. Between 2010 and 2020, the area’s available resident labor force decreased by 1,008 people, or -7.8%. Although some of this can be attributed to the global health pandemic in 2020, the labor force had also been decreasing pre-pandemic, with a decrease of -6.5% between 2010 and 2019.

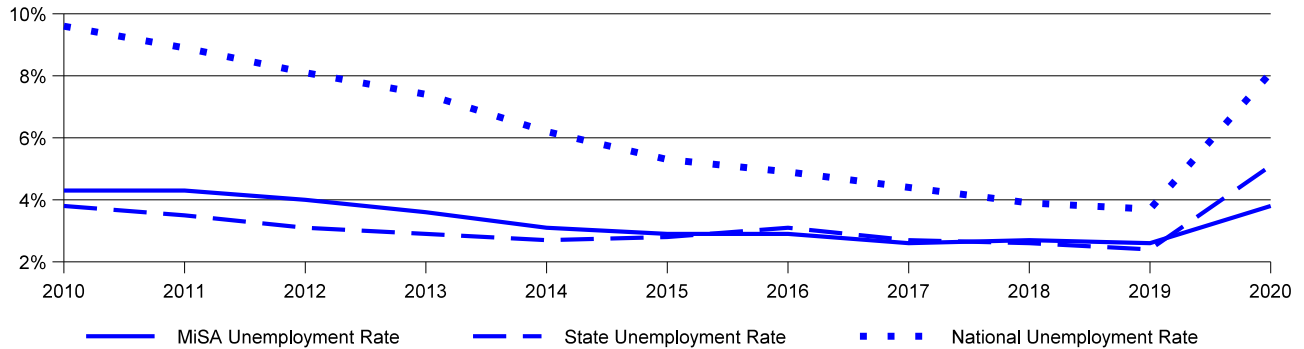
The employed work force has shown a generally similar pattern, decreasing by 598 people, or -4.9% between 2010 and 2019. The impact of the pandemic resulted in a continued reduction in 2020.

MiSA Labor Force and Employed Work Force



Despite the reductions over the decade, the unemployment rate in the MiSA has remained low. Even with the pandemic, the unemployment rate was below 4% in 2020, and the rate for the MiSA has remained below 4% since 2013. Throughout the time period reviewed, the MiSA’s unemployment rate has been well below the National rate.

Micro Area Annual Unemployment Rate: 2010 to 2020



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 2019, 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 23 Richland County Average Wages by Industry Detail: 2019		
Industry	Average Employment	2019 Average Weekly Wage
Total All Industry	7,806	\$811
Construction	368	\$952
Education and Health Services	1,802	\$714
Financial Activities	223	\$1,015
Information	59	\$908
Leisure and Hospitality	1,070	\$447
Manufacturing	1,931	\$1,015
Natural Resources, Mining	247	\$838
Other Services	134	\$646
Professional and Business Services	284	\$1,173
Public Administration	300	\$738
Trade, Transportation, Utilities	1,388	\$813

Source: Job Service North Dakota

The average weekly wage for all industry in 2019 was \$811. At full-time employment this would yield an average annual wage of \$42,172.

The highest paying private industry sectors were Professional and Business Service, Financial Activities, and Manufacturing, each with an annual average wage above \$52,750. Manufacturing was also the largest industry supersector for average number of employees.

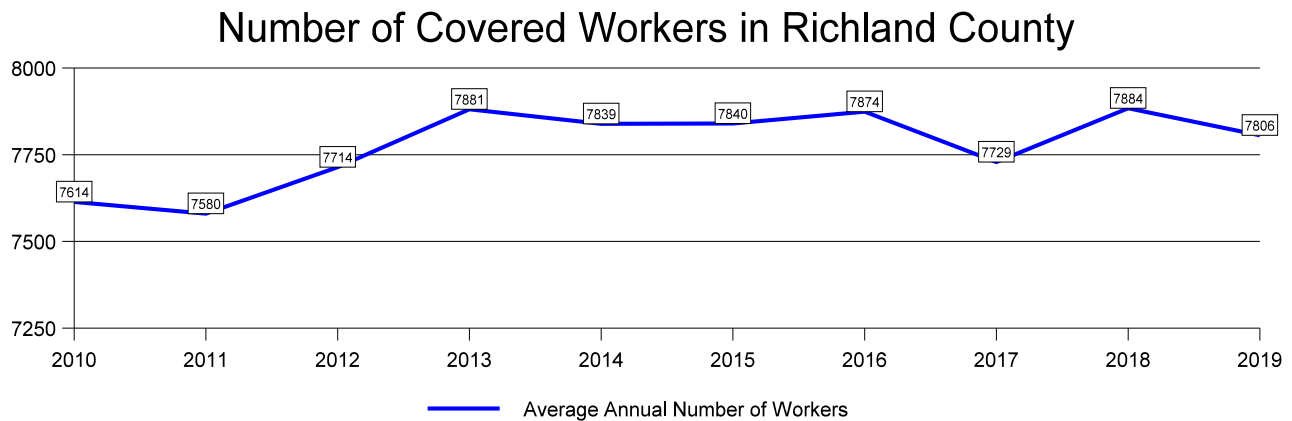
The lowest paying wage sector was Leisure and Hospitality, with an average annual wage of only \$23,244 at full-time employment.

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

Table 24 Richland County Average Annual Employment			
Year	Total Covered Employment	Year	Total Covered Employment
2010	7,614	2015	7,840
2011	7,580	2016	7,874
2012	7,714	2017	7,729
2013	7,881	2018	7,884
2014	7,839	2019	7,806

Source: SD Department of Labor & Regulation

From 2010 through 2019, there has been some growth in employment, as tracked by reporting for unemployment compensation. If total employment in 2010 is compared to the year 2019, there had been an increase of 192 jobs, or 2.5% over this period. However, the recent peak was achieved in 2018, at 7,884 covered jobs in the County.



Commuting Patterns of Area Workers

Some information is available on area workers that commute for employment. The first set of information is from the 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 25 Commuting Times for Wahpeton Residents - 2019		
Travel Time	Number	Percent
Less than 10 minutes	2,205	57.7%
10 to 19 minutes	1,049	27.5%
20 to 29 minutes	146	3.8%
30 minutes +	421	11.0%
Total	3,821	100%

Source: American Community Survey

The large majority of Wahpeton residents were traveling less than 20 minutes to work in 2019. Overall, more than 85% of residents commuted less than 20 minutes to their primary employment. Only 11% 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 the job. 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 26 Commuting Times for Wahpeton Employees - 2019		
Travel Time	Number	Percent
Less than 10 minutes	2,150	46.2%
10 to 19 minutes	1,103	23.7%
20 to 29 minutes	381	8.2%
30 minutes +	1,015	21.8%
Total	4,649	100%

Source: American Community Survey

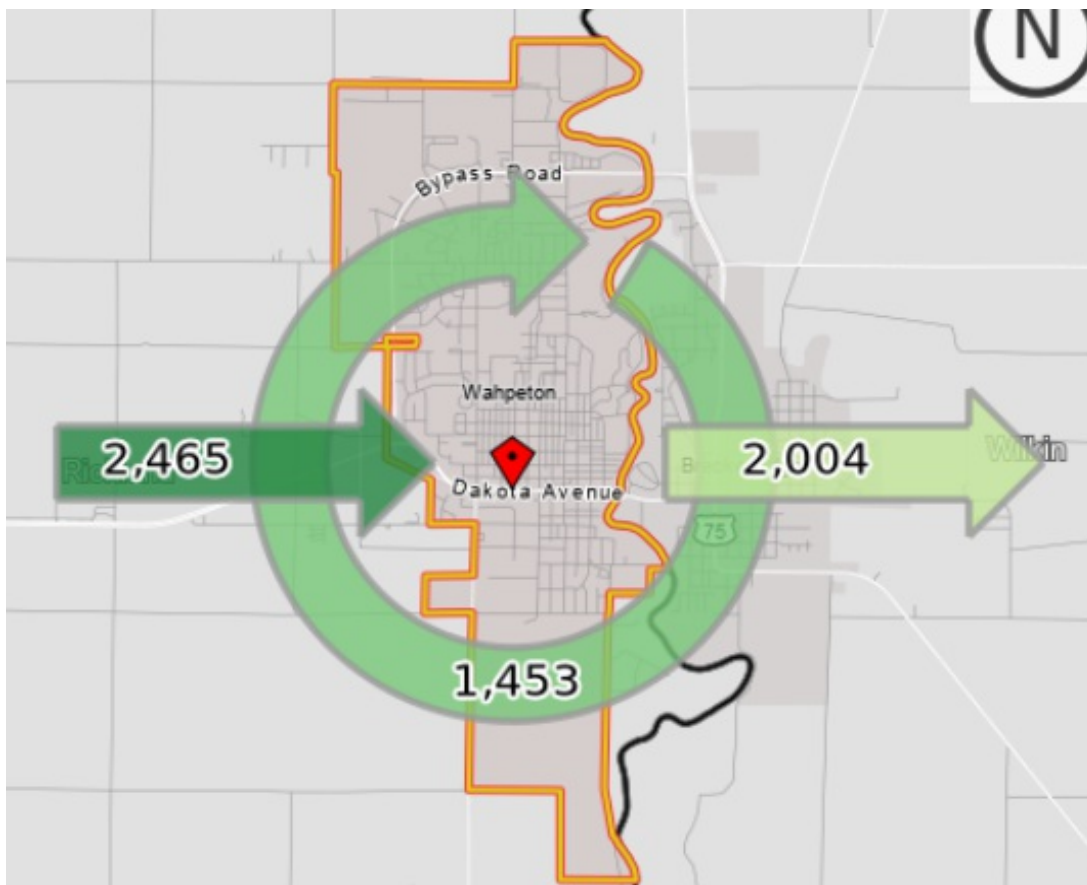
Most people working in Wahpeton also lived locally, with nearly 70% traveling less than 20 minutes to work. However, nearly 22% of workers were traveling 30 minutes or more to their job in Wahpeton.

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 2018, but provides a further breakdown of worker movement patterns.

According to the report for Wahpeton, there were 3,918 people that were employed within the city limits in 2018. Approximately 37% of these Wahpeton-based employees also lived in the City, but 2,465 employees lived outside the City limits and commuted in daily. Breckenridge, Fargo, Fergus Falls, Center Township and Wyndemere were the primary identified locations that were supplying workers to Wahpeton.

While many Wahpeton residents also worked within the City, approximately 2,000 City residents were commuters and left Wahpeton for their primary job. Among the primary destinations for commuting residents were Fargo, Dwight Township, Breckenridge, Center Township and West Fargo.



Findings on Growth Trends

As part of this Study, Community Partners Research, Inc., has examined growth patterns for Wahpeton, Richland County and the Wahpeton ND-MN Micropolitan Statistical Area (MiSA) over the past few decades. These historic growth trends have then been used as a basis for projecting future demographic changes.

Wahpeton's population decreased by 1.9% from 1990 to 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 by less than 1% between 1990 and 2000. The population then decreased from 17,998 in 2000 to 16,321 in 2010, which was a population loss of 9.3%.

The Micro Area's population decreased by just over 2% in the 1990s. The population level then decreased from 25,136 in 2000 to 22,897 in 2010, which was a population loss of 8.9%.

The American Community Survey estimates show that Wahpeton has recently reversed the population losses that occurred in prior decades, and the City has gained population from 2010 to 2019. According to this source the City added 36 people over the last decade.

However, the American Community Survey estimates that Richland County and the entire MiSA have continued to lose population after 2010. The American Community Survey estimates Richland County had a loss of 67 people, while the Micro Area lost 352 people from 2010 to 2019.

Household levels in Wahpeton, Richland County and the Micro Area increased from 1990 to 2000, despite the loss of population. However, from 2000 to 2010 the household counts then decreased for the City, County and Micro Area.

For households, the American Community Survey estimates show that Wahpeton, Richland County and the MiSA each reversed the pattern of losses that had been present before 2010. Between 2010 and 2019 the American Community Survey estimate showed that the City of Wahpeton added 124 households, Richland County added 126 households, and the Micro Area added 254 households.

Findings on Projected Growth

This Study has utilized growth projections generated by Community Partners Research, Inc., for Wahpeton, Richland County and the Micro Area. These projections are based on the growth patterns present over the past decade, using the 2019 American Community Survey estimates. These trend-based projections forecast that Wahpeton's population will increase by 24 people from 2019 to 2025. The household projections expect a gain of 86 households from 2019 to 2025.

Richland County is projected to have a loss of 44 people from 2019 to 2025, but is expected to gain 86 households from 2019 to 2025.

The Micro Area is expected to have a loss of approximately 231 people through the year 2025. However, the Micro Area's household projections expect a gain of 174 households from 2019 to 2025.

Summary of MiSA's Growth Projections by Age Group

The Demographic section of this Study presented Esri's Micro Area projection information on anticipated changes by age group from 2020 to 2025. This information can be informative in determining the housing that may be needed due to the Area's age patterns.

In the opinion of the analysts, Esri's projections for 2025 are too low, by approximately 5% compared to the projections used for this document. Despite being low, the age-based changes can still be informative in examining expected changes in the area.

Esri is projecting a substantial increase in the number of senior-headed households in the MiSA by the year 2025. This would be consistent with the movement of the "baby boom" generation through the aging cycle. Most of the increase should occur within the 65 to 74 year old age group, and the number of households age 75 and older should also increase over the 5-year projection period.

Esri's projections show a fairly large decrease among middle-aged adult households, in the age ranges between 45 and 64 years old. This demographic cohort was smaller in size than the "baby boomers" that preceded them.

Although Esri is also projecting some decrease in the number of younger adult households, age 44 and younger, these age ranges should remain relatively stable through the year 2025, especially given the fact that Esri is overly conservative in their projections going forward.

These projections largely 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.

Findings on Unit Demand by Type of Housing

Based on the household by age projections presented earlier, the changing age composition of MiSA'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 small reduction in the number of households in the 15 to 24 age range through the year 2025. Past tenure patterns indicate that high percentage of young adult 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 slightly during the projection period.

25 to 34 Years Old - The projections show a modest reduction of households in this age range through 2025. 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 modest loss of households within this age range indicates slightly reduced demand for both first-time home buyer and rental opportunities from this age range during the projection period.

35 to 44 Years Old - The projections for this 10-year age cohort expect a stable number of households through 2025. 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 for trade-up housing, selling their starter home for a more expensive house.

45 to 54 Years Old - For the MiSA, the projections show a loss of 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 represents the "baby bust" generation that trails behind the "baby boom" generation. Since this age range is smaller in size, it will not replace the advancing baby boomers. The projections show a fairly large decrease in the number households in this 10-year age range by the year 2025 in the MiSA. This age range has traditionally a high rate of home ownership in Wahpeton, at approximately 71% in 2010.

65 to 74 Years Old - A significant gain of households is expected by the year 2025 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 should increase from household growth within this age cohort.

75 Years and Older - There is also strong growth in MiSA in this age range by 2025. 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 and housing with services 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 86 households and the Micro Area will gain 174 households from 2019 to 2025. 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 Housing Studies from 2010 and 2017, local interviews, research and on-site review of the local housing stock.

- ▶ **Wahpeton serves as a 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 2020 sales is approximately \$162,577. 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/Moorhead and Fergus Falls** - The City is located within commuting distance of Fergus Falls and Fargo that 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** - Approximately 2,465 employees are commuting into Wahpeton daily for work. These commuters are a potential market for future housing construction.

- ▶ **Land for development** - The City has land available for residential development.
- ▶ **Population and household growth** - The City is expected to have population and household growth over the next five years.
- ▶ **Wahpeton Community Development Corporation** - The Wahpeton Community Development Corporation (WCDC) has been active in developing and expanding business opportunities and residential development.
- ▶ **Housing Agencies** - Several housing agencies have been active in addressing Wahpeton's housing needs.
- ▶ **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, subdivision development and single family home construction.
- ▶ **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 incentives to promote new rental and owner-occupied housing.
- ▶ **Home prices** - The median sale price in Wahpeton based on 2020 sales is \$162,577, which provides confidence for developers, builders and households to construct new homes.

- ▶ **Flood Protection/Mitigation** - Over the past two decades, 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. As part of the diversion project settlement, funds are available to promote new housing development over the next several years.
- ▶ **Housing development** - Over the past 11 years, from 2010 to 2020, approximately 339 housing units have been constructed in Wahpeton.

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 that Fergus Falls and Fargo/Moorhead have to offer can make them the preferred location for some 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, the resources these agencies can provide to promote housing activities have been limited over the past several years.

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 27 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 26 to 30 general occupancy conventional market rate rental units
2.	Monitor the need for additional tax credit/moderate rent housing units
3.	Develop 14 to 16 senior independent rental units
4.	Develop 12 to 14 additional subsidized moderate rent/income restricted rental housing units
5.	Preserve the existing supply of subsidized rental housing
6.	Support the development of 12 to 14 additional senior housing with light services units
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/villa development
14.	Coordinate with agencies/nonprofits that develop very affordable ownership
Home Ownership Programs	
15.	Continue to utilize and promote all programs that assist with home ownership
16.	Develop a purchase/rehabilitation program
Housing Rehabilitation and Neighborhood Revitalization	
17.	Promote rental housing rehabilitation
18.	Promote owner-occupied housing rehabilitation programs
19.	Develop a neighborhood revitalization program
20.	Continue to acquire and demolish dilapidated structures
21.	Consider the adoption of a Landlord/Quality of Life Ordinance
Other Housing Initiatives	
22.	Development of the 60-acre WCDC site
23.	Promote employer involvement in housing programs
24.	Develop mobile home park improvement programs
25.	Create a plan and a coordinated effort among housing agencies
26.	Strategies for downtown redevelopment
27.	Continue home ownership and new construction marketing programs and strategies

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 250 rental units have been constructed in Wahpeton from 2010 to 2020. The units constructed in Wahpeton since 2010 include:

- ▶ **Dakota’s Estates** - 23 market rate general occupancy units
- ▶ **Westdale Apartments** - 123 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
- ▶ **Heritage Square Lofts** - 11 loft apartments created on the upper floors of downtown buildings.
- ▶ **Twin Homes** - Approximately eight rental units were constructed in four twin home structures.

In addition to these traditional rental projects, a 32-unit senior facility was constructed with 16 basic care units and 16 assisted living units. These specialized care units were not included in the multifamily rental totals above.

In addition to the units constructed since 2010, a vacant existing 24-unit rental project and a 94-unit project that had a very high vacancy rate were totally renovated.

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 Wahpeton will add approximately 86 households and the Micro Area will gain 174 households over the six-year period from 2019 to 2025. We are projecting that approximately 40% of the new households in Wahpeton will be renters. Therefore, we are projecting a demand for approximately 45 additional rental units in Wahpeton due to household growth over the five-year projection period. Also, if there are additional rental options in Wahpeton, the City will capture additional Micro Area households.

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.

As we did in the 2017 Housing Study, we continue to recommend several strategies to maintain a healthy rental housing stock 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 continue to be available 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.
- ▶ **Alternate uses for rental buildings and dorms** - Underutilized or vacant 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** - New rental housing construction in Wahpeton can achieve several goals which include:
 - ▶ Addresses pent-up demand for certain housing types
 - ▶ Upgrades the overall quality of the rental stock
 - ▶ Increases the City’s rent structure
 - ▶ Addresses gaps in the City’s rental stock
 - ▶ Attracts new households to the City and retains existing households

Based on the three demand generators and strategies stated above, we have identified a need for 74 to 86 rental units over the next five years, which is an average of 15 to 17 units annually. Based on the factors stated above, we recommend the development of the following new rental units over the next five years from 2021 to 2025.

▶ General Occupancy Market Rate	26-30 units
▶ Conversions (Affordable Market Rate)	10-12 units
▶ Subsidized/Income restricted	12-14 units
▶ Tax Credit/Moderate Rent	0 units
▶ Senior market rate (Independent)	14-16 units
▶ Senior (Light services)	<u>12-14 units</u>
Total	<u>74-86 units/beds</u>

1. Develop 26 to 30 general occupancy market rate rental units

Findings: Approximately 84% 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 939 market rate rental units surveyed, we found 32 vacancies, which is a 3.4% vacancy rate, on the low end of 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. Most of the rental projects have three or fewer vacancies and approximately 50% of the rental projects reported no vacancies.

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 \$800 for a one-bedroom unit, \$500 to \$1,000 for a two-bedroom unit, and \$800 to \$1,250 for a three-bedroom unit.

From 2010 to 2020, approximately 165 general occupancy market rate rental units were constructed in Wahpeton, including Westdale Apartments with 123 units, Dakota Estates with 23 units, Heritage Square Lofts with 11 units and eight rental units in four twin home structures. Also, three federally subsidized projects, with a total of 131 units, converted to market rate rental housing.

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 total of between 26 to 30 market rate rental units over the next five years from 2021 to 2025.

It is vital for a community to provide new rental housing for households seeking a unit with 'State of the Art' amenities, while not over-saturating the rental market to the extent that it will detrimentally impact the existing rental stock.

With the substantial number of new rental housing units constructed over the past several years and the conversion of subsidized units to market rate, a modest recommendation of 26 to 30 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 a limited number of 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 have expressed interest in constructing additional rental housing in Wahpeton.

If private developers cannot develop affordable workforce rental housing, the Wahpeton Community Development Corporation (WCDC) 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 \$595 for a one-bedroom, \$700 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	6-7	700 - 800	\$750 - \$850
Two-Bedroom	15-17	900 - 1,050	\$850 - \$1,025
Three-Bedroom	5-6	1,150 - 1,250	\$975 - \$1,250
Total	26-30		

Note: The recommended rents are gross rents including all utilities. The rents are quoted in 2021 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, 70 two-bedroom units and 68 three-bedroom units.

At the time of the survey, Prairiewood I & II had five vacancies, Dakota’s Edge reported five vacancies and Kennedy Park Townhomes had two vacancies. Therefore, there was a total of 12 vacancies in the three tax credit projects, which is an 8.0% vacancy rate. At the time of the 2017 Wahpeton Housing Study, the tax credit projects also had a significant number of vacancies. Rents range from \$525 to \$630 for a one-bedroom unit, \$550 to \$800 for a two-bedroom unit and \$640 to \$950 for a three-bedroom unit.

In addition to the three Wahpeton tax credit projects, one tax credit development is located in Breckenridge, Ridgeview Townhomes, which has 12-units and was constructed in 1998.

Recommendation: There are 150 tax credit units in Wahpeton and 40 of these units were recently constructed and opened for occupancy in 2017. There are 12 vacant units in the three tax credit projects. With the number of tax credit units in Wahpeton, the current vacancies and a 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 14 to 16 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 five 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 \$1,245 to \$1,310 plus heat and electricity. The owner reported no vacancies and a waiting list 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 \$1,200 to \$2,100 plus electricity. The owner reported five vacancies at the time of the survey.

Additionally, there is an age 55 and older project in Breckenridge. Willows and Maplewood Senior Living include 16 units in two townhouse 8-plexes constructed in 2005 and 2008.

In 2019, there were approximately 1,344 households in Wahpeton and 4,679 households in the Micro Area in the 55 and older age ranges.

Recommendation: We are recommending the development of an additional 14 to 16 senior independent townhome units in Wahpeton. Fourth Avenue Manor and the Village at River's Edge are serving the older 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 demand from the older senior population in the Micro Area over the next five years.

The Lindenwood and Elmwood project in Wahpeton serve the empty nester 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 14 to 16 townhome units for the 55 and older age ranges over the next five years. The unit design and amenities should be similar to the Lindenwood and Elmwood project, which has been very successful. The units could be constructed in phases.

4. Develop 12 to 14 additional general occupancy moderate rent/income restricted or subsidized rental housing units

Findings: There are four federally subsidized rental projects in Wahpeton. Combined, these projects have 136 units of subsidized housing. All four projects are general occupancy.

The four subsidized projects are as follows:

- ▶ **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.
- ▶ **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.

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.

Five vacancies were identified in the 136 subsidized units in Wahpeton at the time of the survey. This is a vacancy rate of 3.7%. At the time of the 2017 Wahpeton Housing Study, there was a 21.7% vacancy rate in the subsidized projects.

Since the Wahpeton 2017 Housing Study, three subsidized projects, Community Homes, Northland Elderly Apartments and Northland Apartments, with a total 131 units, have converted from subsidized to market rate rental projects.

In addition to the project-based subsidized housing, Richland County households have access to approximately 125 HUD Housing Choice Vouchers (formerly Section 8 Existing Program). A significant majority of these vouchers are being utilized by Wahpeton households.

Based on the American Community Survey, approximately 41% of the renter households in Wahpeton reported that 30% or more of their income was required to pay housing costs. The majority of these households were actually paying more than 35% of their income for rent. Most of these households had annual incomes of less than \$30,000, and needed a very affordable unit to avoid a housing cost burden.

Recommendation: Based on the cost burden data contained in the American Community Survey, the low vacancy rates in the subsidized rental projects, and the loss of 131 subsidized units due to contract termination and conversion to market rate, we recommend that the City develop deep subsidy rental housing for lower income renters. Over the next five years, we would recommend that the City of Wahpeton or regional housing agencies attempt to construct 12 to 14 units that achieve a rent level that would be affordable to low income households earning less than \$30,000 per year.

This recommendation represents a modest goal, since there are a significant number of low income households in the City with a cost burden. However, over the past few decades, very few federal subsidy sources have been available for the construction of "deep subsidy" rental housing. The actual number of units that can be developed will be dependent upon access to financial resources. In the opinion of the analysts, the highest priority would be to create larger subsidized general occupancy units for families and younger households.

5. Preserve the existing supply of subsidized housing

Findings: The City of Wahpeton has four “deep subsidy” rental housing projects with 136 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. At the time of the 2017 Wahpeton Housing Study, Wahpeton had 267 units. However, since the 2017 Study, three subsidized rental projects with 131 units have converted 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. 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.

The City of Wahpeton, the WCDC and 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. However, it should be noted that in some cases, it may be advantageous for a subsidized rental project to convert to market rate. Common Homes, a 94-unit subsidized project, was substandard and had a high number of vacancies. The project was purchased by a private individual who renovated the units and converted the project to market rate. Currently, after renovation, the project has a very low vacancy rate.

6. Support the development of 12 to 14 additional senior housing with light 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 50-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 14 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. 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 11 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 five vacant memory care and 12 vacant assisted living units
- ▶ St. Francis Nursing Home reported a 50% to 60% occupancy rate
- ▶ Pioneer Senior Villages reported four double room and four single room 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 2019 estimates from the American Community Survey, there are approximately 1,955 older senior citizens, age 75 and above, residing in the Micro Area. This population of older seniors has increased by 20 people since 2010. Also, the 75 and older population is forecast to increase from 2021 to 2025 in the Micro Area.

Recommendation: The purpose of the information in this recommendation is to provide general guidance to potential developers. A developer or an 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 11 vacant beds and St. Francis reported a high number of vacancies with a 50% to 60% occupancy rate. The high number of vacant skilled nursing beds is due partially to the Covid pandemic.

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

However, there are only 16 senior housing units with light services in the Micro Area. These units are in Sienna Court Assisted Living and were fully occupied at the time of the survey. Therefore, we are recommending the development of 12 to 14 light services senior units (apartments) over the next five years.

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 \$30,000. These households would need a rental unit at \$750 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. Over the past two decades, 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 \$700 per month. Creating some additional units with contract rents below \$750 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.

There may be parcels downtown suitable for a mixed-use project. Also, a dilapidated downtown building or buildings could be demolished 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 County Housing Authority. At the time of the research for this Study, it is estimated that approximately 125 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 the Richard County Housing Authority 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 has a six to eight-month waiting list.

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.

NDSCS Residential Life staff reported that during the current school year on-campus housing is at approximately a 70% occupancy rate. The apartments are almost fully occupied, thus, the majority of the vacancies are in the residence halls.

The enrollment at NDSCS has been stable and is projected to decrease slightly during the 2021/22 school year. Some of the enrollment is located in Fargo. Also, some students are taking classes on-line and are not on campus in Wahpeton.

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 student enrollment.

Wahpeton Single Family Housing Development

New Housing Construction

Findings: Wahpeton has experienced single family housing construction over the past 21 years. According to City and U.S. Census records, from 2000 to 2009, approximately 84 owner-occupied single family units were constructed in Wahpeton, including twin homes, which is an average of eight to nine units annually. From 2010 to 2020, approximately 86 owner-occupancy units have been constructed, which is an average of eight 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.

Strong household growth is projected in Wahpeton in the 35 to 44 age range over the next five years. Households in these age ranges are typically first-time home buyers or are in the market for trade-up housing. Significant growth is also projected in the 65 and older age ranges. Households in this age range are often seeking low maintenance housing such as twin homes and townhomes or senior housing with services.

It is our opinion that if the City of Wahpeton, the Community Development Corporation (WCDC), developers, builders, and local and regional housing agencies continue to be proactive, an average of 14 to 17 single family housing units could be constructed in Wahpeton annually from 2021 to 2025 to address demand. This is a total of 70 to 85 housing units over the five-year period.

The projection that 70 to 85 owner-occupancy units will be constructed over the 5-year period is also based on:

- ▶ Approximately 14 lots will be developed on the Central School site
- ▶ The Prairie Flats Subdivision, with 24 lots, will be annexed into the City and developed
- ▶ The development of the 60-acre WCDC parcel will proceed
- ▶ The City will continue to provide incentives to private developers for affordable new home construction

- ▶ Funds will be available from the diversion project settlement to promote new housing construction over the next several years
- ▶ Lots will be available for all types of owner-occupancy housing, including higher-priced houses, medium-priced homes, affordable homes, twin homes, town houses and villas

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 14 to 17 new housing units annually is as follows:

▶ Higher & medium-price homes	4-5 homes
▶ Affordable homes	6-7 homes
▶ Twin homes/town homes/villas	<u>4-5 units</u>
▶ Total	14-17 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.

Based on information provided by the City of Wahpeton, approximately 80 lots are currently available or are in the planning/development phase. The status of these lots is as follows:

- ▶ 55 lots currently available for sale or will be available within a short timeframe
 - ▶ 4 lots- Oakwood Court
 - ▶ 9 lots- Edgewood Park
 - ▶ 5 lots- Linden Court
 - ▶ 24 lots- Prairie flats (annexation & plat pending)
 - ▶ 14 lots- Central Properties (Central School site, development phase)
- ▶ 24 lots acquired or optioned for spec home or custom home construction
 - ▶ 6 lots in the Westdale Subdivision acquired by the Southeast Region Career and Technology Center
 - ▶ 10 lots in the Westdale Subdivision acquired by H & S
 - ▶ 6 lots in the Westdale Subdivision acquired or optioned by Burchill Construction
 - ▶ 2 lots in the Evergreen Subdivision acquired by a contractor

Additionally, the WCDC also owns a 60-acre parcel and is planning to sell this parcel to a private developer for residential development.

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 14 to 17 new single family housing units could be constructed per year, the City should have approximately 35 to 43 residential lots available to meet the expected demand. Part of this demand would be for attached unit construction.

With approximately 80 lots currently available, or that are in the pipeline, the City does have an adequate supply of lots for the next several years of construction.

However, we recommend that the City, the WCDC, and private developers continue to monitor lot sales and new home construction. If new construction projections come to fruition, additional lots will be needed in the future, and a plan should be developed to create new lots on an ongoing basis. 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 phases, based on actual demand.
- ▶ 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 for affordable homes that will continue to expand the housing 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/villa development.
- ▶ Future lot development will need the cooperation of financial institutions, employers, developers, home builders, realtors, the City of Wahpeton and the WCDC. 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: Over the past 10 years, Wahpeton has averaged approximately eight new owner-occupancy units annually.

Recommendation: We recommend that the City of Wahpeton, the WCDC, 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 14 to 17 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.

- ▶ ***Continue exclusive builder(s) relationships*** - 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 continue to be a strategy for new home construction.
- ▶ ***Lot availability for twin home/town home/villa development*** - It is our opinion that there will be a demand for twin homes/town homes and/or villas over the next five years. Lots should be available for a twin home/town home and villa 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 WCDC, developers and area businesses, should 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. Currently, the City is providing incentives to developers to construct affordable houses. The incentives include residential lots at a reduced price and 0% construction financing.
- ▶ ***Infill lot home development*** - Infill lots in existing neighborhoods are often affordable and have existing City services.
- ▶ ***Housing Programs*** - The North Dakota Housing Finance Agency, USDA Rural Development and regional housing agencies may have housing programs available to assist developers, builders and home buyers.
- ▶ ***Manufactured and modular homes*** - Manufactured and modular homes can provide affordable opportunities for moderate income households.
- ▶ ***Continue the momentum*** - The City and the WCDC have a working formula for new home construction and the City and the WCDC should maintain its momentum by assuring that there are an adequate number of developers, builders, lots, etc. in the City.

- ▶ **Marketing** - The City of Wahpeton, the WCDC and developers 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.
- ▶ **Construction of spec homes** - Spec houses attract buyers that are 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.

13. Promote town house/twin home/villa development

Findings: Wahpeton has experienced some attached housing or villa development from 2000 to 2020. For the purpose of this study, villas are detached townhomes that are on small lots and are typically part of a homeowner’s association. 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.

Attached and villa 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 and villa housing may also be an affordable option for younger households.

In 2020, based on Esri estimates, there were 4,896 households in the Micro Area with a head of household in the 55 and older age ranges and it is estimated that the 55 and older age ranges will increase by 127 households in the Micro Area from 2020 to 2025. It is estimated that Wahpeton had 1,428 households in the 55 and older age ranges in 2020 and the households in the 55 and older age ranges will increase by 72 households from 2020 to 2025.

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 four to five new owner single family units per year should be twin home, town house or villas over the next five years, which is a total of 20 to 25 units during the five-year period.

We recommend continued twin home/town home/villa 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 and villa 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 and villa housing development.

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

14. 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 Southeast Region Career and Technology Center. 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 and the Southeast Region Career and Technology Center is currently constructing affordable homes in Wahpeton.

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, tax increment financing, 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 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 \$162,577, based on 2020 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 35 to 44 age range. Some of these households are first-time home buyers. Some households 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:

15. 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. However, the home value estimates used in this study indicate that some of the existing stock is valued below the purchase price limits set 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 regional 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.

16. 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, a low interest rate 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.

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.

17. Promote rental housing rehabilitation

Findings: Based on the U.S. Census and City of Wahpeton data, we are estimating that the City of Wahpeton has approximately 1,900 rental units in 2021. 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 40 years old and some rental units may be in poor condition. Wahpeton has approximately 840 rental units that are more than 40 years old.

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 potentially 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 option in the future.

A local individual has recently renovated two rental housing projects, with a combined total of 122 units. These projects were in poor condition, but are now renovated with high occupancy rates.

Recommendation: The City of Wahpeton should continue to 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 and the WCDC should continue to provide local rental rehabilitation programs and incentives that assist rental property owners with the renovation of their properties. The City and the WCDC 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.

18. 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 more than 1,100 owner-occupied units that are more than 40 years old. Some of these units need rehabilitation.

The 2021 housing condition survey of 708 homes in three of Wahpeton's oldest neighborhoods found 325 homes that need minor repairs and 88 homes that need major repairs. Without rehabilitation assistance, the affordable housing stock will shrink in Wahpeton.

The City of Wahpeton and the WCDC have several funding sources and programs that can assist home owners with rehabilitating their homes.

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 and the Mini-Match Program.

19. 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. It is also our recommendation that the City and/or the WCDC 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.

20. Continue to acquire and demolish dilapidated structures

Findings: The housing condition survey of three older neighborhoods in Wahpeton identified 12 houses that were dilapidated and viewed as too deteriorated to rehabilitate. We also identified 88 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.

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.

21. 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 2021, there are approximately 840 units in Wahpeton that are more than 40 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 40 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. This results in the conversion of older homes to rental use.

Maintenance Efforts

- ▶ A large number of rental property owners are providing standard housing and reinvesting in their rental properties. However, some rental owners 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 Rental Property Owners

- ▶ Wahpeton has a significant number of rental property owners. Many of these owners do an excellent job; however, some absentee rental property owners 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 continue to 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. The ordinance would also encourage rental unit renovations and preserve the quality of the City’s housing stock.

Wahpeton Other Housing Initiatives

Other Housing Initiatives

22. Development of the WCDC 60-acre site

Findings: The Wahpeton Community Development Corporation (WCDC) owns a 60-acre parcel in Wahpeton which is adjacent to the Westdale Development. The WCDC is negotiating with a private development company to purchase and develop the site.

The intent of this Housing Study is to provide a comprehensive analysis and overall housing recommendations for the entire City. Therefore, we did not conduct an analysis or make housing recommendations for a specific site or a specific development concept. However, the proposed 60-acre project, which is called the Homestead Development, appears to be a competitive site for several of the new housing construction recommendations included in this Study.

Recommendation: New housing construction recommendations that could be included in the Homestead Development are:

- ▶ Single family housing development - The Study forecasts the construction of 10 to 12 single family detached homes annually over the next five years, which is a total of 50 to 60 houses.
- ▶ Twin home/town house/villas - The Study projects the development of four to five twin homes/town house/villa units over the next five years, which is a total 20 to 25 units.
 - ▶ The development could include specific neighborhoods for higher-priced, medium-priced and affordable homes and for twin home/town house/villas.
- ▶ The Study recommends the following rental units over the next five years that may be compatible with Homestead’s development plans. These units include:
 - ▶ General occupancy market rate - 26 to 30 units
 - ▶ Subsidized/income-restricted - 12 to 14 units
 - ▶ Senior market rate independent (townhomes) - 14 to 16 units
- ▶ Mixed-use development - If Homestead has a commercial area, a mixed-use (housing/commercial) project may be possible. A mixed-use development project is included in this Study as a recommendation.

As stated previously, Community Partners Research, Inc., has not analyzed the site, proforma information, etc. Also, there are other parcels and lots in the City that are available for new housing construction.

23. 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 continue to 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 a local down payment assistance program.

Additionally, employers can continue to support other City projects, such as parks, trails, ball fields, educational facilities, etc. that will have a positive impact on housing in Wahpeton.

24. Develop mobile home park improvement programs

Findings: Wahpeton has 152 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 in February 2021. Of the 152 mobile/manufactured homes surveyed in the three mobile home parks, 42 (28%) needed minor rehabilitation, 28 (18%) needed major rehabilitation and 16 (11) were dilapidated and possibly beyond repair. Sixty-six mobile homes (43%) were sound and in good repair.

In 2017, Community Partners Research, Inc., surveyed the mobile homes in the three parks and 27% needed minor repairs, 21% needed major repairs and 13% were dilapidated and beyond repair. Approximately 38% were sound and in good repair.

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/Rent 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 or rental. All identified safety hazards must be corrected before the unit is sold, rented 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.

25. 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 Development Group, the Region V Community Development Corporation, the Southeastern North Dakota Community Action Agency, the Richland County Housing Authority, 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.

26. 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 recommend continuing 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 and WCDC 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
 - ▶ WCDC

27. Continue 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 WCDC, the Chamber of Commerce, other organizations and agencies, private builders and developers and other housing stakeholders 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 Community Development Corporation

1900 Fourth Street North
Wahpeton, ND 58075
(701) 642-8448

Richland County Housing Authority

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

Lake Agassiz Development Group

417 Main Avenue #201
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

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

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