

Rural Workforce Housing Proposal

Dept. of Commerce – Community Development Division

Rural Workforce Housing Need

Rural communities face multiple unique workforce housing challenges. The lack of housing options, age of housing stock, construction costs, lack of builders and contractors, limited financing capabilities, and lower appraisal values negatively impact local economies.

Outreach efforts between the Dept. of Commerce, communities across the state and a rural housing taskforce have verified the need for a state-funded, flexible program that can bolster housing development, community revitalization and economic development.

The Rural Workforce Housing Proposal is a solution to effectively re-use existing infrastructure while engaging the private sector. When communities have affordable and attractive housing options, individuals and families can relocate to rural communities which will increase workforce numbers and support long-term sustainability of communities.

How It Will Work

This grant program targets workforce housing for the displaced, blight and unsafe properties and the effective reuse of existing infrastructure for in-fill housing development. The cost to construct is lower by eliminating lot acquisition and demolition costs and utilities are in place. Any housing type from tiny homes, single family homes to 8-plexes and mixed-use properties are eligible.

Businesses located on properties that are part of the program will be eligible for an additional grant award of up to \$10,000 if they are "workforce friendly". Workforce-friendly businesses may include childcare facilities and restaurants.

Step One: The city, with grant assistance, conducts a housing study with a focus on workforce housing needs while identifying all blighted property and vacant lots in the community. The requirement to conduct a housing study is waived in our smallest communities.

Step Two: The city also must identify private sector partner(s) who are willing to build on the parcels.

Step Three: City prioritizes the type of housing and prioritizes the parcels on the blighted list that are best suited to build the prioritized housing or to best accommodate the identified need.

Step Four: Grant funds acquire the property (if needed), remediate any hazards, remove the blighted structure, unless it has historical significance to the community. If there is historical significance, the adaptive reuse of the structure will be reviewed.

Step Five: Land is gifted to the private sector partner to build housing prioritized by the city to sell/rent at a not-to-exceed price OR gifted to a person who does not currently live in ND and is willing to build a home and work full-time in the community or within 30 miles of the community.

No more than 10% of the properties included in the blighted properties list can be razed and a bare lot created, even if the lot is not of sufficient size to build upon. Those lots provide the community the ability to meet a need such as community gardens, pocket parks, veterans memorial or other community betterment need. The cost to construct is lower because acquisition and demolition costs are alleviated, and utilities/infrastructure are already on-site.

Statewide Community and Workforce Benefits

1. Provide targeted, much needed workforce housing in rural communities
2. Eliminate blight and hazardous buildings in communities
3. Utilize existing infrastructure
4. Provide jobs in rural ND communities, such as plumbers and electricians
5. Drive local consumer purchasing
6. Increase vibrancy with such things as parks or other public spaces
7. Public/Private Partnership
 - a. State Government – Commerce, Housing Finance, Bank of ND, Health Dept.
 - b. Local Government
 - c. Private Sector
8. Preserve Historical Structures
9. Focus on underserved areas with current or potential economic vitality
10. Property value increase in communities
 - a. Increase in local government property tax collections
 - b. Potential reduction in appraisal gaps for participating cities
11. Incentivizes workforce friendly businesses such as daycares and restaurants

Program Implementation and ROI

According to the ND League of Cities there are 356 cities in ND. The target would be to try and provide grants in over 50 of these cities, spread all across ND.