



Housing Needs Assessment

City of Grand Forks, North Dakota



FINALREPORT

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Housing Needs Assessment

Prepared for

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Grand Forks Housing Authority
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SECTION I.

Demographic and Economic Profile

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Demographic and Economic Profile

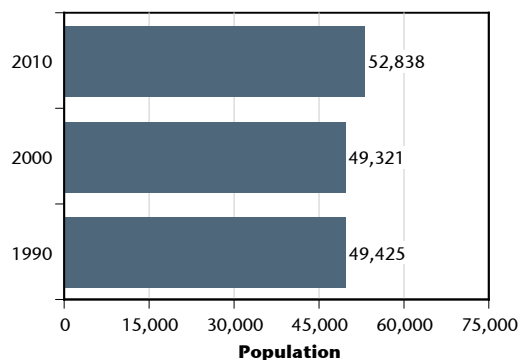
This section provides a demographic and economic profile for the City of Grand Forks. This section used the most recent data available on the city's population and economy at its writing, which includes:

- U.S. Census (2010 and 2000 for trends);
- 2007-2010 American Community Survey (ACS) 3-year estimate;
- Bureau of Labor Statistics;
- Grand Forks Regional Economic Development Corporation; and
- The University of North Dakota.

Grand Forks Demographic Profile

The North Dakota State University Data Center identified three recent demographic trends impacting the State of North Dakota: rural depopulation, an out-migration of young adults and young families and an increasing proportion of elderly residents. This demographic profile will demonstrate that two of these three trends are occurring in Grand Forks. The city's population did not decline between 2000 and 2010. However, the number of married couples with children has dropped in the last two years, and the city's population is in fact aging. These trends and other defining characteristics of the city are explored in this section.

Figure I-1.
Historic and Current Population,
City of Grand Forks, 1990, 2000 and 2010



Source: 1990, 2000 and 2010 Census.

Population. Grand Forks' 2010 population was reported by the Census as 52,838. The city has grown modestly in the last 20 years.

College and armed forces residents. It should be noted that the University of North Dakota (UND) and the Grand Forks Air Force Base (AFB) both influence the city's population- however, residents associated with these institutions may not be included in population totals. UND's enrollment is currently 14,700, which is a 33 percent increase from the 2000-2001 school year student enrollments. The greatest annual increase occurred during the 2010-2011 school year, when the university's total population grew by 8 percent.

It is unclear how many of these students claim Grand Forks residency in the Census. However, much of the student body move to Grand Forks from elsewhere and many live off campus. Specifically:

- Less than half of the student population is from North Dakota (41%). Fifty-two percent of students are from other states and 7 percent of students are from other countries.
- Approximately 10,000 students or 69 percent of the student population, live off-campus. The remaining 21 percent of students live on-campus in residence halls, family housing, on-campus apartments and Greek housing.
- More than 770 faculty members work at UND. Most of these faculty members are professors (e.g., full professors, associate professors, assistant professors), who earn between \$65,000 and \$95,000 per year.

The Grand Forks Air Force Base has a population of 2,400, which includes Air Force personnel and dependents that live on base. The Grand Forks AFB's population is not included in the city's overall population unless military personnel and their families live off-base within the city.

The three largest cities in the state are Fargo, Bismarck and Grand Forks, respectively. These three cities account for one-third of the state's population, indicating that two-thirds of the state's population resides in small communities or rural settings.

Figure I-2 compares population growth in Grand Forks to Fargo, Bismarck and the state overall. The state netted approximately 34,000 new residents in the last 20 years. Fargo, Bismarck and Grand Forks added nearly 47,000 new residents, indicating some population loss in the other parts of the state. Grand Forks grew more slowly than Fargo and Bismarck in the last 20 years.

Figure I-2.
Population Growth, Bismarck, Fargo, Grand Forks and North Dakota, 1990, 2000 and 2010

| | Population | | | Population Growth | Total Growth (1990 to 2010) | Compound Annual Growth Rate (1990 to 2010) |
|-----------------------|------------|---------|---------|-------------------|--------------------------------|---|
| | 1990 | 2000 | 2010 | | | |
| State of North Dakota | 638,800 | 642,200 | 672,591 | 33,791 | 5.3% | 0.3% |
| Fargo | 74,111 | 90,599 | 105,549 | 31,438 | 42.4% | 1.8% |
| Bismarck | 49,256 | 55,532 | 61,272 | 12,016 | 24.4% | 1.1% |
| Grand Forks | 49,425 | 49,321 | 52,838 | 3,413 | 6.9% | 0.3% |

Source: 1990, 2000 and 2010 Census.

Migration. During 2010, 5 percent of the North Dakota's population moved into the state from another state. Many of those residents came from nearby Minnesota (41% or 12,350 people); some came from the large states of Texas (8%) and California (5%). The neighboring states of Minnesota, Montana and South Dakota experienced lower rates of in-migration than North Dakota.

Some in-migration is attributed to enrollment at state universities. According to the North Dakota State Data Center, "North Dakota had the 3rd largest proportion of out-of-state, first-year students among all states, and had an overall net in-migration of 1,973 students in fall 2008." The state's booming oil and gas industry is also attracting workforce, particularly from other oil and gas states, such as Texas.

Figure I-3 examines annual in-migration into the City of Grand Forks by age for 2010. As demonstrated in the exhibit, much of the city's annual in-migration is attributed to the college age and young adult populations who are likely enrolled at UND.

Figure I-3.
Residents by Age Moving into Grand Forks
from Outside Grand Forks County, City of
Grand Forks, 2010

Note:

This includes residents that moved into Grand Forks from outside Grand Forks County and State of North Dakota.

Source:

2008-2010 American Community Survey 3-year estimate.

| Age Cohort | Number | Percent of Total |
|--------------------------------|--------------|------------------|
| Infants and toddlers (0 to 4) | 369 | 5.7% |
| School aged children (5 to 17) | 379 | 5.9% |
| College aged adults (18 to 24) | 3,917 | 60.5% |
| Young adults (25 to 44) | 1,192 | 18.4% |
| Baby boomers (45 to 64) | 531 | 8.2% |
| Seniors (65 and older) | 88 | 1.4% |
| Total | 6,476 | 100.0% |

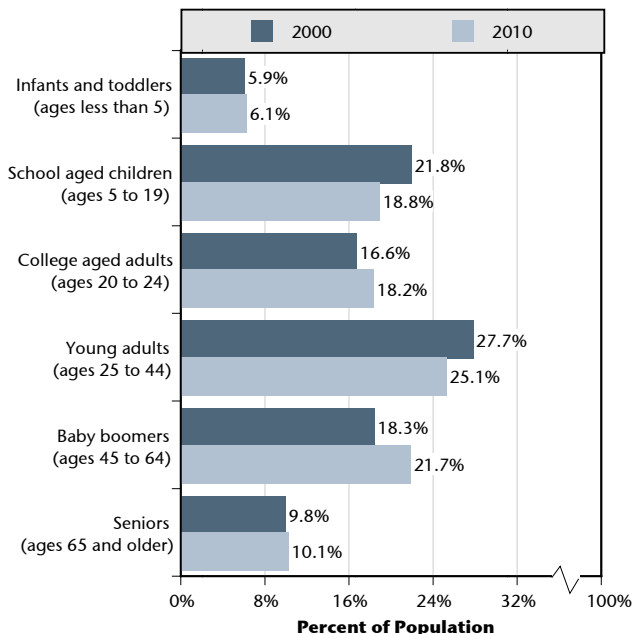
In-migration to Grand Forks exceeded the city's overall population growth (3,413) which means that residents migrated out of the city as well. The numbers above represent average in-migration between 2008 and 2010, which suggests that much of the city's decade growth occurred during the latter part.

Projections. The State Data Center provided population projections for Grand Forks County through 2010. These estimates were last updated in 2003; new estimates will be released in summer 2012. The Data Center expects very modest growth in the county-and thus, the city-between 2010 and 2020. Between 2010 and 2020, Grand Forks' County population is expected to increase by just 1 percent.

Age. Figure I-4 compares the age distribution of the city's population in 2010 to 2000. Growth in the size of the student population at UND has led to a larger proportion of college aged adults in the city. There is now a smaller proportion of young adults and a larger proportion of Baby Boomers; this is a sign that the city's non-student population is aging.

Figure I-4.
Age Distribution, City of
Grand Forks, 2000 and 2010

Source:
2000 and 2010 Census.



The following age pyramid is a useful tool for understanding how the city's age distribution may drive growth in the future. Cities with large college populations have relatively high proportions of 18-24 year olds (undergraduates) and 25-29 year olds (graduate students). These residents may or may not be temporary, depending on their preferences to stay in the city or move.

Another significant aspect of Grand Forks' age pyramid is the high proportions of middle age adults and Baby Boomers and smaller proportion of 35 to 39 year olds.

Figure I-5.
Age Pyramid,
City of Grand
Forks, 2010

Source:
2008-2010 3-year ACS.

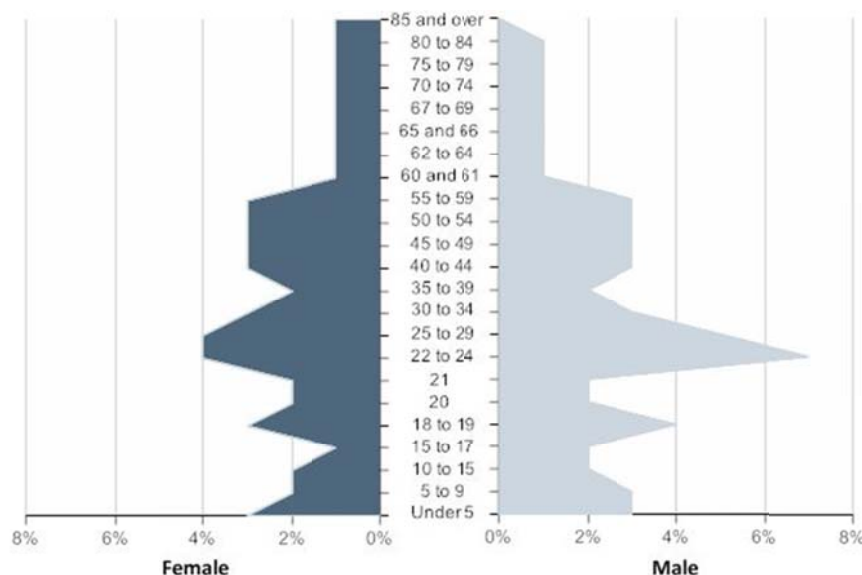
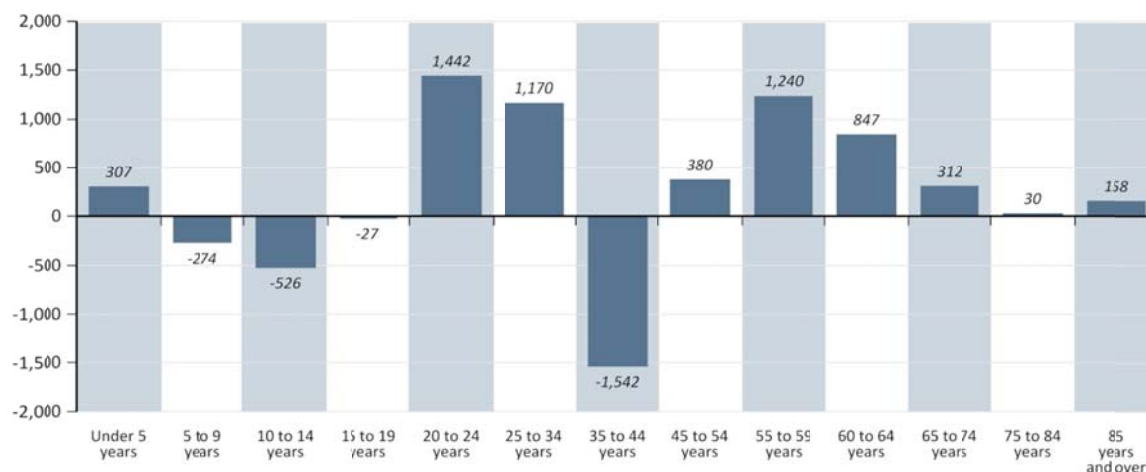


Figure 1-6 presents the change in residents by age group. As demonstrated by the figure, except for the very young, the number of children in Grand Forks declined during the past decade. This was also true of residents age 35 to 44; this could be attributable to out-migration of these households, as well as this being a smaller age cohort than in years past.

Figure I-6.
Change in Population by Age, 2000 to 2010

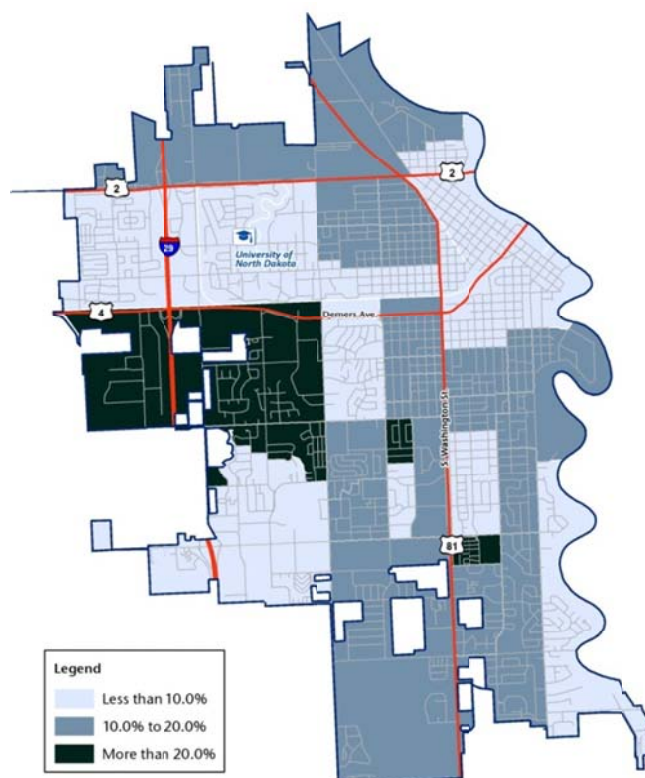


Source: 2000 and 2010 Census.

As the city ages, accessible housing demand and needs will increase as age and disability are correlated. Seniors often require assistance with home maintenance and transportation to ensure they maintain a high quality of life while aging in place. Figure I-7 displays the geographic distribution of the city's senior population. Census block groups highlighted in black represent areas of senior concentrations. These areas contain a higher proportion of seniors than the city overall.

Race and ethnicity. Grand Forks' population is primarily racially White (90%) and ethnically non-Hispanic (97%). Since 2000, the city's population has experienced racial and ethnic diversification. Although still low in numbers, many of Grand Forks' minority populations grew significantly during the past decade.

Figure I-7.
Percent Senior Population by Block Group, City of Grand Forks, 2010



Source: 2010 Census.

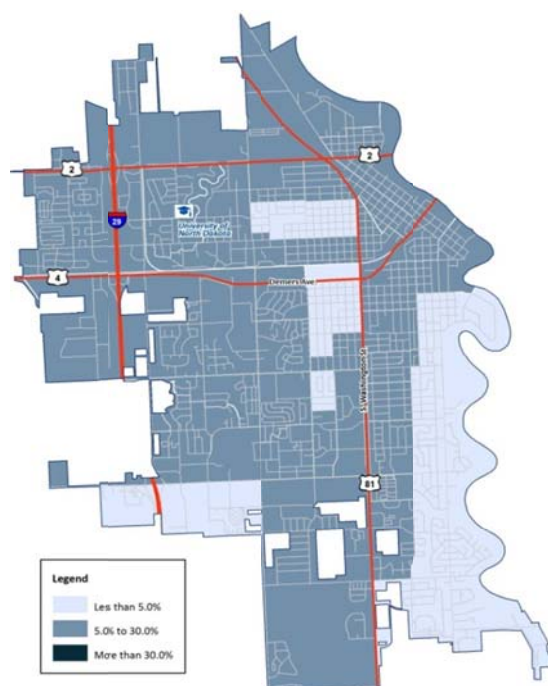
Figure I-8.
Racial and Ethnic Composition, City of Grand Forks, 2010

| | 2000 | | 2010 | | Change 2000-2010 | |
|-------------------------------------|--------|---------|--------|---------|------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| Race | | | | | | |
| American Indian and Alaska Native | 1,357 | 2.8% | 1,515 | 2.9% | 158 | 11.6% |
| Asian | 472 | 1.0% | 1,178 | 2.2% | 706 | 150.0% |
| Black or African American | 426 | 0.9% | 1,061 | 2.0% | 635 | 149.0% |
| Native Hawaiian or Pacific Islander | 28 | 0.1% | 20 | 0.0% | (8) | -28.6% |
| White | 46,040 | 93.3% | 47,382 | 89.7% | 1,342 | 2.9% |
| Some other race | 288 | 0.6% | 385 | 0.7% | 97 | 33.7% |
| Two or more races | 710 | 1.4% | 1,297 | 2.5% | 587 | 82.7% |
| Ethnicity | | | | | | |
| Hispanic | 921 | 1.9% | 1,473 | 2.8% | 552 | 60.0% |
| Non-Hispanic | 48,400 | 98.1% | 51,365 | 97.2% | 2,965 | 6.1% |

Source: 2010 Census.

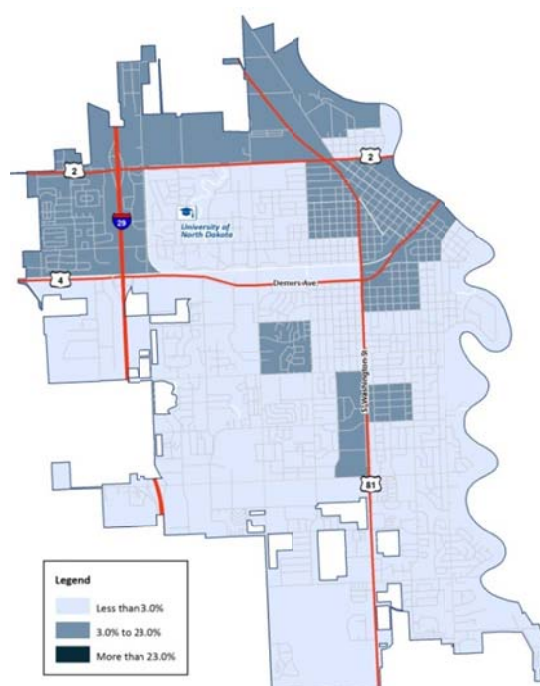
Figures I-9 and I-10 examine where the city's racial and ethnic minorities reside. According to HUD, "minority impacted areas" occur where a specific racial or ethnic group makes up more than 20 percentage points of a Census block group or tract than their population of a city overall. The maps show that Grand Forks has no minority impacted areas. However, as Figure I-8 shows, the city's Hispanic population is mostly located in the northern portion.

Figure I-9.
Percent Non-White Population by Block Group, City of Grand Forks, 2010



Source: 2010 Census.

Figure I-10.
Distribution of Hispanic Population by Block Group, City of Grand Forks, 2010



Source: 2010 Census.

The City of Grand Forks is one of 200 communities nationwide that provides resettlement services for refugees. Since 2005, approximately 2,300 refugees resettled in North Dakota; 462 refugees (20%) have resettled in Grand Forks, which is the 3rd largest resettlement community in the state behind Fargo and West Fargo. In the last three years, Grand Forks has welcomed an average of 93 refugees into the city each year. Most of the state's refugees were from Bhutan (36%), Somalia (21%), Iraq (17%), Burundi (7%), Liberia (5%) and Sudan (4%).

Household composition. Significant changes in the city's household composition during the last 10 years include the following:

- There are fewer husband and wife families living in Grand Forks. Growth in married couple households without children in the last 10 years has been offset by the loss of married couples with children.
- Growth in unmarried male- and female-headed households led to an overall increase in the number of family households in Grand Forks.
- Growth in the UND student population led to an increase in the number of and overall proportion of non-family households in Grand Forks.

Figure I-11.
Household Composition, City of Grand Forks, 2000 and 2010

| | 2000 | | 2010 | |
|---------------------------------------|---------------|--------------------------|---------------|--------------------------|
| | Number | Percent Total Households | Number | Percent Total Households |
| Family Households | 11,054 | 56.2% | 11,275 | 50.7% |
| Husband and wife families | 8,504 | 43.2% | 8,297 | 37.3% |
| <i>with children under 18</i> | 3,931 | 20.0% | 3,271 | 14.7% |
| <i>without children under 18</i> | 4,573 | 23.2% | 5,026 | 22.6% |
| Male householder, no wife | 590 | 3.0% | 820 | 3.7% |
| <i>with children under 18</i> | 319 | 1.6% | 437 | 2.0% |
| <i>without children under 18</i> | 271 | 1.4% | 383 | 1.7% |
| Female householder, no husband | 1,960 | 10.0% | 2,158 | 9.7% |
| <i>with children under 18</i> | 1,404 | 7.1% | 1,424 | 6.4% |
| <i>without children under 18</i> | 556 | 2.8% | 734 | 3.3% |
| Non-family households | 8,623 | 43.8% | 10,985 | 49.3% |
| Total Households | 19,677 | 100.0% | 22,260 | 100.0% |

Source: 2000 and 2010 Census.

Grand Forks' overall household composition is similar to other towns hosting a major university. For example, 51 percent of Fargo's (North Dakota State University) households are non-family households. The State of North Dakota (61%) and the U.S. (66%) contain a larger proportion of family households than in Grand Forks.

Household size. The average size of Grand Forks' households has changed somewhat in the last 10 years. In 2000, the average household size was 2.31; in 2010, it was 2.27. The size of the city's homeowner households has decreased (2.74 in 2000, 2.54 in 2010). This decrease was offset by the increase in average household size among the city's renters (1.88 in 2000, 1.99 in 2010).

Income and poverty. This section examines household and family income in Grand Forks, as well as the prevalence of poverty among the city's residents.

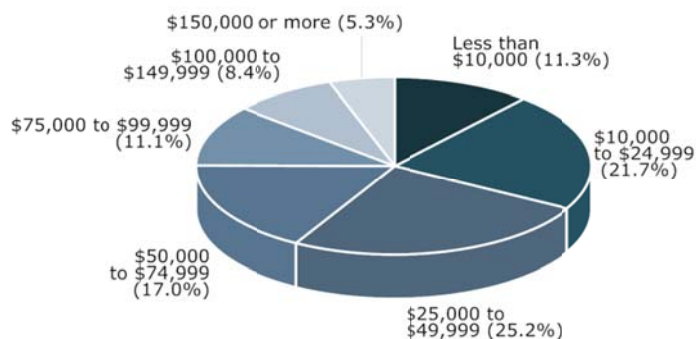
Household income. The median household income in Grand Forks is \$41,499. This statistic includes both family households and non-family households (e.g., college students living together). The city's median household income is lower than the state's median household income (\$47,815) and the U.S. (\$51,222).

The city's median household income was \$33,905 in 2000. Between 2000 and 2010, the city's median household income increased by 22 percent, which was not enough to keep pace with inflation (a 27 percent increase). The growth in median household income is attributed to that of the city's homeowners, which grew from \$51,196 in 2000 to \$69,995 in 2010. Conversely, the median household income of renters remained unchanged (\$22,025 in 2000, \$23,106 in 2010). In sum, income of the city's owners increased more rapidly than inflation, while the city's renters lost purchasing power during the past decade.

Figure I-12 displays the city's household income distribution. More than half of the city's households earn less than \$50,000 annually (58%). This is not surprising, given that Figure I-10 includes the city's college student population.

Figure I-12.
Household Income Distribution,
City of Grand Forks, 2010

Source:
2008-2010 American Community Survey
3-year estimate.



Family income. The median family income in Grand Forks is \$67,910. This is higher than the median income of households, because family income includes more two-earner households and excludes people living alone or with roommates.

The median family income has increased by \$20,000, or 43 percent, since 2000. Grand Forks' current median family income is higher than the median family income in North Dakota (\$64,135) and the U.S. (\$62,112).

Figure I-13 displays the city's family income distribution. As demonstrated by the figure, Grand Forks families represent a variety of income levels. Thirty-eight percent earn less than \$50,000.

Figure I-13.
Family Income Distribution, City of Grand Forks, 2010

Source:
2008-2010 American Community Survey
3-year estimate.

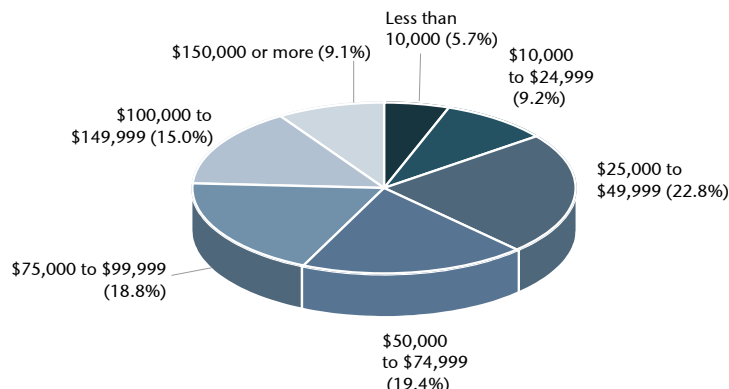
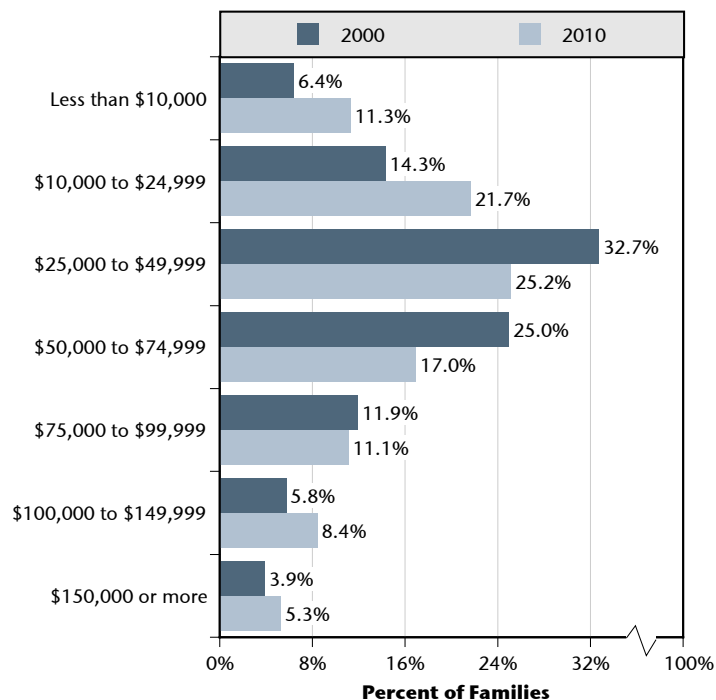


Figure I-14 compares family income distribution in 2000 to 2010. There are a larger proportion of households now earning \$25,000 or less than in 2010, and there are now more households earning \$100,000 or more. In other words, there are now more low income families and high income families in the city, and fewer families earning between \$25,000 and \$75,000 per year.

Figure I-14.
Family Income Distribution, City of Grand Forks, 2000 and 2010

Source:
2000 and 2008-2010 American Community
Survey 3-year estimate.



Median Family Income (MFI) is used by HUD and state and local policy makers to qualify households for various federally funded housing programs. According to HUD, the MFI for the Grand Forks MSA is \$64,700 in 2012. The following classifications utilize MFI to define income levels according to HUD's categorization:

- Extremely low-30 percent and less of MFI (\$19,410 and less);
- Very low-31 to 50 percent of MFI (\$19,411 to \$32,350);

- Low and moderate-51 to 80 percent (\$32,351 to \$51,760); and
- Above low and moderate-80 percent and above of MFI (more than \$51,760).

Figure I-15 uses HUD income categories to compare the city's income distribution in 2000 and 2012 and determine how the city's family income distribution has changed in the last 12 years. The city now contains slightly higher proportions of extremely low income, very low income and low to moderate income households than in 2000.

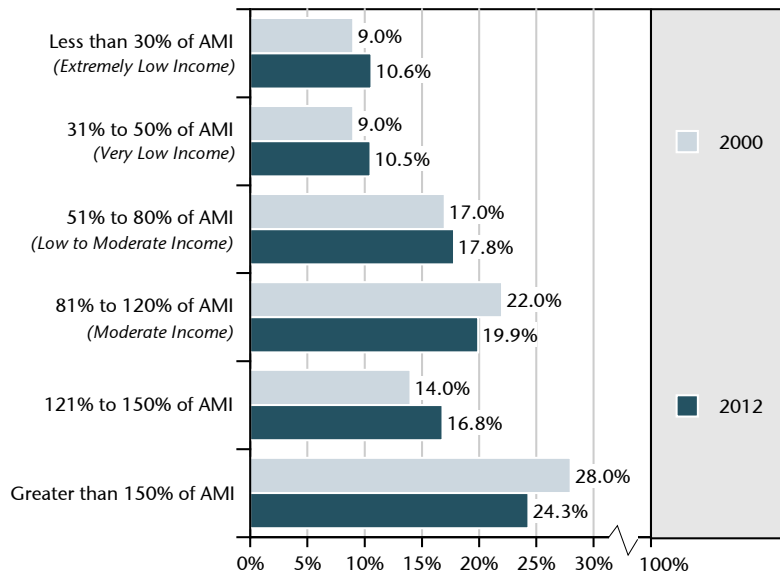
Figure I-15.
Family Income Distribution
by HUD MFI, City of Grand
Forks, 2000 and 2012

Note:

Utilizes 2012 HUD Income Limits and
2010 Household Income data from the
Census.

Source:

2008-2010 American Community Survey
3-year estimate and HUD.



Poverty. The city's poverty rate in 2010 was 20 percent, which is higher than the poverty rate in North Dakota (12%) and the U.S. (14%). This is also higher than the city's poverty rate of 15 percent in 2000.

As demonstrated in Figure I-16, the city's poverty rate is heavily linked to UND's student population.

Figure I-16.
Poverty by Age, City
of Grand Forks, 2010

Source:

2008-2010 American Community Survey
3-year estimate.

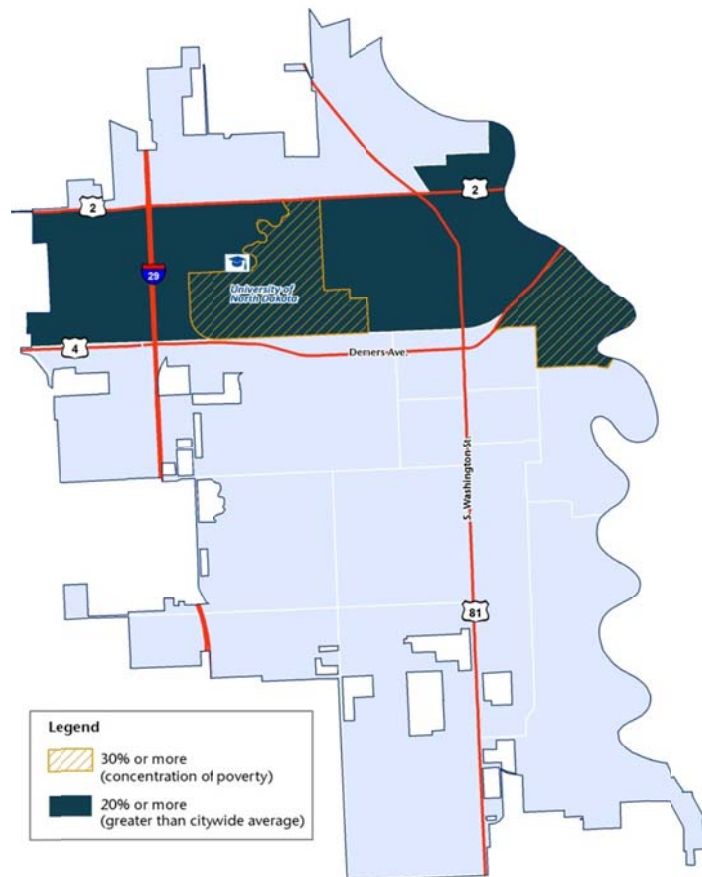
| | Number | Percent in Poverty | Percent in Age Group |
|--------------------------------|--------------|--------------------|----------------------|
| Infants and toddlers (0 to 4) | 729 | 7.4% | 25.4% |
| School aged children (5 to 17) | 1,057 | 10.7% | 16.3% |
| College aged adults (18 to 24) | 5,059 | 51.2% | 44.6% |
| Young adults (25 to 44) | 1,618 | 16.4% | 12.8% |
| Baby boomers (45 to 64) | 946 | 9.6% | 8.4% |
| Seniors (65 and older) | 471 | 4.8% | 9.2% |
| Total | 9,880 | 19.9% | |

Poverty rates for children aged 0 to 17 increased the most during the last 10 years. The poverty rate for children increased from 15 percent in 2000 to 19 percent in 2010.

Figure I-17 shows the percent of persons living in poverty by Census tract. The location of impoverished residents is highly correlated with proximity to UND, in addition to areas within and immediately surrounding downtown Grand Forks.

Figure I-17.
Percent of Population in Poverty
by Census Tract, City of Grand
Forks, 2009

Source:
2005-2009 American Community Survey 5-year
estimate.

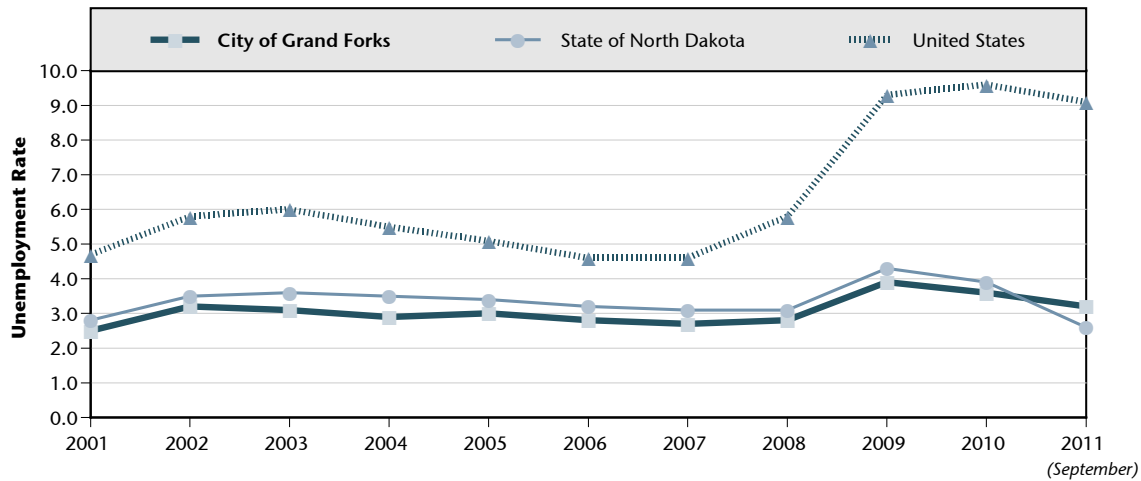


Economic Profile

This section discusses key components of the city's economy, which affect the demand for and price of housing.

Labor force and unemployment. Figure I-16 presents unemployment rates for Grand Forks, the State of North Dakota and the U.S. from 2000 to 2011. Grand Forks and the State of North Dakota have consistently boasted some of the lowest unemployment rates in the country for the last 10 years. While Grand Forks was not immune to the economic downturn in 2008 and 2009, the city and the State of North Dakota fared far better than the U.S. As of September 2011, Grand Forks unemployment rate was 3.2 percent, compared with 2.6 percent for North Dakota and 9.1 percent for the U.S.

Figure I-18.
Unemployment Rates, Grand Forks, North Dakota and United States, 2001 to 2011



Source: Bureau of Labor Statistics

Job and wages by industry. Figure I-19 compares Grand Forks County's job composition by industry for 2005 and 2011-the BLS does not provide employment data by jurisdiction .

Figure I-19.
Average Employment, Grand Forks County, 2005 and 1st Quarter 2011

| | 2005 | | 1 st Quarter of 2011 | |
|--|---------------|------------------|---------------------------------|------------------|
| | Employment | Percent of Total | Employment | Percent of Total |
| Goods Producing (Private) | 4,887 | 13.1% | 3,941 | 10.4% |
| <i>Natural Resources, Mining and Agriculture</i> | 409 | 1.1% | 324 | 0.9% |
| <i>Construction</i> | 2,164 | 5.8% | 1,712 | 4.5% |
| <i>Manufacturing</i> | 2,314 | 6.2% | 1,905 | 5.0% |
| Service Producing (Private) | 24,400 | 65.2% | 25,713 | 67.7% |
| <i>Trade, Transportation, and Utilities</i> | 8,734 | 23.3% | 8,868 | 23.4% |
| <i>Information</i> | 513 | 1.4% | 427 | 1.1% |
| <i>Financial Activities</i> | 1,236 | 3.3% | 1,322 | 3.5% |
| <i>Professional and Business Services</i> | 2,982 | 8.0% | 2,715 | 7.2% |
| <i>Education and Health Services</i> | 5,439 | 14.5% | 6,497 | 17.1% |
| <i>Leisure and Hospitality</i> | 4,305 | 11.5% | 4,783 | 12.6% |
| <i>Other Services</i> | 1,191 | 3.2% | 1,100 | 2.9% |
| Total Private Employment | 29,287 | 78.2% | 29,654 | 78.1% |
| Federal Government | 1,366 | 3.6% | 1,173 | 3.1% |
| State Government | 3,957 | 10.6% | 4,008 | 10.6% |
| Local Government | 2,835 | 7.6% | 3,129 | 8.2% |
| Total Government Employment | 8,158 | 21.8% | 8,310 | 21.9% |
| Total Employment | 37,445 | 100.0% | 37,964 | 100.0% |

Source: Bureau of Labor Statistics.

The Grand Forks area has slowly become more reliant on service producing industries and less reliant on goods producing industries, such as manufacturing, construction and agriculture. In fact, the area lost nearly 1,000 goods producing jobs in the last 6 years; most of these jobs were in construction and manufacturing. The education and health services industry gained the most jobs in the last six years.

Figure I-20 presents wage information by industry for jobs in Grand Forks County in 2005 and 2011. Federal government jobs pay the highest annual average wages in Grand Forks, followed by the financial activities industry and the North Dakota state government.

Figure I-20.
Employment and Average Wages, Grand Forks County, 2005 and 1st Quarter 2011

| | 2005 | | 1 st Quarter of 2011 | | Percent Increase in Annual Average Wages |
|--|-------------------|-------------------------|---------------------------------|-------------------------|--|
| | Weekly Employment | Annual Percent of Total | Weekly Employment | Annual Percent of Total | |
| Goods Producing (Private) | \$ 624 | \$ 32,448 | \$ 735 | \$ 38,220 | 17.8% |
| <i>Natural Resources, Mining and Agriculture</i> | \$ 598 | \$ 31,096 | \$ 651 | \$ 33,852 | 8.9% |
| <i>Construction</i> | \$ 696 | \$ 36,192 | \$ 784 | \$ 40,768 | 12.6% |
| <i>Manufacturing</i> | \$ 562 | \$ 29,224 | \$ 705 | \$ 36,660 | 25.4% |
| Service Producing (Private) | \$ 495 | \$ 25,740 | \$ 569 | \$ 29,588 | 14.9% |
| <i>Trade, Transportation, and Utilities</i> | \$ 492 | \$ 25,584 | \$ 576 | \$ 29,952 | 17.1% |
| <i>Information</i> | \$ 659 | \$ 34,268 | \$ 793 | \$ 41,236 | 20.3% |
| <i>Financial Activities</i> | \$ 693 | \$ 36,036 | \$ 988 | \$ 51,376 | 42.6% |
| <i>Professional and Business Services</i> | \$ 539 | \$ 28,028 | \$ 660 | \$ 34,320 | 22.4% |
| <i>Education and Health Services</i> | \$ 687 | \$ 35,724 | \$ 703 | \$ 36,556 | 2.3% |
| <i>Leisure and Hospitality</i> | \$ 193 | \$ 10,036 | \$ 228 | \$ 11,856 | 18.1% |
| <i>Other Services</i> | \$ 354 | \$ 18,408 | \$ 392 | \$ 20,384 | 10.7% |
| Total Private Employment | \$ 517 | \$ 26,884 | \$ 591 | \$ 30,732 | 14.3% |
| Federal Government | \$ 776 | \$ 40,352 | \$ 995 | \$ 51,740 | 28.2% |
| State Government | \$ 716 | \$ 37,232 | \$ 984 | \$ 51,168 | 37.4% |
| Local Government | \$ 625 | \$ 32,500 | \$ 676 | \$ 35,152 | 8.2% |
| Total Government Employment | \$ 736 | \$ 38,272 | \$ 885 | \$ 46,020 | 20.2% |
| Total Employment | \$ 556 | \$ 28,912 | \$ 652 | \$ 33,904 | 17.3% |

Source: Bureau of Labor Statistics.

Occupations. According to the ACS, there are 30,613 residents 16 years and older employed in Grand Forks. Most residents are employed in management, business, science and arts occupations (33%). Many more residents are employed in sales and office occupations (27%) and service occupations (22%). The least common occupations held by Grand Forks residents include production, transportation and material moving (11%), as well as natural resources, construction and maintenance (8%).

Top employers. The University of North Dakota and the Grand Forks Air Force Base have historically provided stable employment to the City of Grand Forks and the region. Together, these two institutions provide more than 6,000 jobs to the area. The second largest employer in the region is Altru Health Systems with medical offices throughout the region. However, the system's largest facilities (e.g., hospital, cancer center, family medicine center) are located in Grand Forks, indicating that much of the system's estimated 3,800 jobs are in the City of Grand Forks.

Figure I-21.
Top Employers, Grand Forks Region, 2011

| Employer | Product/Service | Estimated Number of Employees | Note(s) |
|-----------------------------------|---------------------------------|-------------------------------|--|
| University of North Dakota | Post- Secondary Education | 4,206 | Does not include student employees |
| Altru Health System | Health Care | 3,762 | |
| Grand Forks Air Force Base | Military | 1,800 | |
| Grand Forks School District | Public Education | 1,522 | Includes full-time and part-time employees |
| Valley Memorial Homes | Nursing | 700 | |
| City of Grand Forks | City Government | 525 | |
| Amazon.com | Call Center | 499 | |
| LM Wind Power | Wind Turbine Blade Manufacturer | 450 | |
| Hugo's Family Marketplace | Grocery | 420 | Includes full-time and part-time employees in Grand Forks area |
| J.R. Simplot | Food Processing | 392 | |
| Wal-Mart | Discount Retail | 375 | Includes full-time and part-time employees |
| Target | Retail | 321 | Includes full-time and part-time employees in Grand Forks area |
| Grand Forks County | County Government | 280 | Includes full-time and part-time employees |
| Menards | Home Improvement | 265 | Includes full-time and part-time employees |
| Rydell GM Auto Center | Automobile dealership | 260 | |
| Canad Inns | Hotel & Entertainment Center | 225 | |
| Alerus Financial | Financial Services | 218 | |
| Northwood Deaconess Health Center | Health Care | 200 | |
| Minnkota Power Cooperative | Power Plant | 180 | Includes full-time and part-time employees in Grand Forks area |
| Opp Construction | Construction | 155 | |
| Grand Forks Herald | Newspaper | 151 | Includes full-time and part-time employees |
| Ecolab | Pest Control | 150 | |
| Northeast Human Service Center | Human Services | 150 | |
| YMCA | Youth Organization | 150 | |

Source: Grand Forks Regional Economic Development Corporation.

SECTION II.

Housing Market Overview

SECTION II.

Housing Market Overview

This section provides an overview of the housing market in Grand Forks. It discusses the types of housing units, growth in housing stock, vacancy rates, home sales and affordability. Section III contains a comprehensive discussion of housing needs now and in the future.

Housing Units and Vacancy

The 2010 Census estimates 23,449 housing units in the City of Grand Forks. Few of these units are vacant (just 5%, or 1,189 units), which is similar to the city's vacancy rate in 2000 (6%).¹ Most vacant homes in the city are vacant because they are for rent.

Between 2000 and 2010, residential units in the city increased by 13 percent. This growth rate is similar to that of the U.S. housing market overall (14%) but lower than that experienced by Fargo (21%) or Bismarck (18%). By comparison, fast growing markets Las Vegas and Miami had much stronger growth (28% and 24% respectively)

Figure II-1 displays the number of building permits issued in Grand Forks each year by unit type since 2000. The largest number of permits issued in a single year was 487 permits in 2008. Multifamily units have consistently represented a relatively large proportion of the city's overall residential development except for during 2000, 2001 and 2010. Like many cities, building permits dropped off substantially in 2009 and have been at their lowest levels in the past two years.

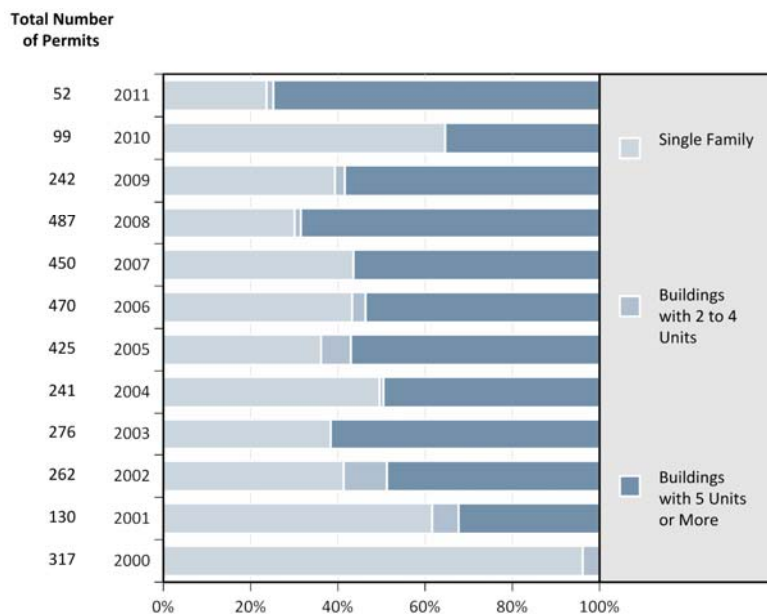
Figure II-1.
Building Permits by Unit
Type, City of Grand Forks,
2000 to 2011

Note:

2011 permits issued represent permits through November of 2011.

Source:

U.S. Census Building Permit Survey.



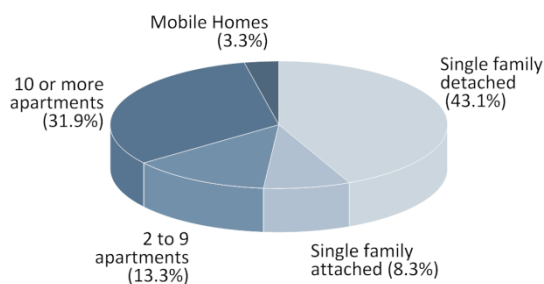
¹ 2000 and 2010 U.S. Census.

Future development. City planners report that between February and June 2012, 228 multifamily units have been completed, occupied or are under construction in Grand Forks. Future plans could be as high as 900 multifamily units in the pipeline. Plans for 460 units currently under review; conceptual plans exist for another, approximately, 440 units.

Housing type. Figure II-2 displays the city's housing stock by type of unit. Most units are single family detached homes. An additional one-third of the city's units are in large apartment complexes.

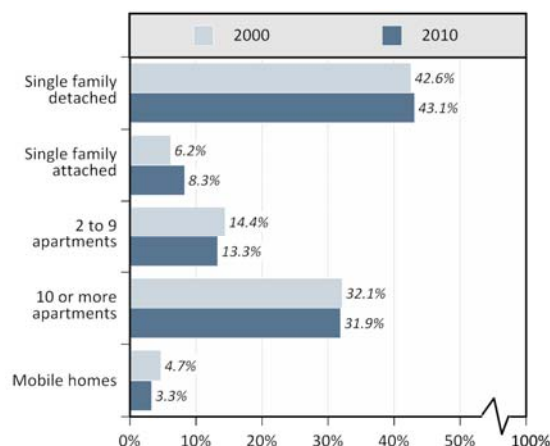
Figure II-3 compares the distribution of housing types in Grand Forks in 2000 to 2010. The distribution of homes by type in Grand Forks has changed very little in the last 10 years. In other words, new construction has reflected the city's existing housing stock.

Figure II-2.
Units by Type, City of Grand Forks, 2010



Source: 2008-2010 American Community Survey 3-year estimate.

Figure II-3.
Units by Type, City of Grand Forks, 2000 and 2010

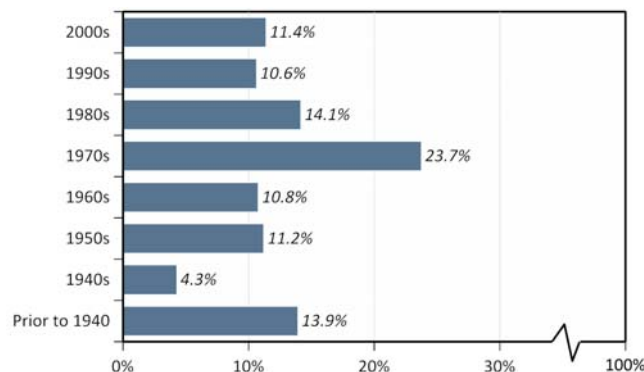


Source: 2000 Census and 2008-2010 American Community Survey 3-year estimate.

Age of housing stock. Figure II-4 displays the distribution of the city's housing stock by year of construction. The largest proportion of units was constructed during the 1970s (24%).

Figure II-5 maps the median year of construction for homes by Census tract. The city's oldest housing stock is located in the central portion of the city.

Figure II-4.
Year Housing Constructed, City of Grand Forks, 2010



Source: 2008-2010 American Community Survey 3-year estimate.

**Figure II-5.
Median Year of Construction
by Census Tract, City of Grand
Forks, 2010**

Source:
2005-2010 American Community Survey 5-
year estimate.

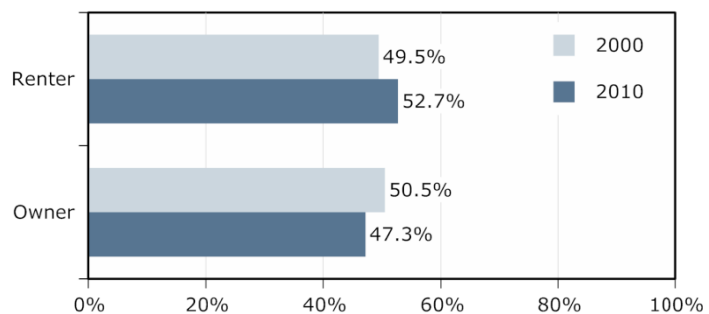


Housing condition. The city's housing stock is generally in good condition. According to the Census, less than 1 percent of all occupied units lack complete plumbing and/or kitchen facilities.²

Housing tenure. As demonstrated in Figure II-6, the city has more renter households now than in 2000. Slightly more households in the city rent than own which is a change from 2000, when renting and ownership were equally split.

**Figure II-6.
Housing Tenure, City of Grand
Forks, 2000 and 2010**

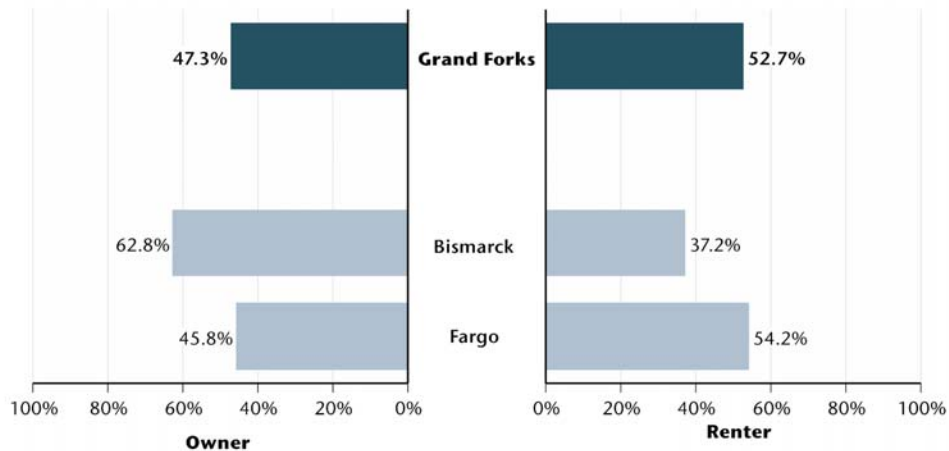
Source:
2000 and 2010 U.S. Census.



² According to the 2008-2010 American Community Survey 3-year estimate, 126 housing units in the city lack complete kitchen facilities and 28 lack plumbing facilities. Assuming no overlap, this indicates that 154 housing units in the city (<1%) are considered substandard.

The city's housing tenure is common among university communities. As seen in Figure II-7, Fargo and Grand Forks have nearly the same proportion of renter households, which is driven in large part by the presence of the state's two largest public universities.

Figure II-7.
Housing Tenure Comparison, Cities of Bismarck, Fargo and Grand Forks, 2010

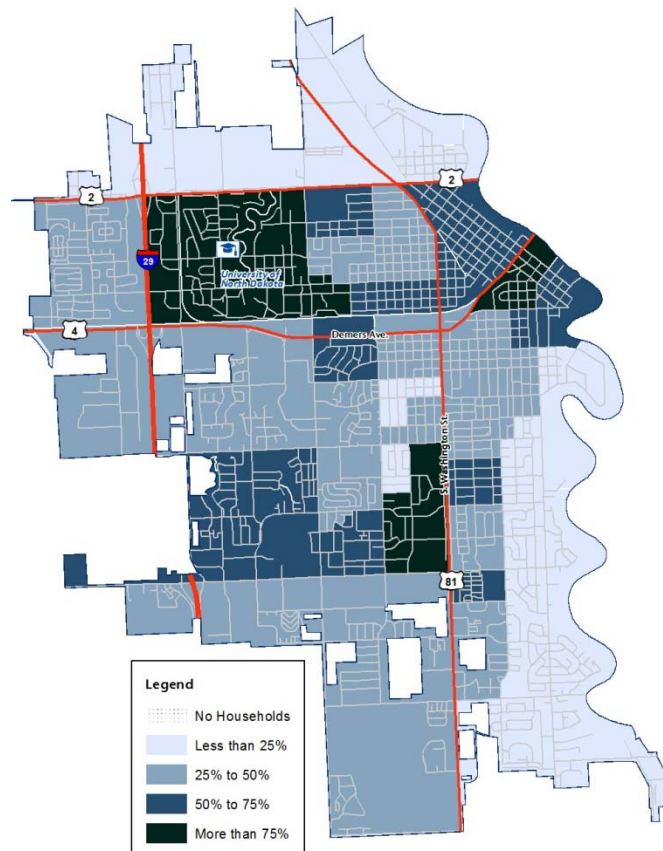


Source: 2010 U.S. Census.

Figure II-8 displays the percentage of renter households by Census block group in Grand Forks. Rental rates are highest near the university, in addition to the south central part of the city.

Figure II-8.
Percent of Renter Households by Census Tract, City of Grand Forks, 2010

Source:
2005-2010 American Community Survey 5-year estimate.



Rental Market Overview

The Census reported a 2010 rental vacancy rate of 9 percent. This is slightly higher than the 7 percent vacancy rate report in the Grand Forks Apartment Association February 2011 vacancy survey. The most recent survey, from February 2012, shows a dramatic decline from 2010 and 2011 to just 3 percent. The 2012 survey counted 7,773 apartment units in Grand Forks with only 235 of these units vacant.

The Grand Forks Apartment Association presents vacancy rate information by submarket, which includes both privately owned units and those owned by UND and the GFAFB. Figure II-9 presents vacancy rates for February 2012.

Figure II-9.
Vacancy Rates, City of Grand Forks, February 2012

| | Efficiencies | | 1 BR | | 2BR | | 3BR | | Total Units | | |
|-------------------------------|--------------|-----------|-------|-----------|-------|-----------|-------|-----------|-------------|-----------|--------------|
| | Units | Vacancies | Units | Vacancies | Units | Vacancies | Units | Vacancies | Units | Vacancies | Vacancy Rate |
| District 1 - Northwest | 34 | 3 | 608 | 10 | 1,208 | 35 | 635 | 30 | 2,485 | 78 | 3.1% |
| District 2 - Northeast | 12 | 0 | 168 | 6 | 199 | 11 | 74 | 0 | 453 | 17 | 3.8% |
| District 3 - West Central | 10 | 0 | 406 | 4 | 402 | 17 | 200 | 14 | 1,018 | 35 | 3.4% |
| District 4 - East Central | 24 | 0 | 293 | 19 | 121 | 6 | 75 | 6 | 513 | 31 | 6.0% |
| District 5 - Southwest | 68 | 0 | 726 | 17 | 1,546 | 31 | 424 | 13 | 2,782 | 61 | 2.2% |
| District 6 - Southeast | 53 | 0 | 44 | 0 | 242 | 7 | 56 | 0 | 395 | 7 | 1.8% |
| Privately Owned | 185 | 1 | 2,061 | 49 | 3,264 | 94 | 1,397 | 58 | 6,907 | 202 | 2.9% |
| Government (UND and GFAFB) | 16 | 2 | 196 | 7 | 552 | 19 | 102 | 5 | 866 | 33 | 3.8% |

Source: Grand Forks Apartment Association.

As the figure shows, vacancy rates in the city are extremely low, most around 3 percent. The highest vacancy rate is 6 percent in East Central Grand Forks, which is a normal vacancy level in a market with average demand. These vacancy rates suggest future increases in rental rates until supply (construction) catches up with demand.

Rental rates in Grand Forks have increased in the last 10 years, even as renter incomes have stayed the same. According to the ACS, the median gross rent in Grand Forks was \$632 in 2010, compared to \$477 in 2000. This means that renters living in the median-priced unit are paying \$155 more per month in rent—an increase of 32 percent. To manage this increase, renters would to earn \$6,000 more in 2010 than they did in 2000.

As demonstrated by Figure II-10, the city's rental market now includes a larger proportion of higher priced units. Thirty-one percent of rental units require a rent of \$750 or more, compared to just 9 percent in 2000.

Figure II-10.
Distribution of Gross Rental Rates, City of Grand Forks, 2010

Source:
2008-2010 American Community Survey 3-year estimate.

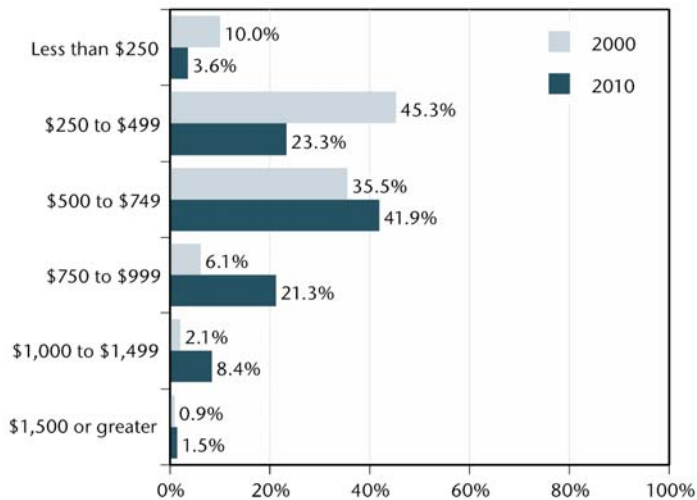


Figure II-11 displays the distribution of gross rental rates by bedroom size, according to the U.S. Census (2008-2010 data). All efficiencies and the majority of one bedroom units require rents of \$500 or less. A little more than half of two bedroom units require rent of between \$750 and \$1,000. Most three bedroom units require rents of more than \$750.

Figure II-11.
Distribution of Gross Rental Rates by Number of Bedrooms, City of Grand Forks, 2010

Source:
2008-2010 American Community Survey 3-year estimate.

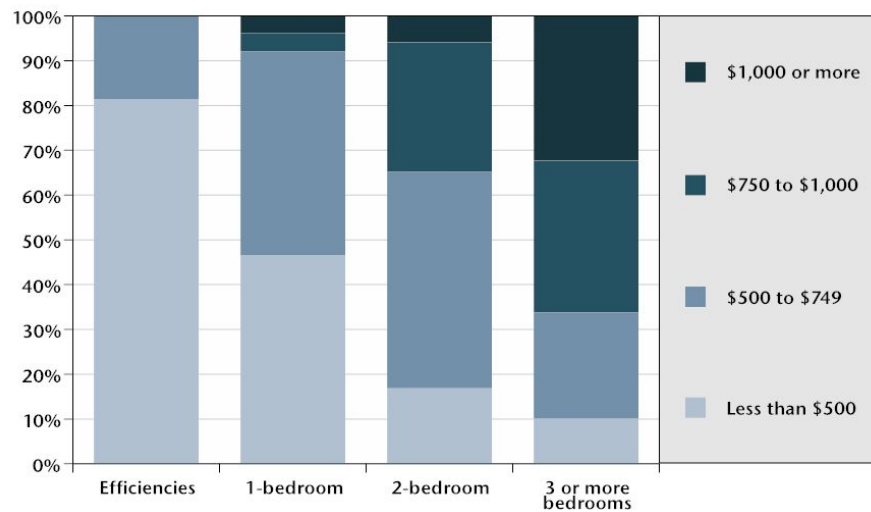
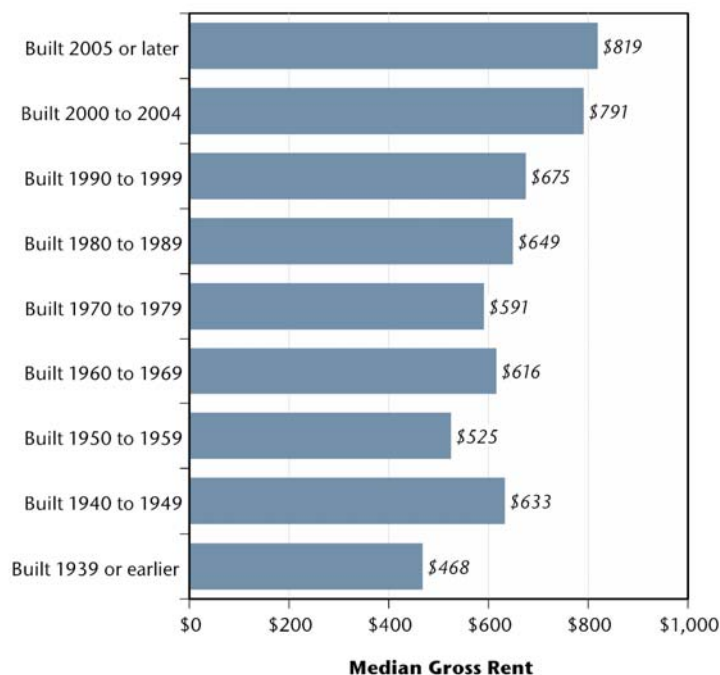


Figure II-12 displays the median gross rent by year of construction for rental units in Grand Forks. Renters pay a premium for a new unit in Grand Forks. The median gross rent for a unit constructed in the last 7 years is \$819, which is about 30 percent higher than the median gross rent for all units in the city. These higher rental rates are likely due to a combination of factors including quality, size and location.

Figure II-12.
Median Gross Rent by Year
of Construction, City of
Grand Forks, 2010

Source:
2008-2010 American Community Survey 3-
year estimate.



Homeownership Overview

This section includes an analysis of Grand Forks Board of Realtor (GFBOR) Multiple Listing Service (MLS) data from 2007 and 2011. The data include residential sales for condominium (condo), single family, multifamily, twinhome and townhome units.³

Residential styles are defined as follows:

- Single family homes share no common façade, roof or exterior walls with another unit.
- Twinhomes are one of two units attached by a single wall, façade, ceiling, roof or garage.
- Condos and townhomes are one of three or more attached units.
- Multifamily units are typically part of a larger building and share walls with units above, below or on all three sides.

³ Sales categorized as land, multifamily and commercial properties were not included in this analysis.

The analysis does not include sales for residential mobile homes and recreational units.⁴ 2011 data is through December 2 of 2011. All statistics presented for Grand Forks include listings reporting a Grand Forks address.

The following questions guide this for sale housing market analysis:

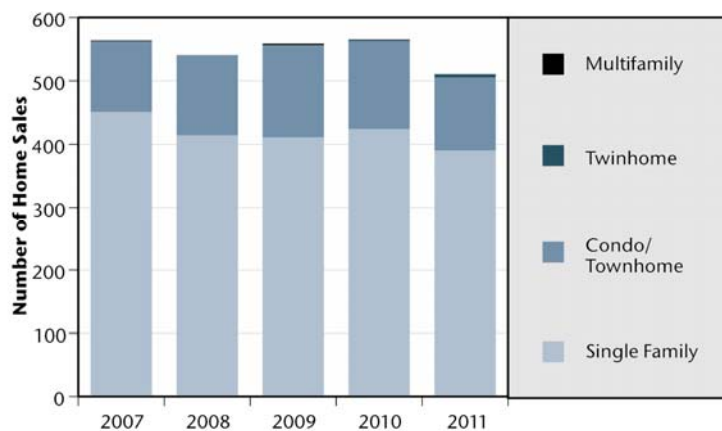
- How many and what types of units have sold in the last five years?
- How long have units stayed on the market before they've sold?
- How much have homes sold for?
- How do home prices vary by product type? location in the city? Submarket area? Age of the home?
- Where have the city's newest homes been constructed?
- How do Grand Forks home prices compare with prices in other local and regional communities?

How many and what types of homes have sold in the last five years?

Figure II-13 shows the number of units sold by type between 2007 and 2011. Sales averaged 550 homes per year between 2007 and 2011. Single family homes accounted for approximately 75 percent of home sales in each of the last five years. The remaining home sales were almost entirely for condo/townhome units.

Figure II-13.
Number of Home Sales
by Type, City of Grand
Forks, 2007 to 2011

Source
Grand Forks Board of Realtors MLS.



⁴ There were no MLS listings

How long have units stayed on the market before they've sold?

Figure II-14 displays the average number of days homes were listed with the MLS before they were sold.⁵ Between 2007 and 2011, single family homes stayed on the market an average of 127 days, or approximately four months. Single family homes sold an average of 25 days faster than condos and townhomes.

Figure II-14.
Average Number of Days on the Market by
Property Type, City of Grand Forks, 2007 to 2011

Source:
Grand Forks Board of Realtors MLS.

| | Single Family | Condo/ Townhome |
|------------------------|---------------|-----------------|
| 2007 | 127 | 142 |
| 2008 | 131 | 166 |
| 2009 | 135 | 148 |
| 2010 | 122 | 146 |
| 2011 | 120 | 153 |
| Average (2007 to 2011) | 127 | 151 |

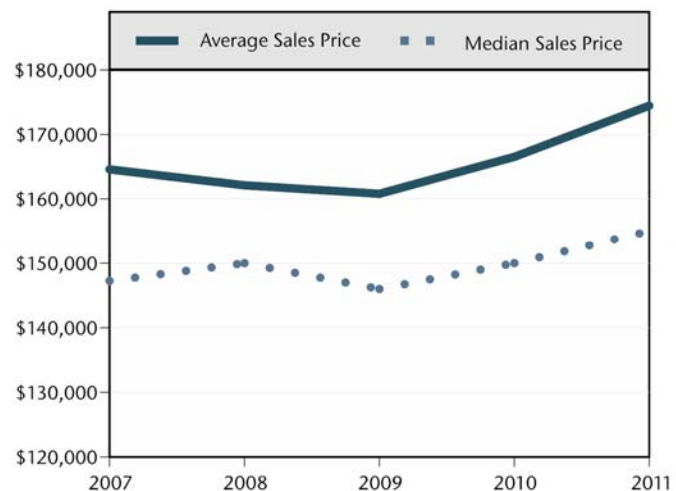
Twinhomes and multifamily units comprise a very small proportion of the market and are therefore not included in the exhibit.

How much have homes sold for?

The average sales price of homes sold in Grand Forks between January 1, 2007 and December 2, 2011 was approximately \$165,580 and the median sales price was \$149,900. After a slight drop in home prices in 2009, average and median sales prices increased in 2011 to \$175,000 and \$155,000, respectively.

Figure II-15.
Average and Median Sales Price,
City of Grand Forks, 2007 to 2011

Source:
Grand Forks Board of Realtors MLS.

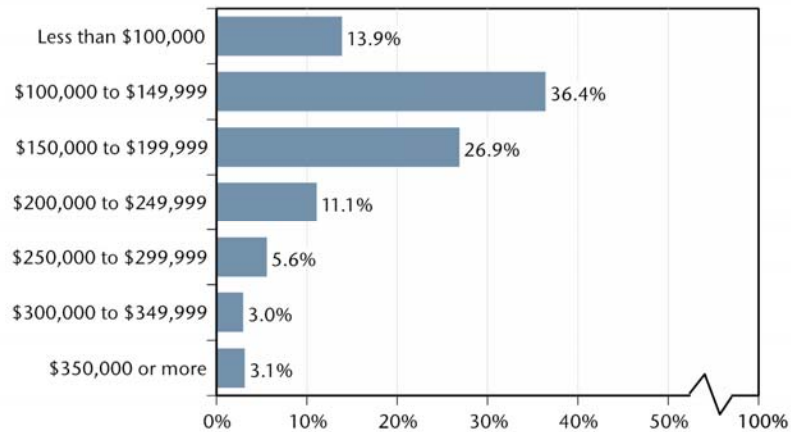


⁵ Represents the number of days between the day the home was first listed with the MLS and its sold date.

Figure II-16 displays the sales price distribution of homes sold between January 1, 2007 and December 2, 2011. Sixty-three percent of homes sold since 2007 were priced between \$100,000 and \$200,000. Homes priced at \$300,000 or more account for a small part of the city's housing market.

Figure II-16.
Sales Price Distribution,
City of Grand Forks, All
Sales 2007 to 2011

Source:
Grand Forks Board of Realtors MLS.



The sales price distribution has remained relatively constant in the last five years. Homes priced between \$100,000 and \$150,000 have consistently accounted for the largest proportion of homes sold in Grand Forks in each of the last five years. That said, if 2011 sales are an indicator of the future, affordability may be decreasing: 2011 was the first year where the proportion of homes sold for less than \$150,000 dropped under 50 percent.

Figure II-17.
Sales Price Distribution for
All Sales, City of Grand
Forks, All Sales 2007 to
2011

Source:
Grand Forks Board of Realtors MLS.

| | 2007 | 2008 | 2009 | 2010 | 2011 |
|------------------------|------|------|------|------|------|
| Less than \$100,000 | 13% | 15% | 17% | 13% | 12% |
| \$100,000 to \$149,999 | 39% | 35% | 36% | 37% | 34% |
| \$150,000 to \$199,999 | 26% | 31% | 27% | 28% | 24% |
| \$200,000 to \$249,999 | 11% | 10% | 9% | 11% | 15% |
| \$250,000 to \$299,999 | 5% | 4% | 6% | 6% | 7% |
| \$300,000 to \$349,999 | 4% | 3% | 3% | 2% | 3% |
| \$350,000 or more | 3% | 3% | 2% | 4% | 4% |

How do home prices vary by product type?

Sales of single family units have consistently accounted for 75 percent or more of all home sales in Grand Forks. The remaining home sales in the city have primarily been for condo/townhome units. In 2011, the median sales price for single family homes was \$160,750, which was about 27 percent higher than the median sales price of condo/townhome units (\$127,000). Conversely, the median sales price of twinhomes was higher than that of single family homes.

Figure II-18.
Median Sales Price by Property Type, City of Grand Forks, 2007 to 2011

| | Single Family | | Condo/Townhome | | Twinhome | | Multifamily | |
|------|------------------|--------------------|------------------|--------------------|------------------|--------------------|------------------|--------------------|
| | Percent of Sales | Median Sales Price | Percent of Sales | Median Sales Price | Percent of Sales | Median Sales Price | Percent of Sales | Median Sales Price |
| 2007 | 80.0% | \$ 150,700 | 19.9% | \$ 130,750 | 0.0% | NA | 0.2% | \$ 134,000 |
| 2008 | 76.5% | \$ 157,950 | 23.3% | \$ 129,500 | 0.0% | NA | 0.2% | \$ 98,500 |
| 2009 | 73.5% | \$ 153,500 | 25.8% | \$ 129,250 | 0.4% | \$ 142,200 | 0.4% | NA |
| 2010 | 74.9% | \$ 155,000 | 24.6% | \$ 129,900 | 0.4% | \$ 154,450 | 0.2% | NA |
| 2011 | 76.3% | \$ 160,750 | 22.5% | \$ 127,000 | 1.2% | \$ 171,000 | 0.0% | NA |

Source: Grand Forks Board of Realtors MLS.

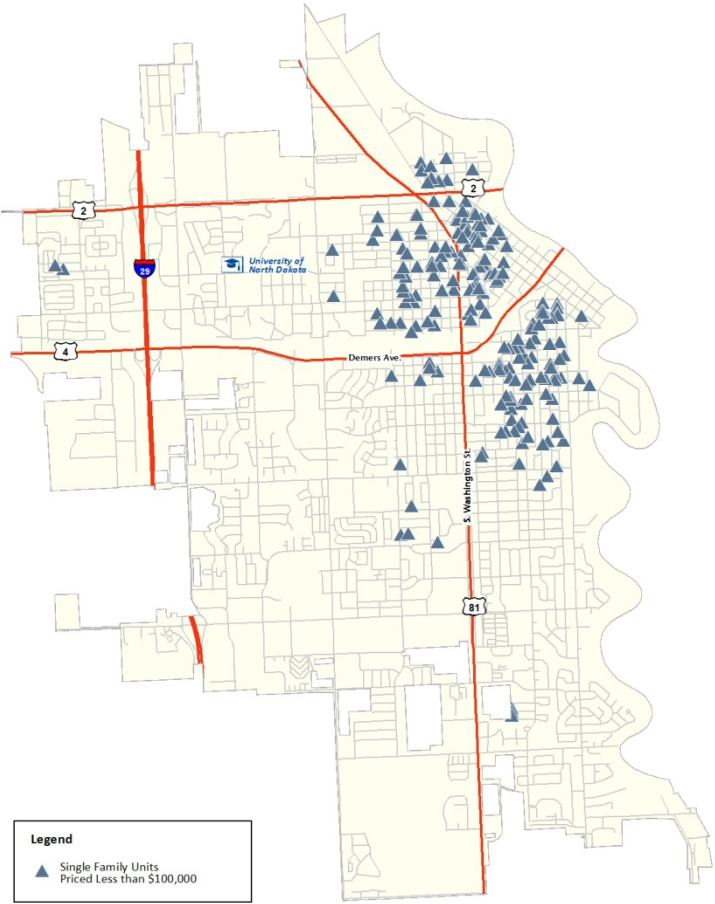
How do home prices vary by location in the city?

The following series of maps examines the location of homes sold in Grand Forks between 2007 and 2011 by price and unit type. The maps are organized by sales price range and demonstrate the following:

- Buyers needing homes priced under \$100,000 will find little to buy except in the east and east central part of the city. If they are willing to live in a condo or townhome, they have a few more option in central and south Grand Forks.
- Homes priced between \$100,000 and \$200,000 are clustered east and southeast of the university, as well as directly west.
- High end homes are largely located in the far southern portion of the city and south of the university.

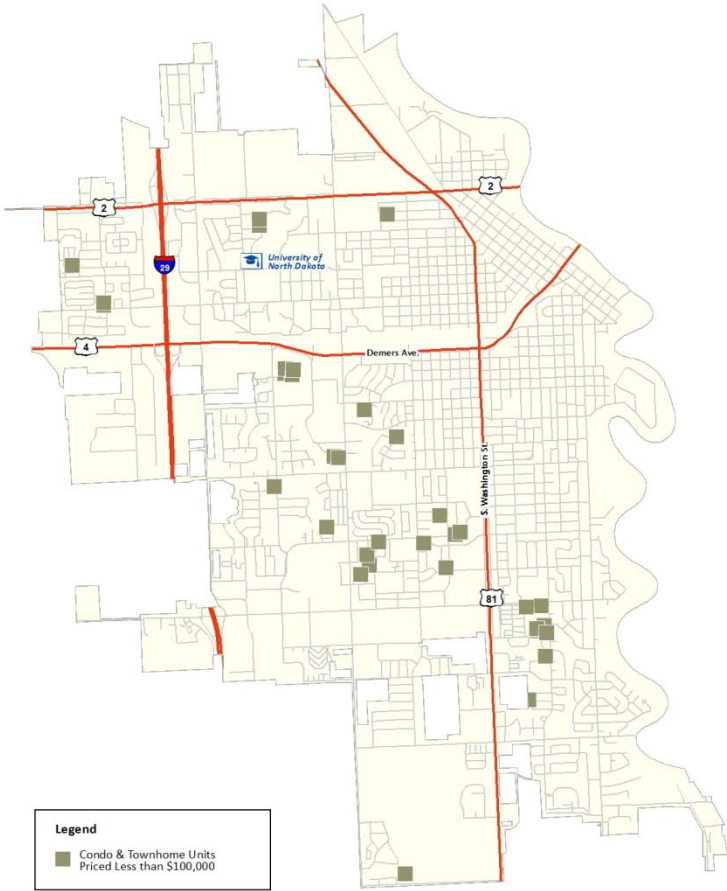
Sales price less than \$100,000.

Figure II-19.
Location of Single Family Homes
Less than \$100,000, City of Grand Forks, 2007 to 2011



Source Grand Forks Board of Realtors MLS, City of Grand Forks GIS Address file and BBC Research & Consulting.

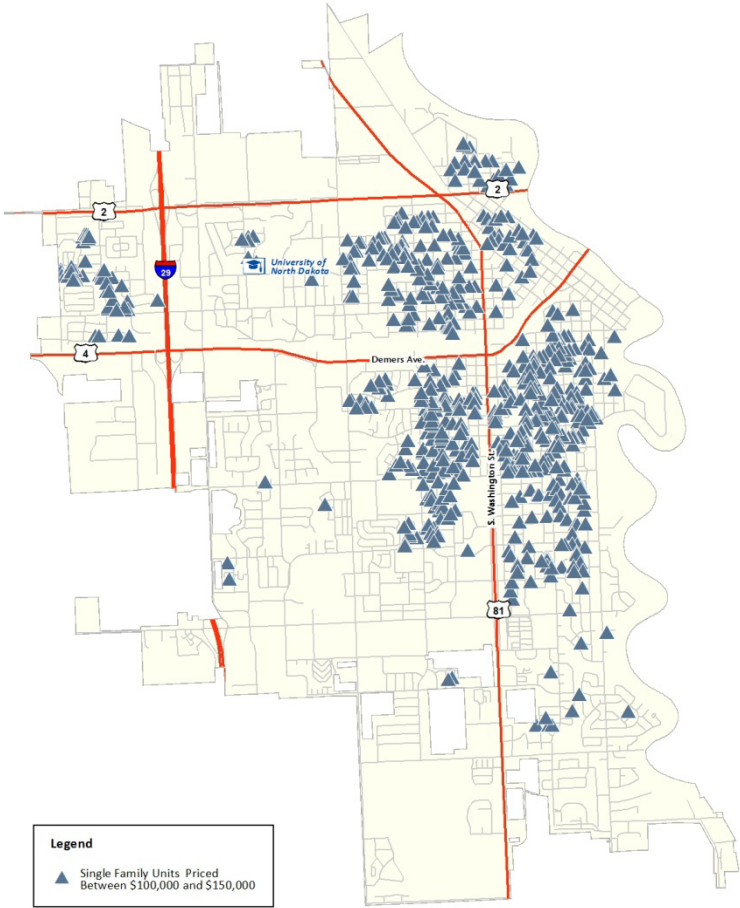
Figure II-20.
Location of Condos/Townhomes
Less than \$100,000, City of Grand Forks, 2007 to 2011



Source Grand Forks Board of Realtors MLS, City of Grand Forks GIS Address file and BBC Research & Consulting.

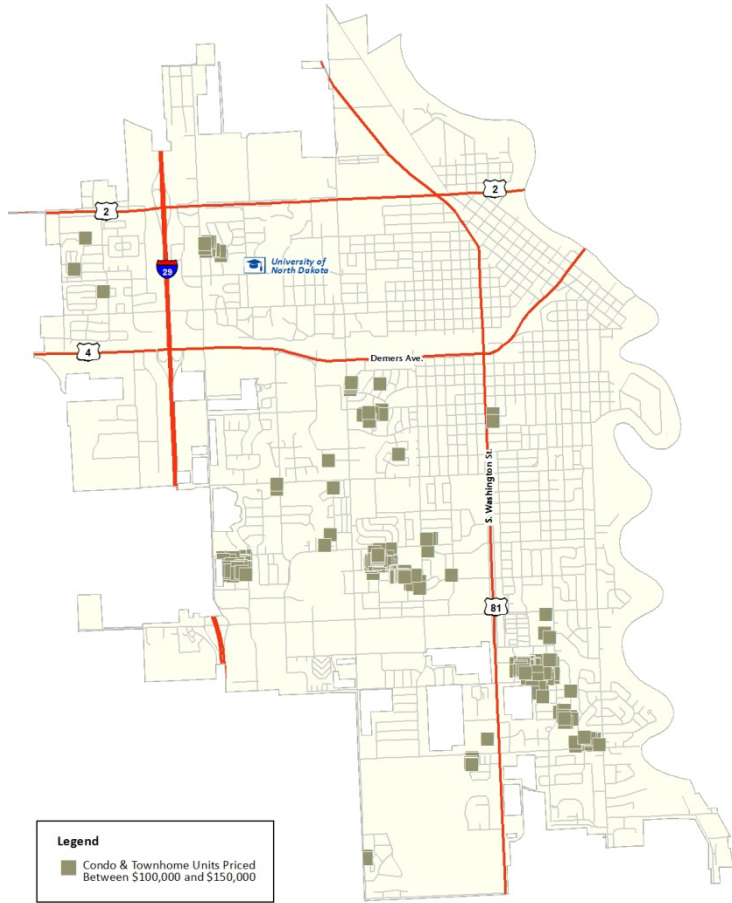
Sales price between \$100,000 and \$150,000.

Figure II-21.
Location of Single Family Homes Between
\$100,000 and \$150,000, City of Grand Forks, 2007 to 2011



Source Grand Forks Board of Realtors MLS, City of Grand Forks GIS Address file and BBC Research & Consulting.

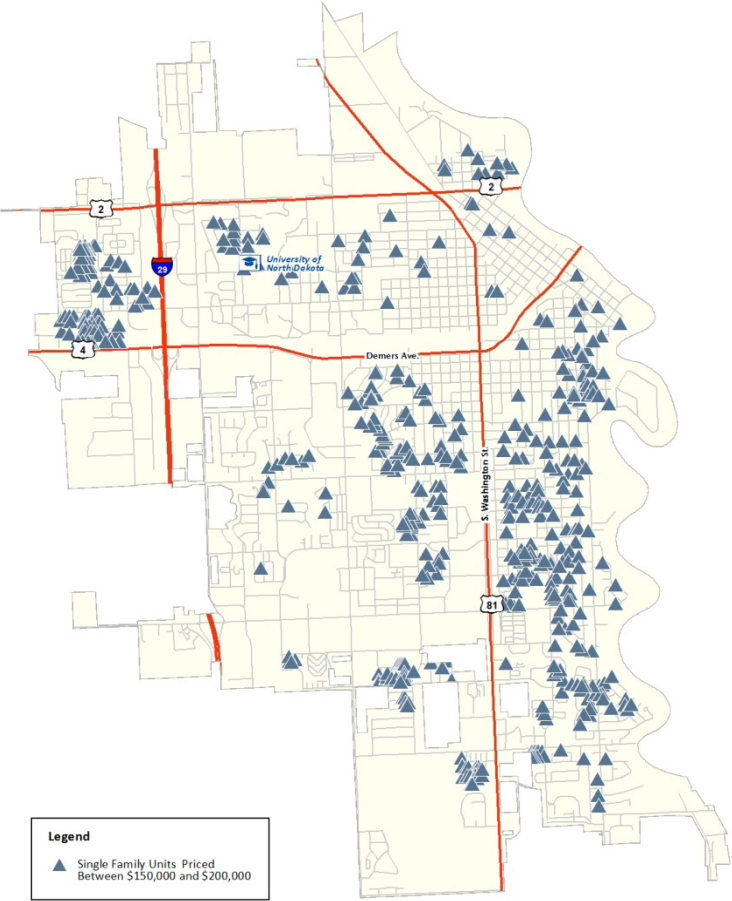
Figure II-22.
Location of Condos/Townhomes Between
\$100,000 and \$150,000, City of Grand Forks, 2007 to 2011



Source Grand Forks Board of Realtors MLS, City of Grand Forks GIS Address file and BBC Research & Consulting.

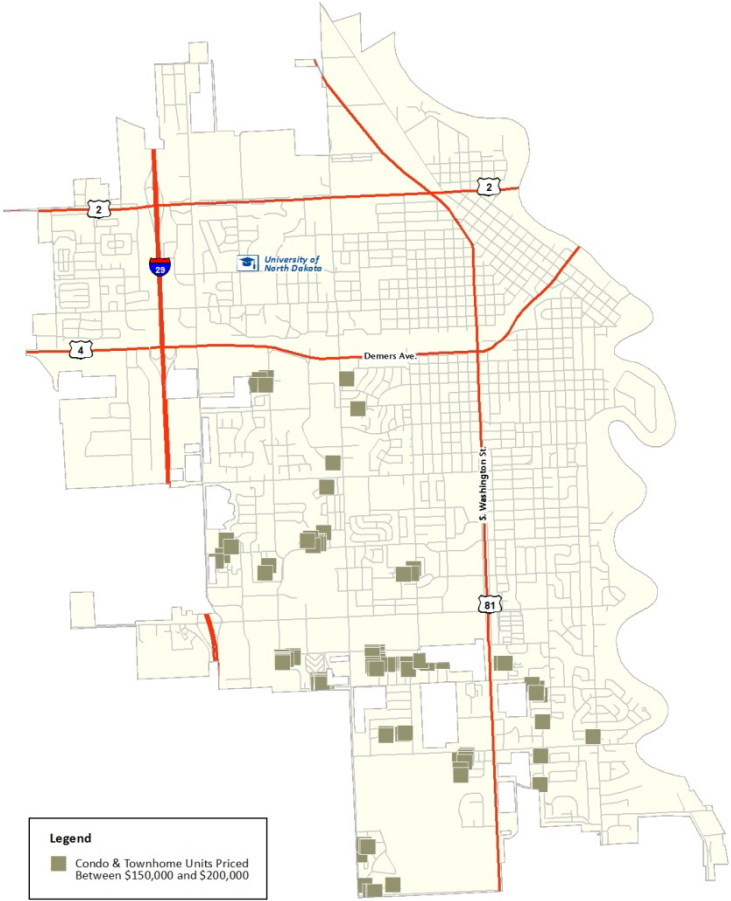
Sales price between \$150,000 and \$200,000.

Figure II-23.
Location of Single Family Homes Between
\$150,000 and \$200,000, City of Grand Forks, 2007 to 2011



Source Grand Forks Board of Realtors MLS, City of Grand Forks GIS Address file and BBC Research & Consulting.

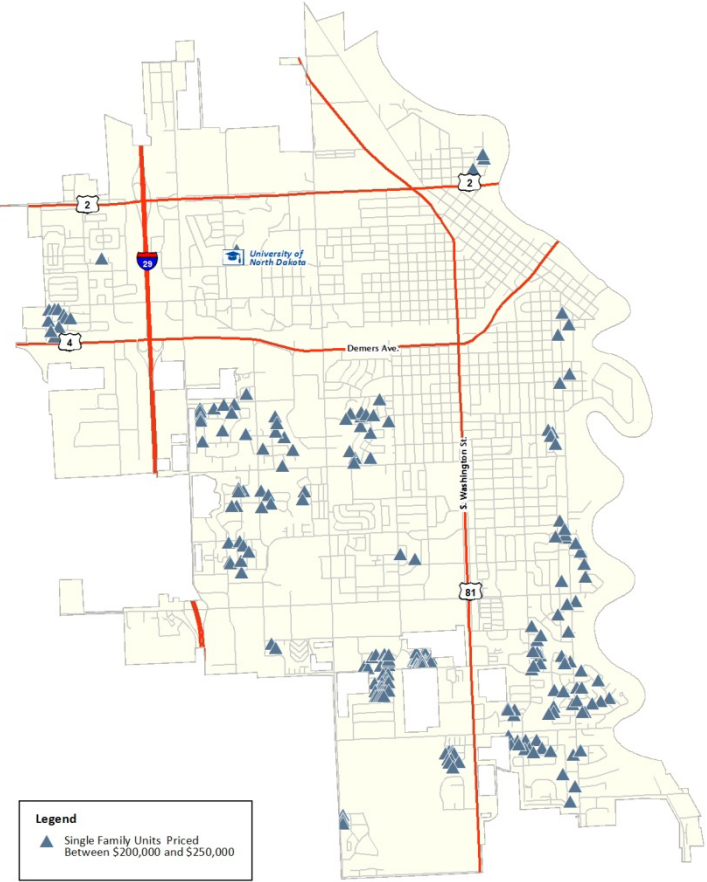
Figure II-24.
Location of Condos/Townhomes Between
\$150,000 and \$200,000, City of Grand Forks, 2007 to 2011



Source Grand Forks Board of Realtors MLS, City of Grand Forks GIS Address file and BBC Research & Consulting.

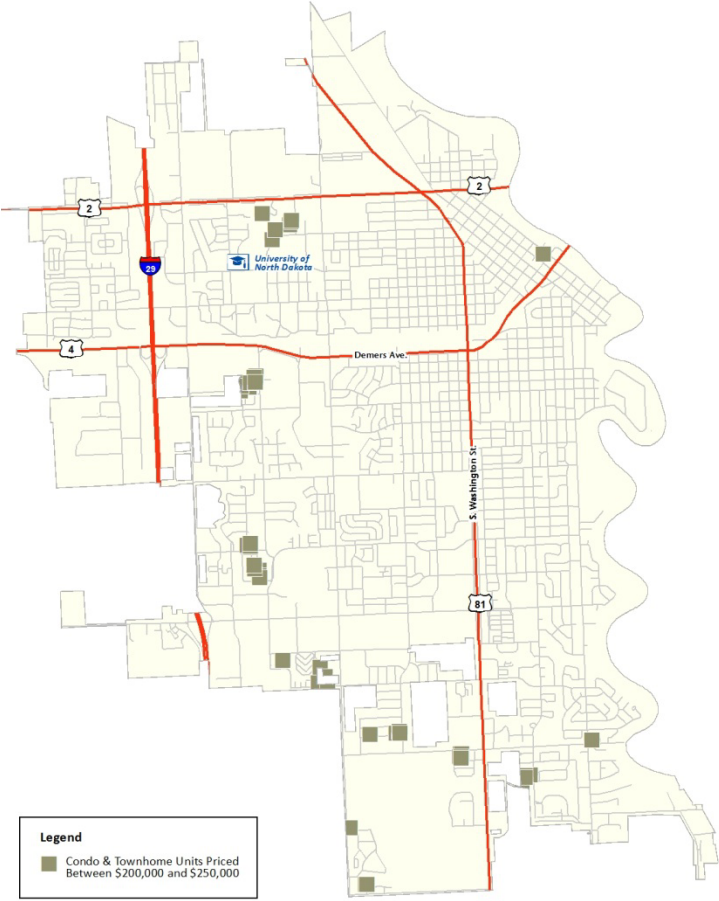
Sales price between \$200,000 and \$250,000.

Figure II-25.
Location of Single Family Homes Between
\$200,000 and \$250,000, City of Grand Forks, 2007 to 2011



Source: Grand Forks Board of Realtors MLS, City of Grand Forks GIS Address file and BBC Research & Consulting.

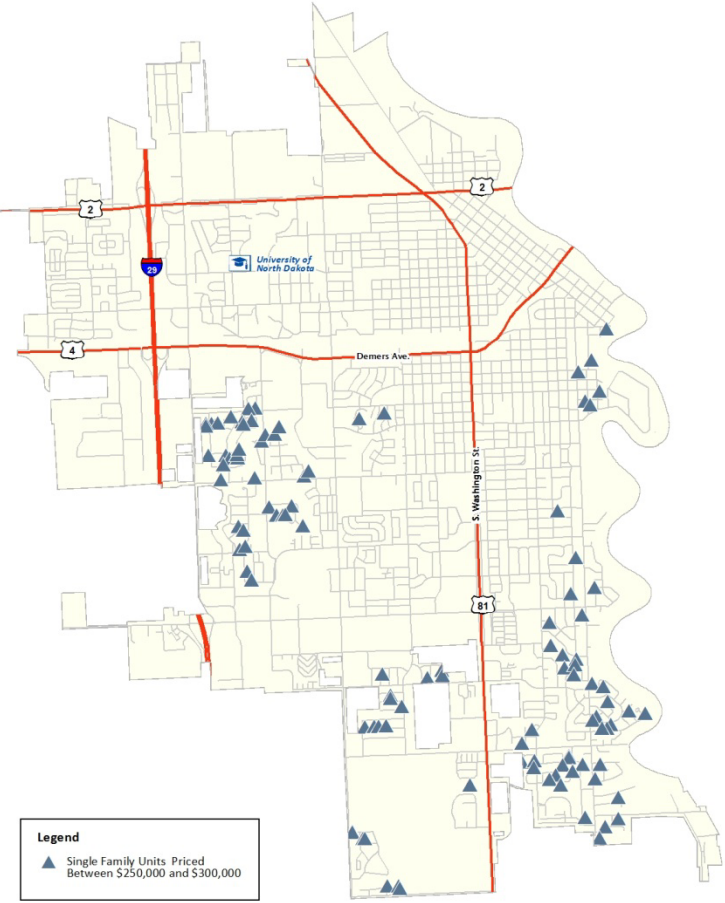
Figure II-26.
Location of Condos/Townhomes Between
\$200,000 and \$250,000, City of Grand Forks, 2007 to 2011



Source: Grand Forks Board of Realtors MLS, City of Grand Forks GIS Address file and BBC Research & Consulting.

Sales price between \$250,000 and \$300,000.

Figure II-27.
Location of Single Family Homes Between
\$250,000 and \$300,000, City of Grand Forks, 2007 to 2011



Source Grand Forks Board of Realtors MLS, City of Grand Forks GIS Address file and BBC Research & Consulting.

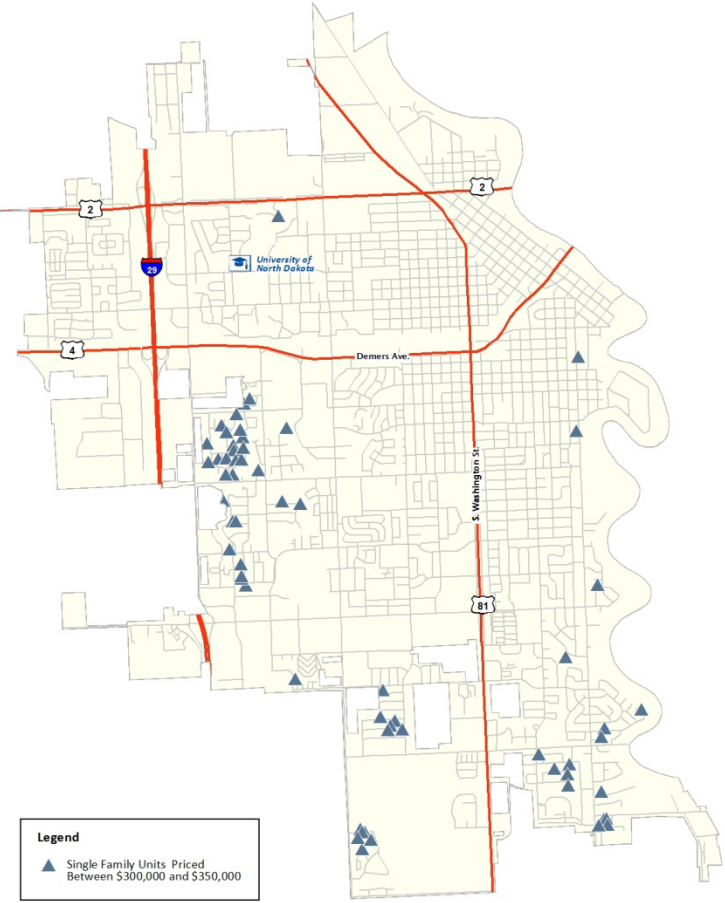
Figure II-28.
Location of Condos/Townhomes Between
\$250,000 and \$300,000, City of Grand Forks, 2007 to 2011



Source Grand Forks Board of Realtors MLS, City of Grand Forks GIS Address file and BBC Research & Consulting.

Sales price between \$300,000 and \$350,000.

Figure II-29.
Location of Single Family Homes Between
\$300,000 and \$350,000, City of Grand Forks, 2007 to 2011



Source: Grand Forks Board of Realtors MLS, City of Grand Forks GIS Address file and BBC Research & Consulting.

Figure II-30.
Location of Condos/Townhomes Between
\$300,000 and \$350,000, City of Grand Forks, 2007 to 2011



Source: Grand Forks Board of Realtors MLS, City of Grand Forks GIS Address file and BBC Research & Consulting.

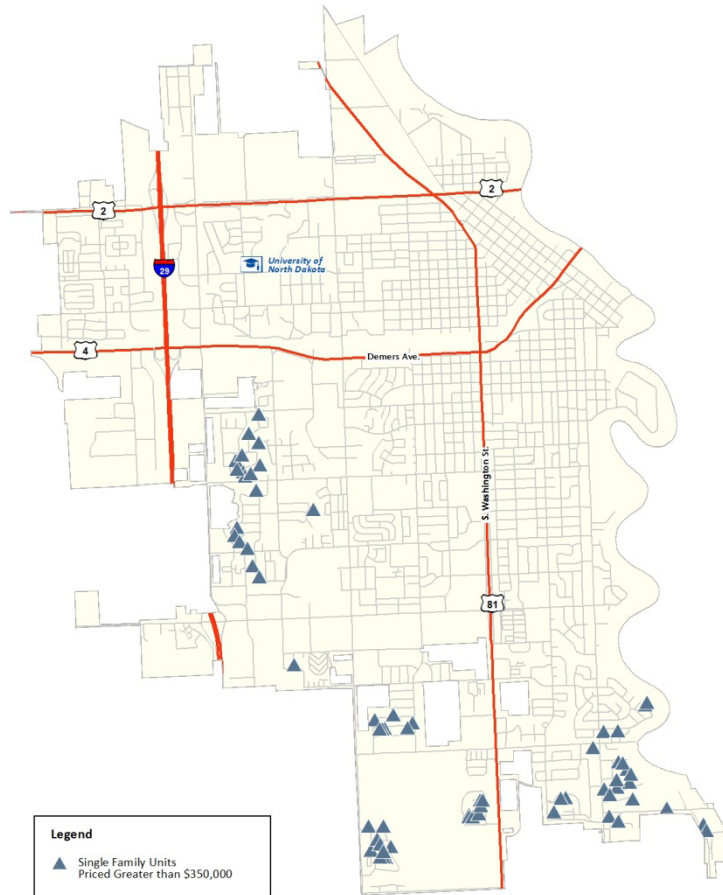
Sales price greater than \$350,000.

There were no condo/townhome sales greater than \$350,000 between 2007 and 2011.

**Figure II-31.
Location of Single Family
Homes \$350,000 or
Greater, City of Grand Forks,
2007 to 2011**

Source:

Grand Forks Board of Realtors MLS, City of
Grand Forks GIS Address file and BBC Research
& Consulting.

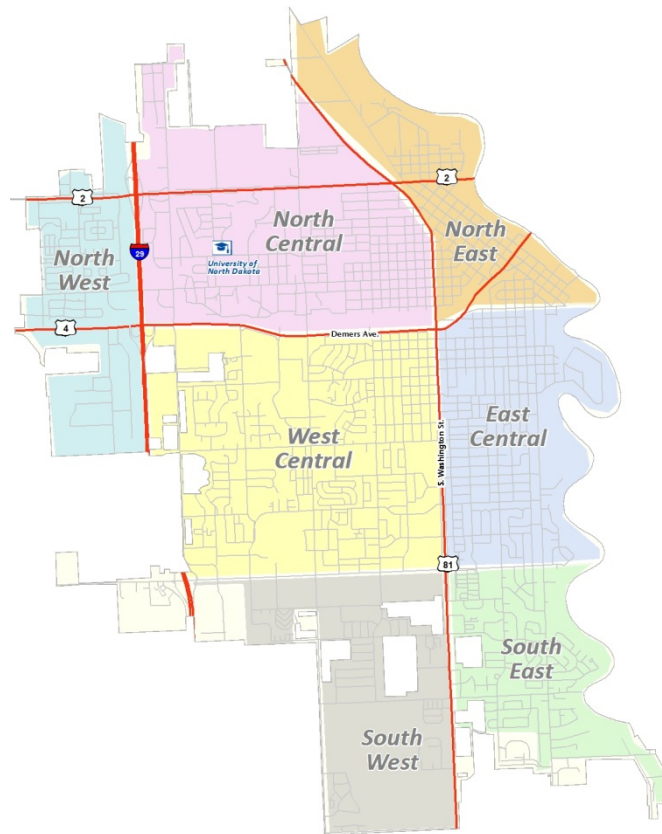


How do home prices vary by submarket area?

The MLS separates sales into seven market areas within the city, as shown below.

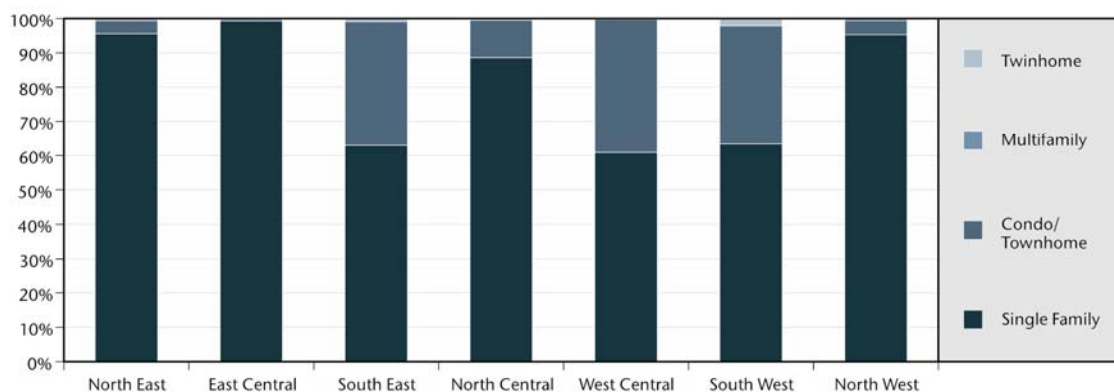
Figure II-32.
Map of Market Areas,
City of Grand Forks, 2012

Source:
BBC Research & Consulting.



As shown in Figure II-33, the South East, West Central and South West market areas contain a large portion of the city's attached for sale properties. Approximately 35 percent of all home sales between 2007 and 2011 were for condos and townhomes.

Figure II-33.
Home Sales by Property Type by Market Area, City of Grand Forks, 2007 to 2011



Source: Grand Forks Board of Realtors MLS.

Figure II-34 presents average sales prices by market area in 2007 through 2011. Between 2007 and 2009, average sales prices declined in almost all neighborhoods in Grand Forks, with the exception of the East Central and North West neighborhoods. However, average sales prices rebounded between 2009 and 2011 in most of the city. The city's South East and North Central submarkets were the only submarkets to experience an overall decline in average sales prices in the last five years.

Figure II-34.
Average Sales Price by Market Area, City of Grand Forks by Year, 2007 to 2011

| Market Area | Percent of Units | 2007 | 2008 | 2009 | 2010 | 2011 | Average 2007-2011 | Percent Change 2007-2011 |
|---------------|------------------|------------|------------|------------|------------|------------|-------------------|--------------------------|
| North East | 8% | \$ 113,621 | \$ 118,108 | \$ 102,174 | \$ 95,518 | \$ 120,088 | \$ 110,312 | 6% |
| East Central | 21% | \$ 134,095 | \$ 143,708 | \$ 138,031 | \$ 144,107 | \$ 146,006 | \$ 140,648 | 9% |
| South East | 14% | \$ 211,192 | \$ 171,843 | \$ 179,713 | \$ 216,265 | \$ 206,083 | \$ 195,687 | -2% |
| North Central | 10% | \$ 130,076 | \$ 128,425 | \$ 121,043 | \$ 121,883 | \$ 121,846 | \$ 125,277 | -6% |
| West Central | 29% | \$ 166,881 | \$ 161,911 | \$ 158,355 | \$ 161,729 | \$ 172,190 | \$ 164,129 | 3% |
| South West | 12% | \$ 226,609 | \$ 216,893 | \$ 217,968 | \$ 226,173 | \$ 240,478 | \$ 224,816 | 6% |
| North West | 6% | \$ 152,542 | \$ 156,911 | \$ 160,642 | \$ 151,908 | \$ 166,771 | \$ 156,468 | 9% |

Source: Grand Forks Board of Realtors MLS.

Figure II-35 presents average sales price for all homes sold between 2007 and 2011 by property type by market area. Condo/townhomes typically offer more affordability in a community, and allow some homeowners the opportunity to move into more expensive neighborhoods. However, the attached market is still relatively unattainable in some market areas, such as the South West market area. The average sales price for condo/townhomes in the North East was very high (\$234,929); however, there were very few condo/townhome sales in that market area to provide an accurate sample.

Figure II-35.
Average Sales Price by Property Type by Market Area, City of Grand Forks, 2007 to 2011

| Market Area | Single Family | Condo/Townhome | Multifamily | Twinhome |
|---------------|---------------|----------------|-------------|-----------|
| North East | \$105,444 | \$234,929 | \$85,000 | |
| East Central | \$140,746 | \$137,000 | \$120,250 | |
| South East | \$235,258 | \$128,818 | | \$111,833 |
| North Central | \$119,803 | \$170,523 | \$98,500 | |
| West Central | \$192,198 | \$120,469 | | \$119,900 |
| South West | \$251,033 | \$179,847 | | \$172,817 |
| North West | \$158,828 | \$104,750 | \$134,000 | |

Source:
Grand Forks Board of Realtors MLS.

The city's housing market has followed a relatively predictable development pattern: the city's oldest homes are located close to downtown Grand Forks and its newest homes are located in the southernmost portion of the city. This is evident in the average year of construction statistics presented in Figure I1-36. Also demonstrated in Figure II-36 is the fact that new homes, which have primarily been constructed in the city's South West submarket, are larger and more expensive than the city's older homes.

Figure II-36.
Average Year of Construction and
Square Feet by Market Area, City of
Grand Forks, 2007 to 2011

Source:
Grand Forks Board of Realtors MLS.

| Market Area | Average Year of Construction | Average Square Feet |
|---------------|------------------------------|---------------------|
| North East | 1921 | 1,926 |
| East Central | 1944 | 2,199 |
| South East | 1985 | 2,387 |
| North Central | 1951 | 1,856 |
| West Central | 1981 | 2,095 |
| South West | 2006 | 2,497 |
| North West | 1996 | 2,001 |

How do home prices vary by the age of the home?

Figure II-37 displays the average price by year of construction for 2011 single family home sales in Grand Forks.⁶ The size and average price per square foot are also presented to account for changes to the average size of homes by decade. Newer homes are much more expensive than older homes.

Figure II-37.
Average Sales
Price by Year of
Construction of
Single Family
Units, City of
Grand Forks,
2011

Source:
Grand Forks Board of
Realtors MLS.

| | Percent of Units | Average Price | Average Square Feet | Average Price per Square Foot |
|----------------------------------|------------------|-------------------|---------------------|-------------------------------|
| Earlier than 1900 | 4% | \$ 131,335 | 2,444 | \$ 53.74 |
| 1900 to 1919 | 8% | \$ 102,713 | 1,798 | \$ 57.13 |
| 1920 to 1939 | 6% | \$ 113,688 | 1,816 | \$ 62.60 |
| 1940 to 1959 | 18% | \$ 133,364 | 2,046 | \$ 65.18 |
| 1960 to 1979 | 24% | \$ 171,708 | 2,409 | \$ 71.27 |
| 1980 to 1999 | 15% | \$ 251,342 | 2,911 | \$ 86.33 |
| 2000 or later | 19% | \$ 260,560 | 2,805 | \$ 92.89 |
| No Year of Construction Provided | 4% | \$ 195,237 | 2,533 | \$ 77.07 |
| Total | 100% | \$ 183,504 | 2,413 | \$ 76.06 |

⁶ Single family homes are the only housing type included in this analysis

Homes constructed in the last decade sold for an average \$260,560 (\$93 per square foot). Comparatively, 24 percent of all sales were for homes constructed in the 1960s and 1970s, which sold for an average of \$171,708 (\$71 per square foot).

There were 74 units sold in 2011 that were constructed between 2000 and 2010 sold. Most of these “new” homes sold for between \$200,000 and \$250,000. Nearly one in five homes that sold in 2011 that was constructed within the last five years sold for \$350,000 or more.

Figure II-38.
Sales Price
Distribution of
Single Family
Homes Constructed
Between 2000 and
2011, City of Grand
Forks

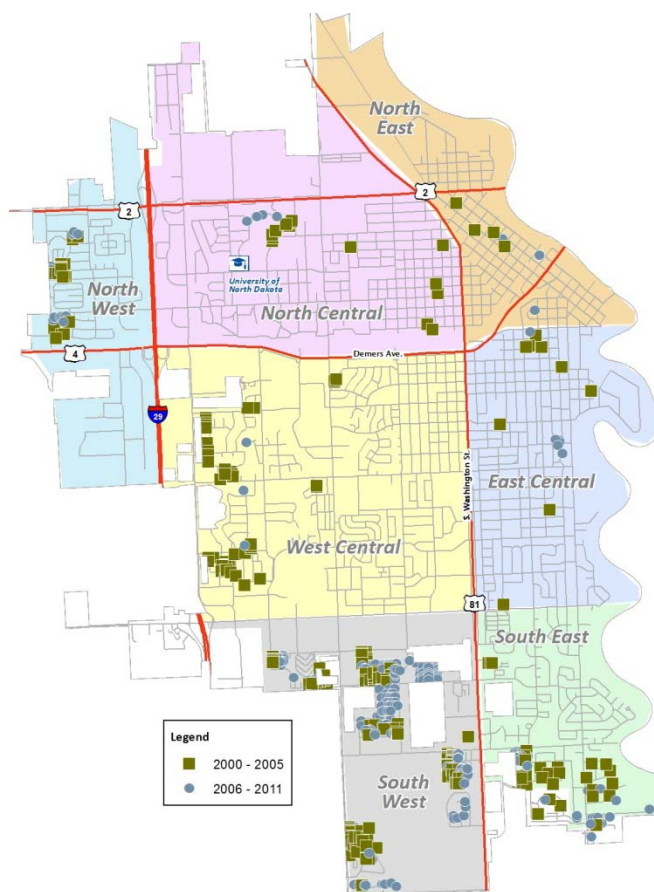
Source:
Grand Forks Board of Realtors
MLS.

| | Constructed 2000-2005 | Constructed 2006-2011 | All Sales/ Constructed 2000-2011 |
|------------------------|--------------------------|--------------------------|--|
| Less than \$100,000 | 3.2% | 0.0% | 1.4% |
| \$100,000 to \$149,999 | 6.5% | 4.7% | 5.4% |
| \$150,000 to \$199,999 | 16.1% | 11.6% | 13.5% |
| \$200,000 to \$249,999 | 35.5% | 44.2% | 40.5% |
| \$250,000 to \$299,999 | 16.1% | 14.0% | 14.9% |
| \$300,000 to \$349,999 | 12.9% | 7.0% | 9.5% |
| \$350,000 or more | 9.7% | 18.6% | 14.9% |

Where have the city’s newest homes been constructed?

Figure II-39 maps the location of new homes sold between 2007 and 2011. New homes are defined as those constructed in 2000 or later. As demonstrated in the map, new homes sold in the last 10 years have primarily been located in the outskirts of the city. Most of the properties recently sold that were constructed in the last five years are located in the South West market area.

Figure II-39.
Location of New Homes,
City of Grand Forks, 2007 to 2011



Source: Grand Forks Board of Realtors MLS, City of Grand Forks GIS Address file and BBC Research & Consulting.

How do Grand Fork's home prices compare with prices in other local and regional communities?

Grand Forks' closest neighboring communities have unique housing markets that provide residents with the opportunity to purchase a larger lot or a home on a farm or ranch setting. The largest housing markets in the area include Crookston (MN), East Grand Forks (MN), Larimore (ND), Manvel (ND), Northwood (ND) and Thompson (ND).

Figure II-40 compares the median and average sales prices in Grand Forks to surrounding communities. The largest regional market after Grand Forks is East Grand Forks. Median and average sales prices in East Grand Forks and Thompson have been similar to those in Grand Forks. Crookston, Larimore and Northwood all have average and median home prices that are much lower.

Figure II-40.
Regional Sales Price Comparison, Grand Forks Region, 2007 to 2011

Source:

Grand Forks Board of Realtors MLS, City of Grand Forks GIS Address file and BBC Research & Consulting.

| | Number of Sales | Sales Price | |
|----------------|-----------------|-------------|------------|
| | | Median | Average |
| Grand Forks | 2,740 | \$ 149,900 | \$ 165,580 |
| Crookston | 100 | \$ 90,000 | \$ 102,817 |
| E. Grand Forks | 459 | \$ 156,000 | \$ 159,446 |
| Larimore | 96 | \$ 91,725 | \$ 93,971 |
| Manvel | 44 | \$ 131,500 | \$ 129,323 |
| Northwood | 78 | \$ 79,000 | \$ 83,391 |
| Thompson | 88 | \$ 147,750 | \$ 154,894 |

The median and average year of construction of homes sold in the last five years in Grand Forks' neighboring communities has been the late 1970s or even earlier, as shown below.

Figure II-41.
Housing Market Characteristic Comparison, Grand Forks Region, 2007 to 2011

Source:

Grand Forks Board of Realtors MLS, City of Grand Forks GIS Address file and BBC Research & Consulting.

| | Number of Sales | Square Feet | | Year of Construction | |
|----------------|-----------------|-------------|---------|----------------------|---------|
| | | Median | Average | Median | Average |
| Grand Forks | 2,740 | 2,040 | 2,182 | 1977 | 1969 |
| Crookston | 100 | 2,301 | 2,273 | 1951 | 1944 |
| E. Grand Forks | 459 | 2,218 | 2,312 | 1978 | 1976 |
| Larimore | 96 | 2,274 | 2,266 | 1958 | 1898 |
| Manvel | 44 | 2,320 | 2,301 | 1978 | 1978 |
| Northwood | 78 | 2,101 | 2,179 | 1946 | 1945 |
| Thompson | 88 | 2,311 | 2,363 | 1978 | 1925 |

On average, homes are slightly larger in neighboring communities. For example, homes recently sold in East Grand Forks were approximately 200 square feet larger than homes in Grand Forks. Homes sold in some of the more rural regional communities of Manvel and Thompson are, on average, 300 square feet larger than homes in Grand Forks.

Grand Forks' median rent is comparable to other North Dakota communities, and is much more affordable than in the closest large city, Minneapolis. Bismarck and Fargo's median contract is approximately 6 percent lower than Grand Forks. Minneapolis' median rent is 25 percent higher than Grand Forks' rent.

Figure II-42.
Median Rent Comparison, Grand Forks, Bismarck, Fargo and Minneapolis, 2008 to 2010

Source:
2008-2010 American Community Survey 3-year estimate.

| | Median Contract Rent | Percent Different from City of Grand Forks |
|--------------------|----------------------|--|
| Grand Forks | \$ 579 | |
| Bismarck | \$ 547 | -5.5% |
| Fargo | \$ 545 | -5.9% |
| Minneapolis | \$ 723 | 24.9% |

Figure II-43 compares median price of home sales in 4Q11 in Grand Forks and the Grand Forks region to Bismarck, Fargo and Minneapolis-St. Paul regions. The Bismarck MSA boasted the highest median sales price in 4Q11 at \$172,000. The median sales prices in Grand Forks and Fargo were very similar.

Figure II-43.
Median Sales Price Comparison, Grand Forks, Bismarck, Fargo and Minneapolis, 4Q2011

Note:
Grand Forks city and regional data taken from MLS. Bismarck, Fargo and Minneapolis-St. Paul regional data taken from National Association of Realtors.

Source:
Grand Forks Board of Realtors MLS, City of Grand Forks GIS Address file, BBC Research & Consulting and National Board of Realtors.

| | Median Sales Price | Percent Different from City of Grand Forks |
|----------------------------|--------------------|--|
| City of Grand Forks | \$ 160,750 | |
| Grand Forks Region | \$ 151,250 | -5.9% |
| Bismarck MSA | \$ 172,300 | 7.2% |
| Fargo ND-MN MSA | \$ 154,000 | -4.2% |
| Minneapolis-St. Paul MSA | \$ 151,500 | -5.8% |

SECTION III.

Housing Demand and Need

SECTION III.

Housing Demand and Need

This section projects the current and future housing needs of Grand Forks residents. It focuses on:

- Low income renters who will continue renting,
- Renters who want to buy,
- Owners who want or need to change where they live now or in the future,
- Young and middle age adults, and
- Persons who need assisted housing.

This section uses two tools to analyze housing needs 1) A comparison of the supply and demand of housing using a model called a “gaps analysis,” and 2) An analysis of future population growth and housing needs by age cohort.

Housing Gaps Analysis

The analysis in this section examines housing need across all income levels to identify mismatches in supply and demand for all households in Grand Forks. It reports the results of a modeling effort called a gaps analysis, which compares the demand for and supply of housing by income level.

The analysis uses the following data sources:

- Household estimates and household income ranges from the 2008-2010 ACS 3-year estimates and the 2010 Census;
- Rental data from the ACS, Craigslist.com, Rentals.com, ApartmentFinder.com, the Grand Forks Herald and UND’s student newspaper;
- For sale housing data from 2007 to 2011 (Multiple List Services data or MLS) from the Grand Forks Board of Realtors; and
- Data on subsidized rental units from the Grand Forks Housing Authority and the City of Grand Forks Consolidated Plan.

Housing is “affordable” if no more than 30 percent of a household’s monthly income is needed for rent, mortgage payments (including interest, taxes and insurance) and utilities. When the proportion of household income needed to pay housing costs exceeds 30 percent, a household is considered “cost burdened.”

Rental affordability. The distribution of rental units by price for Grand Forks was based on 2008-2010 ACS 3-year estimate data and verified with data from local sources that advertise rental units.

A few assumptions were necessary to complete the rental distribution:

- It is assumed that detached single family rental rates are represented in the ACS and data from other rental sites.
- Market-rate units rented to tenants with Section 8 vouchers were adjusted to reflect the Section 8 subsidy making these units more affordable. We assume that Section 8 vouchers are predominantly held by households earning less than \$25,000.
- The vacancy rate for all rental units—market-rate and subsidized—was assumed to be 7 percent, which is consistent with rental vacancy rates reported by the Grand Forks Apartment Association.
- The analysis assumes that the household income distribution has not changed significantly in the last two years.

Figure III-1 compares the supply of rental units to the number of renter households in each category. The Rental Gap column identifies the shortages and excesses in the market—this is the rental unit mismatch. The rental gaps analysis shows the following:

- Approximately 2,400 renter households—20 percent of all renter households in Grand Forks—earn less than \$10,000. These renters largely consist of UND students, seniors and persons with disabilities living on fixed incomes and other extremely low income households. These households can only afford to pay a maximum \$213 per month in rent without being cost burdened (utilities are accounted for separately). Grand Forks has approximately 624 public and private units and rental assistance vouchers for these households—leaving a gap of 1,748 underserved households.
- 2,663 renter households—about 23 percent of all renters—earn between \$10,000 and \$20,000 and need apartments with rents of between \$213 and \$405 to avoid being cost burdened. In 2012, these renters had 1,707 affordable units and vouchers available to them, leaving a gap of 956 underserved renter households.
- The Grand Forks rental market largely consists of rental units priced between \$405 to \$1,057 per month; 72 percent of rents fall within this range. These units are affordable to households earning between \$20,000 and \$50,000. However, many lower income households are occupying these units because they cannot find affordable rentals in their price range.
- The market is relatively well balanced for renter households earning \$50,000 or more. These households are future homeowners in Grand Forks, and are likely renting less expensive units to save for homeownership and/or can't find higher end units to rent, as only 10 percent of rental units are priced for households earning \$50,000 and more. This suggests that there may be some potential to increase rental inventory for households earning \$50,000 to \$100,000, particularly if that means better aligning this demographics' preferences with housing choices (e.g., rental units close to downtown or near employment centers, close to shopping and other desirable amenities).

Figure III-1.
Rental Market Mismatch, City of Grand Forks, 2012

| Income Range | | Renters | | Maximum Affordable Rent & Utilities | Total Rental Units and Vouchers | | Rental Gap |
|--------------|-----------|---------|------------|-------------------------------------|---------------------------------|------------|------------|
| | | Number | Percentage | | Number | Percentage | |
| \$0 | \$9,999 | 2,372 | 20% | \$ 213 | 624 | 5% | -1,748 |
| \$10,000 | \$14,999 | 1,419 | 12% | \$ 319 | 670 | 5% | -748 |
| \$15,000 | \$19,999 | 1,244 | 11% | \$ 405 | 1,037 | 8% | -207 |
| \$20,000 | \$24,999 | 1,440 | 12% | \$ 525 | 2,893 | 23% | 1,453 |
| \$25,000 | \$34,999 | 1,661 | 14% | \$ 725 | 3,629 | 29% | 1,967 |
| \$35,000 | \$49,999 | 1,551 | 13% | \$ 1,057 | 2,470 | 20% | 919 |
| \$50,000 | \$74,999 | 1,369 | 12% | \$ 1,659 | 1,101 | 9% | -268 |
| \$75,000 | \$99,999 | 489 | 4% | \$ 2,275 | 181 | 1% | -309 |
| \$100,000 | \$149,999 | 74 | 1% | \$ 3,500 | 0 | 0% | -74 |
| \$150,000 | or more | 121 | 1% | \$ 3,501 | 0 | 0% | -121 |
| Total | | 11,741 | 100% | | 12,605 | 100% | |

Source: BBC Research & Consulting.

Renter/for-sale affordability. In the resident survey conducted for this study, 40 percent of renters said they plan to buy a home in Grand Forks; most want to buy in the next three years.

Figure III-2 shows the estimated number of renter households in each income category in 2012, along with the number of for sale homes affordable to them in 2011. This shows how well the for sale market is able to serve Grand Forks renters households looking to buy. There were 513 units available to the 1,500 renters interested in buying. Except for the lowest income renters, the price points at which units are available align fairly well with what renters could afford (“Difference in Proportions” column).¹

Data from the resident survey conducted for this study support the findings in Figure III-2. In the survey, renters who expressed an interest in buying were asked their ideal home price. Twenty-six percent said less than \$100,000; 60 percent said between \$100,000 and \$200,000.

¹ The homeownership affordability calculations presented in Figure III-2 assume a 4.1 percent mortgage interest rate and a 20 percent downpayment. The affordability calculations do not account for substantial household debt (e.g., student loans, credit cards, car loans) that may make it difficult for a household to afford the maximum affordable home price. In other words, these calculations assume all households in Grand Forks are in good financial standing.

Figure III-2.
Renters Wanting to Buy, Grand Forks, 2012

| Income Range | | Renters who want to Buy | | Maximum Affordable Home Price | Estimated Housing Units | Percent of All Units | Difference of Proportions | Difference in Units |
|--------------|-----------|-------------------------|------------|-------------------------------|-------------------------|----------------------|---------------------------|---------------------|
| | | Number | Proportion | | | | | |
| \$0 | \$9,999 | 158 | 10% | \$ 38,775 | 2 | 0% | -10% | (156) |
| \$10,000 | \$14,999 | 95 | 6% | \$ 58,159 | 14 | 3% | -4% | (81) |
| \$15,000 | \$19,999 | 41 | 3% | \$ 73,896 | 11 | 2% | -1% | (30) |
| \$20,000 | \$24,999 | 48 | 3% | \$ 95,793 | 31 | 6% | 3% | (17) |
| \$25,000 | \$34,999 | 332 | 22% | \$ 132,287 | 120 | 23% | 1% | (212) |
| \$35,000 | \$49,999 | 414 | 27% | \$ 192,868 | 173 | 34% | 6% | (241) |
| \$50,000 | \$74,999 | 365 | 24% | \$ 302,716 | 124 | 24% | 0% | (241) |
| \$75,000 | \$99,999 | 49 | 3% | \$ 415,118 | 25 | 5% | 2% | (24) |
| \$100,000 | \$149,999 | 5 | 0% | \$ 638,646 | 13 | 3% | 2% | 8 |
| \$150,000 | or more | 8 | 1% | \$ 866,736 | 0 | 0% | -1% | (8) |
| Total | | 1,515 | 100% | | 513 | 100% | | |

Source: BBC Research & Consulting.

Homeowner/for-sale affordability. Figure III-3 compares the city's existing homeowners and what they could afford to purchase with affordable homes based on the 2011 MLS. The purpose of this comparison is to better understand how well homeowners could buy "up" or "down" if they choose or need to.

In general, current homeowners in Grand Forks would find the city's existing homeownership market relatively affordable. This is especially true of homeowners who want to downsize: approximately 50 percent of the units on the market and/or sold in 2011 were priced at more than \$150,000. By comparison, about three-fourths of owners needed homes could afford to buy homes priced above \$150,000.

Figure III-3.
Homeowner Mismatch, City of Grand Forks, 2012

| Income Range | | Homeowners | | Maximum Affordable Home Price | For Sale Housing Units | Percent All Units | Cumulative Percentage Available | Difference in Proportions |
|--------------|-----------|------------|------------|-------------------------------|------------------------|-------------------|---------------------------------|---------------------------|
| | | Number | Proportion | | | | | |
| \$0 | \$9,999 | 254 | 2% | \$ 38,775 | 2 | 0% | 0% | -2% |
| \$10,000 | \$14,999 | 288 | 3% | \$ 58,159 | 14 | 3% | 3% | 0% |
| \$15,000 | \$19,999 | 231 | 2% | \$ 73,896 | 11 | 2% | 5% | 0% |
| \$20,000 | \$24,999 | 360 | 3% | \$ 95,793 | 31 | 6% | 11% | 3% |
| \$25,000 | \$34,999 | 878 | 8% | \$ 132,287 | 120 | 23% | 35% | 15% |
| \$35,000 | \$49,999 | 1,538 | 15% | \$ 192,868 | 173 | 34% | 68% | 19% |
| \$50,000 | \$74,999 | 2,343 | 22% | \$ 302,716 | 124 | 24% | 93% | 2% |
| \$75,000 | \$99,999 | 1,909 | 18% | \$ 415,118 | 25 | 5% | 97% | -13% |
| \$100,000 | \$149,999 | 1,713 | 16% | \$ 638,646 | 13 | 3% | 100% | -14% |
| \$150,000 | or more | 1,005 | 10% | \$ 866,736 | 0 | 0% | 100% | -10% |
| Total | | 10,519 | 100% | | 513 | 100% | | |

Source: BBC Research & Consulting.

Cost Burden

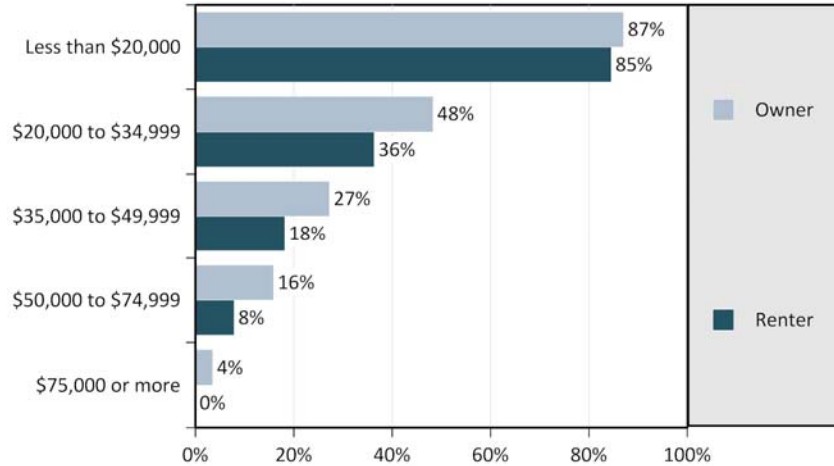
As mentioned above, the city has an estimated 2,700 (1,748 + 955) renters earning less than \$20,000/year who are paying more for rent than they can afford because of a shortage of units in their price range. These households are “cost burdened.”

Similar to most areas in the county, the proportion of cost burdened households of total households has risen in Grand Forks in the last 10 years. In 2000, 31 percent of the city’s households were cost burdened. In 2010, 37 percent of households pay more than 30 percent of their monthly income in housing costs.

Figure III-4 presents the percentage of cost burdened households by household income and tenure. Cost burden is very high (85-87%) for households earning less than \$20,000 per year. Except for the lowest income households, renters face higher levels of cost burden than do owners. As discussed in Section II, renter incomes did not increase during the past decade even as rents rose, leading to a larger number of cost burdened renters.

Figure III-4.
Cost Burden by
Tenure, City of
Grand Forks, 2010

Source:
2008-2010 American
Community Survey 3-year
estimate.



Future Growth

This section examines future household growth in the city and its impact on housing demand. Forecasted population growth rates are taken from the North Dakota State Data Center and adjusted for actual population numbers reported by the 2010 Census.²

Housing needs projections were based on likely growth and demographic shifts between 2000 and 2010. The projections assume that demographic patterns will be similar to those experienced between 2000 and 2010: There will be college student growth, a bump in 25-34 year olds and a decline in 35-54 year olds due to outmigration and fewer households. Because of their relatively large numbers and lack of outmigration, seniors will make up a higher proportion of households overall.

²Forecast data for Grand Forks County is found here:

<http://www.ndsu.edu/sdc/data/projections/ProjectionsReport2002/profiles/grandforks.pdf>

The following assumptions were used to derive the forecasts:

- The proportion of Grand Forks County's population living in the City of Grand Forks will increase in the next 10 years, as it did between 2000 and 2010. In 2000, 75 percent of the county population lived in the City of Grand Forks; by 2010, this had increased to 79 percent. We assume that this will continue and that by 2020, 84 percent of county residents will live in the City of Grand Forks.
- The North Dakota State Data Center estimated the population of Grand Forks County to be 68,238 in 2020; this estimate was based on more aggressive growth than was determined by the 2010 Census. To account for this, we project that the county population will be a lower 67,622 in 2020—which assumes a similar growth rate as experienced between 2000 and 2010.
- We estimate that the City of Grand Forks will add approximately 3,750 people between 2010 and 2020, a growth rate similar to that experienced between 2000 and 2010 (7% total growth).

Figure III-5 shows the actual population and projections for 2000, 2010 and 2020.

**Figure III-5.
Actual and
Estimated
Population,
2000, 2010
and 2020**

Source:
North Dakota State
Data Center, 2010
Census and BBC
Research & Consulting.

| | 2000 (Census) | 2010 (Census) | BBC Projected Growth |
|--|------------------|------------------|----------------------------|
| Grand Forks County | 66,109 | 66,861 | 67,622 |
| Percent change in county population | | 1.14% | 1.14% |
| Numerical change in county population | | 752 | 761 |
| City of Grand Forks | 49,321 | 52,838 | 56,606 |
| Percent change in city population | | 7.13% | 7.13% |
| Numerical change in city population | | 3,517 | 3,768 |
| Percent City Population of County | 75% | 79% | 84% |

Under a scenario of growing young adults (25-34) and continued outmigration of middle-age adults (35-54), the household distribution may look like the following:

**Figure III-6.
Household Forecasts and Change by Age, City of Grand Forks, 2010 and 2020**

| | 2010 | 2020 | Growth 2010-2020 | 2010 | 2020 | Change 2010-2020 |
|--------------|-------|-------|---------------------|------|------|---------------------|
| 18 to 24 | 4,014 | 4,300 | 286 | 18% | 18% | 7% |
| 25 to 34 | 4,556 | 5,127 | 571 | 20% | 21% | 13% |
| 35 to 54 | 6,723 | 6,081 | (642) | 30% | 25% | -10% |
| 55 and older | 6,967 | 8,347 | 1,380 | 31% | 35% | 20% |

Source: North Dakota State Data Center and BBC Research & Consulting.

Under this scenario, the city's senior population (65+) will comprise 18.5 percent of all households, from 16.4 percent in 2020. This represents a 20 percent increase in senior households.

If the city's tenure rates by age cohort do not change in the next 10 years, the city may have approximately 12,600 renter households and 11,200 homeowner households. The city's overall homeownership will stay the same as it is in 2010, as the growth in young renters is offset by an increase in older adults who have the highest homeownership rates.

The city's estimated tenure breakdown by age for 2020 is presented in Figure III-7.

**Figure III-7.
Household Forecasts by
Tenure and Age, City of
Grand Forks, 2020**

Source:

North Dakota State Data Center, 2008-2010 American Community Survey 3-year estimate, and BBC Research & Consulting.

| | Total Households (2020) | 2020 Renters | 2020 Homeowners |
|--------------|-------------------------|---------------|-----------------|
| 18 to 24 | 4,300 | 4,087 | 213 |
| 25 to 34 | 5,127 | 3,529 | 1,598 |
| 35 to 54 | 6,081 | 2,218 | 3,863 |
| 55 and older | 8,347 | 2,814 | 5,533 |
| Total | 23,855 | 12,648 | 11,207 |

**Figure III-8.
Household Change by
Tenure, City of Grand Forks, 2020**

| | Renters | Homeowners |
|--|------------|------------|
| 2020 Households | 12,648 | 11,207 |
| 2010 Households | 11,741 | 10,519 |
| Difference | 907 | 688 |
| 2020 Households, Change by Age: | | |
| 25 to 34 | 342 | 229 |
| 35 to 44 | (19) | 8 |
| 45 to 54 | (316) | (315) |
| 55 to 64 | 262 | 358 |
| 65 and older | 366 | 394 |

Source: North Dakota State Data Center, 2008-2010 American Community Survey 3-year estimate, and BBC Research & Consulting..

Figure III-8 shows the change in renter and owner households from 2010 to 2020 by age cohort.

As shown in Figure III-8, by 2020, the city will have more older and younger renters, as well as homeowners.

What does this mean for housing demand?

Not all of these changes will translate into new housing units. This is because many of the city's older adults are already housed. Instead, the likely occurrence is that some older adults will move into more desirable units (low maintenance, accessibility-friendly), freeing up single family homes to younger generations. There will also be a growing demand for accessibility improvements—in addition to health care and supportive services—for seniors who want and/or need to stay in their existing homes.

The change in housing demand may look like the following.

Housing needs for college students and young adults (ages 18 to 34). It is likely that most new renters will be college-age, graduate students and young adult (under 35) households. Fewer of these individuals will be homeowners due to the tightening in mortgage lending and the trend of young people delaying home purchases. Although nearly 25 percent of survey respondent ages 18 to 24 said they want to buy in the next five years, this model assumes that they will be constrained by a conservative lending environment.

The rental units needed for these households should be priced at less than \$525/month (efficiencies and 1 bedroom) or, for larger units, be equivalent to \$525/month per person. Seventy-five percent of the city's households under the age 25 earn less than \$25,000/year, which puts their maximum rental payment plus utilities at around \$525/month.

The older segment of this group (30-34 year olds) will want larger units and be able to afford to pay more in rent. They may “rent down”—pay less than they can afford—to save money for a downpayment to buy a home. Indeed, about 20 percent of survey respondents between the ages of 25 and 34 said they want to buy in the next five years.

Housing needs for middle-age adults (35 to 54). Younger adult households are diverse. They could include graduate students, young professionals, married couples without children and families with children. This is the time when many households transition from renting to owning. And, it is often the time when families move from their first home into something more suitable for raising children. In sum, the diversity of household characteristics and preferences in this age group requires a variety of housing types.

Middle-age adults are generally less transient and remain in housing units longer than young adults, who are still in transition. However, between 2000 and 2010, Grand Forks' households headed by 35-44 year olds dropped significantly. The resident survey conducted for this survey suggests that this trend may not continue into 2020, as about half of residents in this age bracket expect their housing situation to stay the same and just 10 percent expect to move from Grand Forks in the next five years. That said, we assume continued outmigration of middle-age adults consistent with past trends.

For both young and middle-age adults, we estimate no net increase in housing demand for two reasons: 1) Housing needs can be met through older adults freeing up units as they transition into other housing types; and 2) There will be a slight decline or little growth in households overall.

Housing needs of older adults and seniors (55 and older). Assuming current Baby Boomers and seniors do not leave Grand Forks upon retirement, the city will experience substantial growth in its senior population. According to the resident survey conducted for this study, the vast majority of 65 and older residents anticipate no changes in their living arrangements in the next five years. At least 20 percent of residents ages 55 to 64 are unsure of their living arrangements in the next five years, but most plan to stay in their current homes. Regardless of these decisions, because of their relatively large numbers, older adults and seniors will drive the homeownership market in Grand Forks in coming years.

If these individuals stay in their homes to age (and most plan to), they may need assistance maintaining their homes. In the resident survey, 18 percent of respondents said their homes do not meet the accessibility needs of household members.

If these homeowners choose to vacate their current home and either rent or purchase another home in Grand Forks, they will require a type of home that is likely not abundantly available in Grand Forks. Additionally, if they sell, they will need buyers to purchase their existing homes.

The housing needs of these individuals will focus on low maintenance homes with universal design features (e.g., zero step entry, wide doors and hallways). Units should be able to be made accessible if needed. Units for the oldest adults should be located close to services and transit.

Housing needs of special populations. Special populations generally have more challenges in finding housing and often need assisted housing because of their lower incomes. Special needs populations may include persons transitioning out of homelessness, new Americans, people with disabilities, victims of domestic violence and frail seniors. Many of these residents rent and some need special accommodations such as accessible units and 3-4 bedroom rental homes to house large and extended families.

The needs of these populations are captured in the current and projected housing needs. For example, in the rental gap of 1,748; in the projections for accessible rentals for persons with disabilities; in the projections for larger rental units for young families.

Projected housing needs. Figure III-9 shows projected housing demand for rental and for sale units and by age cohort. These projections assume that future growth will largely occur in the 18-34 and 55 and older age cohorts and that households in the 35-54 cohorts will decline.

The net results of these changes is the need for new rental units for college-age and young adults, as well as a small number of affordable, starter homes and an expanded inventory of homes with universal design, low maintenance and accessibility features.

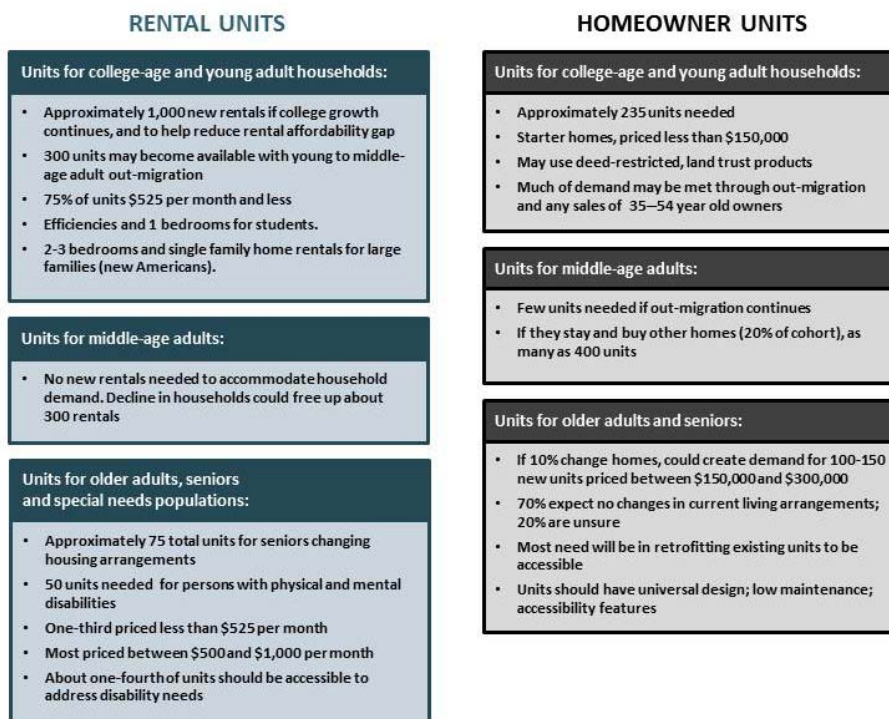
Ultimately, the number of new units in demand will be strongly tied to student growth. Housing for non-college age residents will be mostly met through resales of existing homes, existing rentals and modest levels of new construction.

Since these projections were done, the city reports that as many as 900 rental units have recently been built, are under construction or planned in Grand Forks. These will help address unmet demand for rental units over time.

These new units are unlikely to address the shortage of affordable units, however. Instead, some new subsidized affordable units—coupled with some shifting in the rental market if growth slows—will be needed

Figure III-9.
Projected
Housing Needs,
City of Grand
Forks, 2010
to2020

Source:
BBC Research &
Consulting.



Meeting senior housing needs. Housing demand is driven by college-age and young adults' needs, as well as seniors' needs, in both models. Seniors' housing needs can be more difficult to meet since residents are more likely to become disabled as they age and many live in older housing units which are not accessible. Indeed, 18 percent of residents who responded to the survey for this study said their homes did not meet their accessibility needs.

Figure III-10 shows homes sold in 2011 that could be characterized as "senior friendly." These include one-story units constructed in 2000 or later.

Only 37 homes sold in Grand Forks in 2011 were considered "senior friendly." Many of these homes were condo/townhome products. These homes boasted a median sales price of \$223,000, which is more expensive than the city's overall housing stock.

Figure III-10.
Senior-Friendly Homes
Sold in Grand Forks, 2011

| Type | Amount |
|---------------------------|-------------------|
| Number | 37 |
| <i>Single family</i> | 14 |
| <i>Condo/Townhome</i> | 23 |
| Median Sales Price | \$ 223,000 |
| Median Square Feet | 1,820 |

Source: Grand Forks Board of Realtors MLS and
BBC Research & Consulting.

Figure III-11 displays the location of these units. Senior friendly units sold in 2011 were largely located in the southern portion of the city.

Figure III-11.
Senior-Friendly
Homes Sold in Grand
Forks, 2011

Source:
Grand Forks Board of Realtors
MLS and BBC Research &
Consulting.

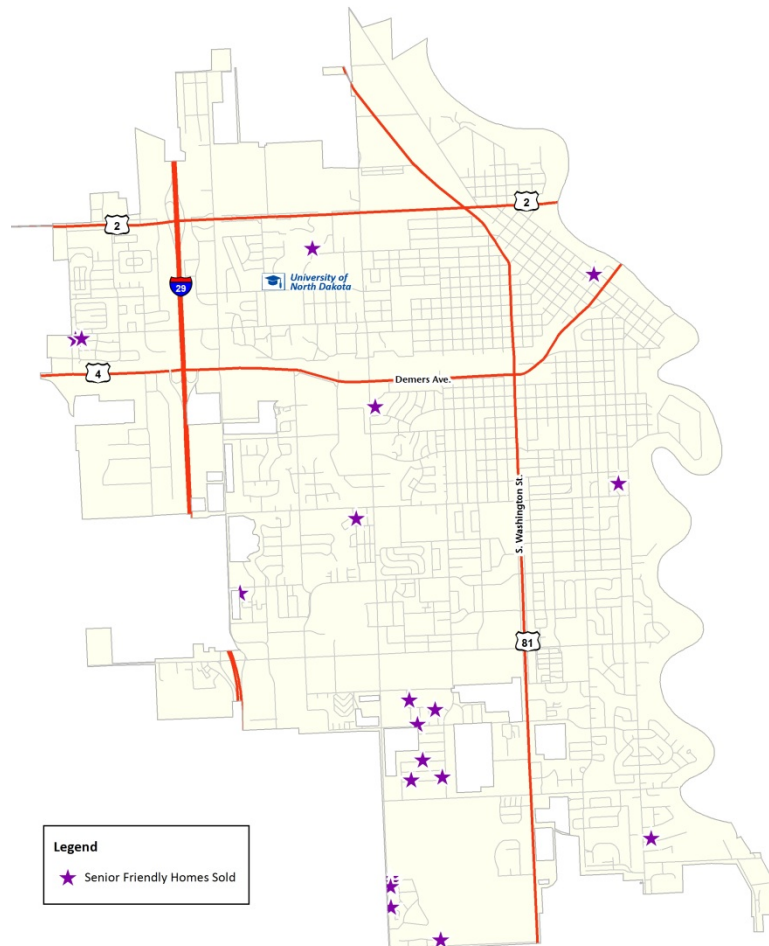


Figure III-12.
Disability Status by Age,
City of Grand Forks, 2010

| Age Category | Total Disabled | Percent of Age Group that is Disabled |
|--------------------|----------------|---------------------------------------|
| Less than 5 | 22 | 0.8% |
| 5 to 17 years old | 187 | 2.8% |
| 18 to 64 years old | 3,036 | 8.1% |
| 65 years and older | 1,340 | 26.2% |

Source: 2008-2010 American Community Survey 3-year estimate.

Accessible housing. In 2010, 8 percent of the city's population reported having a disability. Figure III-12 displays disability status by age. Nearly one in four senior reports having a disability.

Figure III-13.
Disability Status by Age, City of Grand Forks, 2010

| | Number | Percent of Disability in Age Group |
|---------------------------------------|--------------|------------------------------------|
| Less than 5 | 22 | |
| With a hearing difficulty | 22 | 100.0% |
| With a vision difficulty | - | 0.0% |
| 5 to 17 years old | 187 | |
| With a hearing difficulty | - | 0.0% |
| With a vision difficulty | 10 | 5.3% |
| With a cognitive difficulty | 177 | 94.7% |
| With an ambulatory difficulty | 16 | 8.6% |
| With a self-care difficulty | 31 | 16.6% |
| 18 to 64 years old | 3,036 | |
| With a hearing difficulty | 605 | 19.9% |
| With a vision difficulty | 333 | 11.0% |
| With a cognitive difficulty | 1,660 | 54.7% |
| With an ambulatory difficulty | 972 | 32.0% |
| With a self-care difficulty | 411 | 13.5% |
| With an independent living difficulty | 1,123 | 37.0% |
| 65 years and older | 1,340 | |
| With a hearing difficulty | 639 | 47.7% |
| With a vision difficulty | 266 | 19.9% |
| With a cognitive difficulty | 243 | 18.1% |
| With an ambulatory difficulty | 818 | 61.0% |
| With a self-care difficulty | 250 | 18.7% |
| With an independent living difficulty | 618 | 46.1% |

Note: Percentages will not sum to 100%, as residents can cite more than one disability.

Source: 2008-2010 American Community Survey 3-year estimate.

Figure III-13 displays the type of disabilities identified by residents by age category. Please note that residents may have more than one type of disability.

More than 3,000 residents aged 18 to 64 reported having a disability. More than half report having a cognitive disability. Persons with cognitive disabilities “have difficulty concentrating, remember or making decisions because of a physical, mental or emotional condition.”³ As such, most persons with a cognitive disability also report having other types of disabilities. Disabled residents between the ages of 18 and 64 were also most likely to have an independent living disability (37%) and/or an ambulatory difficulty (32%), which is defined by the Census as having trouble walking or climbing stairs.

Seniors are the most likely to have a disability in Grand Forks. Many disabled seniors reported having an ambulatory disability (61%). That means that many of these seniors may have difficulty living in their homes unless important accessibility modifications (e.g., grab bars, wheel chair ramps) are made.

³ Definition taken from the census glossary.

Assisted housing. The Grand Forks Housing Authority (GFHA) is the primary provider of affordable housing in the City of Grand Forks. The GFHA administers the Section 8 Voucher program and also manages a number of affordable rental properties in the city. The GFHA does not own any public housing units. In addition, the city has many Low Income Housing Tax Credit (LIHTC) developments that serve low income households.

Voucher programs. The GFHA administers 1,265 vouchers to Grand Forks residents, which includes vouchers specifically for veterans. Figure III-14 maps the location of current voucher holders. Except for the far southern part of the city and parts in the far west and far east, vouchers are well distributed in the city.

Figure III-14.
Location of Section
8 Voucher Holders,
City of Grand Forks,
2012

Note:

Map does not duplicate addresses. If 10 Section 8 Voucher holders live in one building, they will be represented collectively.

Source:

Grand Forks Housing Authority
and BBC Research &
Consulting.

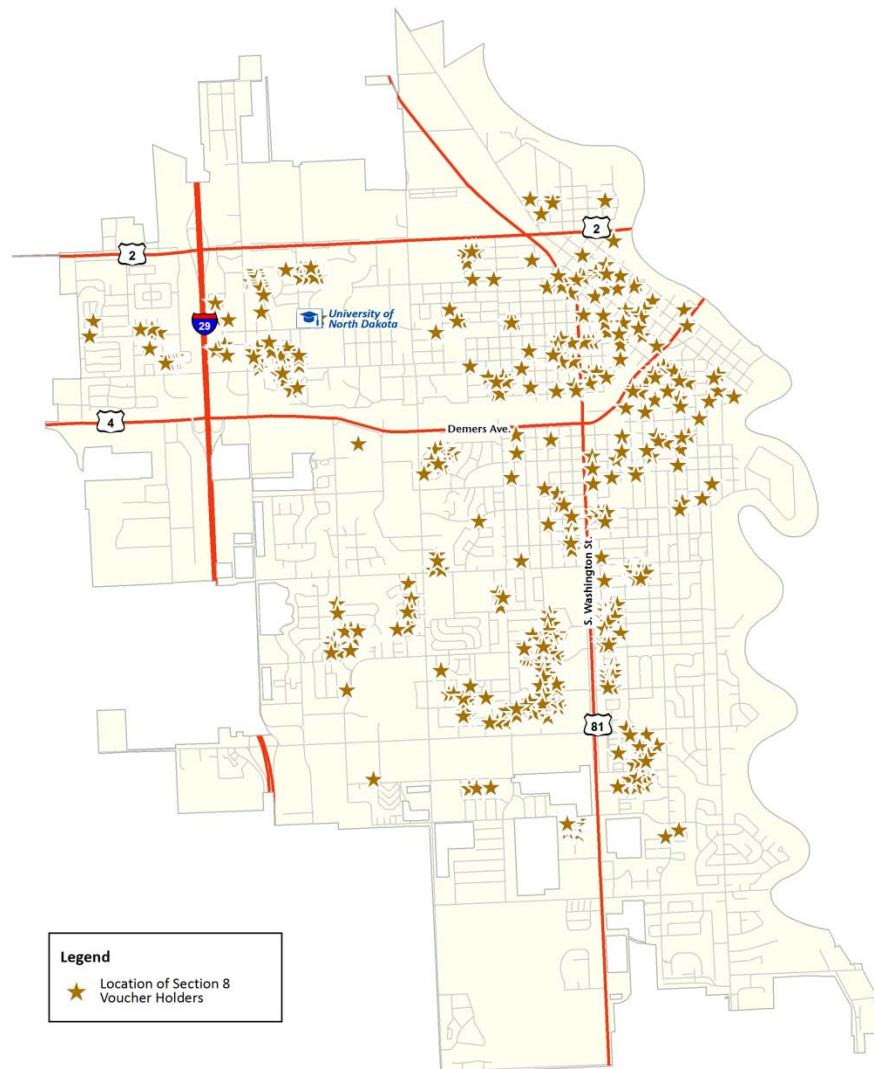


Figure III-15 lists the assisted rental units in Grand Forks. The city has a total of 1,113 subsidized rental units, representing more than 10 percent of all rental units.

Figure III-15.
Assisted Housing, City of Grand Forks, 2012

| Name | Total Units | Subsidized | Percent Subsidized | Type | Managed by GFHA |
|------------------------------------|--------------|--------------|--------------------|------------------|-----------------|
| 4-Plex Homeless PSH | 4 | 4 | 100% | | X |
| Alcott Manor | 45 | 32 | 71% | LIHTC | |
| Amberwood Court Apartments | 96 | 39 | 41% | LIHTC | |
| Burdick | 11 | 11 | 100% | | X |
| Cherry Heights | 76 | 76 | 100% | | X |
| Columbia Square East | 50 | 50 | 100% | | X |
| Columbia Square South | 72 | 72 | 100% | | X |
| Continental | 64 | 64 | 100% | | X |
| Cottages & Suites | 94 | 94 | 100% | LIHTC | X |
| Dakota Square Manor | 48 | 48 | 100% | LIHTC | |
| Harvest Homes | 12 | 12 | 100% | | X |
| Harvest Lodge | 6 | 6 | 100% | | X |
| Holiday Village | 40 | 40 | 100% | LIHTC | |
| Homestead | 50 | 50 | 100% | | X |
| LaGrave | 66 | 66 | 100% | | X |
| Northern Heights at Grigg's Square | 53 | 13 | 25% | NSP ¹ | |
| Oak Manor | 48 | 48 | 100% | | X |
| Primrose Apartments | 24 | 24 | 100% | LIHTC | |
| Riverwise Manor | 38 | 30 | 79% | LIHTC | X |
| Ryan House | 40 | 40 | 100% | LIHTC | |
| Scattered Sites | 31 | 31 | 100% | | X |
| Southview I, II and III | 54 | 54 | 100% | LIHTC | |
| Stern Place Apartments | 9 | 9 | 100% | NSP ¹ | |
| The Aurora at Grigg's Square | 40 | 40 | 100% | LIHTC | |
| The Current | 40 | 40 | 100% | LIHTC | |
| University Square | 60 | 60 | 100% | | X |
| Westgate Village | 60 | 60 | 100% | LIHTC | X |
| Westwood (Faith and Hope) | 24 | 24 | 100% | | X |
| Winterland Apartments | 54 | 38 | 70% | LIHTC | |
| Total | 1,207 | 1,113 | 92% | | |

Source: City of Grand Forks 2010-2014 5-year Consolidated Plan.

Grand Forks recently developed a Community Land Trust to provide affordable homeownership to low income residents. The city donated 13 lots to start the program and the first units are nearly complete. Units consist of single family homes with two bedrooms and approximately 950 square feet; the units are built using universal design principals. The first home will be sold to a Grand Forks resident who is physically disabled; all units have buyers. Buyers are mostly one- to three-person households, some with children, earning between \$34,000 and \$40,000 per year. Applicants to the program are required to participate in a homebuyer course.

Summary of Findings

- **Low income renters who will continue renting:** The city has a current shortage of 2,339 units to serve renters who need units priced less than \$405/month.

The number of new rental units in demand will be strongly tied to student growth. If growth in the college-age population continues, as many as 1,000 new rental units may be needed to be created to keep up with demand. This is an average of 100 units each year, which is feasible compared to the average number of multifamily units permitted per year in the past 12 years (about 160/year).

A number of new apartment developments have recently become available. Their rate of lease-up, vacancies and rent levels should be considered in determining future rental needs. The rents on many of the newer units are higher than what is needed to close the rental gap. However, if existing renters vacate their current units for higher-end rentals; this could increase the availability of older, less expensive units.

New units should be priced at \$525 and less to avoid widening the rental gap and meet the demands of new renters, including those renters who are currently cost burdened and New Americans.

- **Renters who want to buy:** 40 percent of the city's renters express an interest in buying when surveyed for this study. The vast majority of these renters want homes priced at less than \$200,000. Overall, units that were on the market between 2007 and 2011 were priced in the ranges needed for renters who want to become homeowners. The exception is new construction, most of which is too expensive for first time homebuyers.
- **Owners who want or need to change where they live now or in the future:** Except for owners who have special needs—e.g., need accessibility features in their homes—current owners should be able to afford to downsize or find another affordable unit given their incomes.

For new growth, we anticipate that demand for ownership units will largely occur for older adults and seniors who are moving into the area and buying, becoming homeowners and/or looking for alternative products. Overall, the city will see increased demand for housing with universal design, smaller lots and which can be made accessible as homeowners age.

- **Young and middle age adults.** Demand for housing of young and middle-age adults will depend heavily on if trends reverse and these residents choose to stay in Grand Forks. We anticipate that the existing rental and homeownership market will largely be able to meet the housing demands of middle-age residents. This is due to continued outmigration and the smaller number of middle-age residents.

Young adults—especially those between the ages of 18 and 24—express strong interest in buying. Many will need to rent for longer than they would like due to the tightening of credit markets. As many as 250 units could be needed to accommodate their buying needs; most of these units should be priced at less than \$150,000. These households are also targets for deed-restricted affordable units and land trust programs.

If 35-54 year olds do not follow the same outmigration trends as occurred in the past decade and, as the survey data indicate, 20 percent buy new homes, as many as 400 units could be needed to meet demand. Some of this demand will be satisfied through older adults selling their homes and moving into other, more senior-friendly units.

- **Persons who need assisted or special needs housing.** These individuals will need very affordable rental units (less than \$525/month), larger units for low income families (2-3 bedrooms), low cost ownership products such as land trust and deed-restricted units and accessibility improvements to existing units.

SECTION IV.

Public Input

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Public Input

This section presents the findings from the public input process.

Summary of Public Participation

Public participation in the study included:

- Two fair housing workshops with Grand Forks residents and stakeholders. The workshops included presentations of preliminary study findings, background on fair housing law and a discussion of attendees' experience with fair housing choice in Grand Forks.
- A survey of Grand Forks residents on a variety of housing topics—389 residents responded. The survey was available both in print and online and included a range of housing topics.
- Focus groups with stakeholders, including housing developers, human services specialists, social services professionals, providers of services to refugees and stakeholders interested in fair housing issues. Stakeholders discussed the greatest needs of the Grand Forks residents they serve.

Profile of Survey Respondents

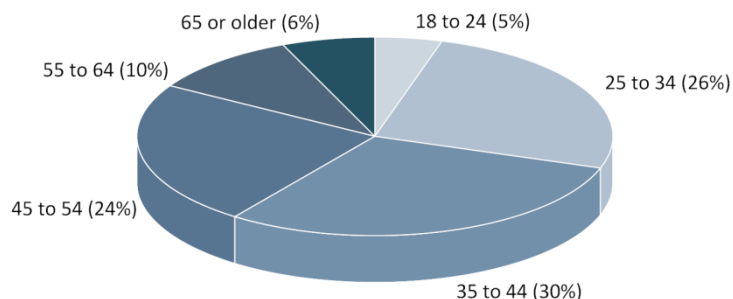
Residents participating in the survey responded to a series of questions about themselves and their households. Respondents to the resident survey are more likely to be homeowners, have children under the age of 18 and somewhat higher income, compared to the population as a whole. A greater proportion of survey respondents' households include an unemployed member.

Age. About 30 percent of respondents to the resident survey are younger than 35. The median age cohort of respondents is 35 to 44.

Figure IV-1.
Age of Respondent

Note:
n=285.

Source:
BBC Research & Consulting from
Grand Forks 2011 Resident Survey.



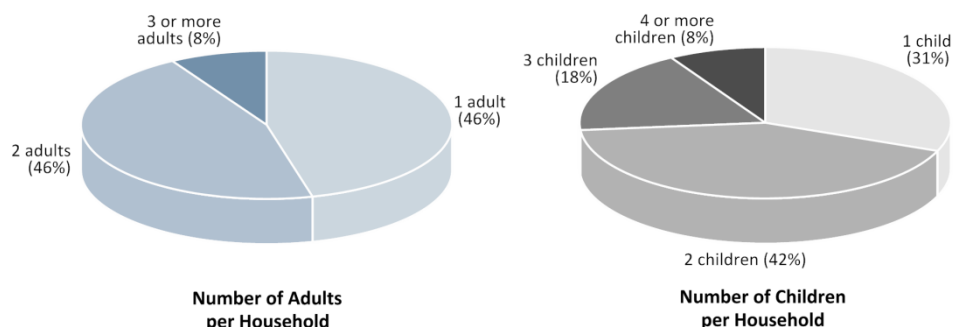
Household composition and size. More than half of the respondents report living in a home with two or more adults, as shown in Figure IV-2. Overall, 46 percent of the households represented in the survey include children. This is a higher proportion than the community overall. Among those households, two in five include two children and more than a quarter include three or more.

**Figure IV-2.
Household
Composition
and Size**

Note:
n=389 and n=177.

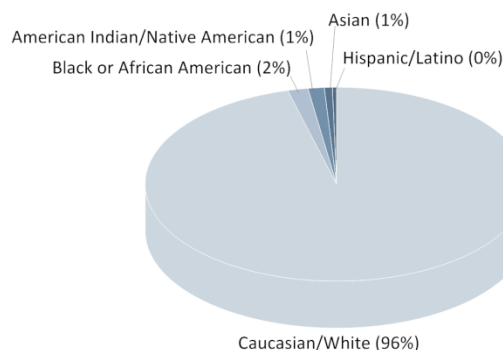
Source:

BBC Research &
Consulting from
Grand Forks 2012
Resident Survey.



Race/ethnicity. Nearly all respondents characterized the racial or ethnic composition of their households as white. This aligns with the city's population overall. Figure IV-3 presents the racial and ethnic composition of survey respondents' households.

**Figure IV-3.
Respondent Race/Ethnicity**



Note: n=292.

Source: BBC Research & Consulting from Grand Forks 2012 Resident Survey.

Employment and occupation. As shown in Figure IV-4, 14 percent of respondents report that someone in the household is currently unemployed. This is a higher rate than the city overall (3.2 percent). Of those who are unemployed, nearly half have been unemployed for more than two years.

**Figure IV-4.
Unemployment and Duration
of Unemployment**

Note:
n=.

Source:

BBC Research & Consulting from Grand
Forks 2011 Resident Survey.

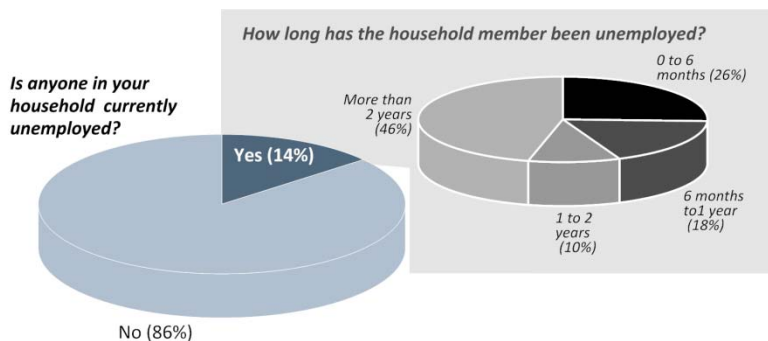


Figure IV-5 presents the industries in which working adults represented in the survey are employed. As shown, education is the primary industry, followed by health care and government. The majority report that their employer is located in Grand Forks.

**Figure IV-5.
Industry of
Employed Adults**

Note:
n=448 employed adults.
The industries shown
represent 82% of all industries
reported.

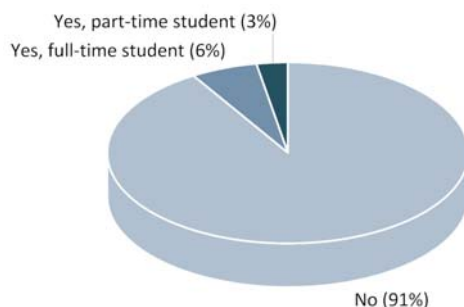
Source:
BBC Research & Consulting
from Grand Forks 2012
Resident Survey.

| Top 20 Industries | Percent of Employed Adults | <i>continued...</i> | Percent of Employed Adults |
|-----------------------|----------------------------------|------------------------|----------------------------------|
| Education | 22% | Social Services | 2% |
| Health Care | 10% | Financial Services | 2% |
| Government | 7% | Housing | 2% |
| UND | 4% | Administrative support | 2% |
| Retail | 4% | Student | 2% |
| Nonprofit sector | 4% | Research | 2% |
| Professional services | 4% | Construction | 2% |
| Human Services | 3% | Customer Service | 2% |
| Restaurant | 3% | Military | 1% |
| Transportation | 3% | Technology | 1% |

Student status. About one in ten respondents to the survey are either full or part-time students, as shown in Figure IV-6.

Household income. Figure IV-7 presents respondents' household income. One in ten households earn less than \$25,000 per year, and the median income is \$50,000 to less than \$75,000. This is higher than the city's overall median household income of \$41,499.

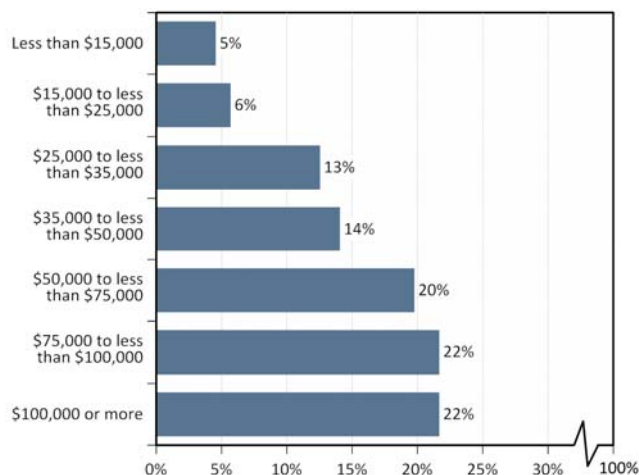
**Figure IV-6.
Student Status**



Note: n=285.

Source: BBC Research & Consulting from Grand Forks 2012 Resident Survey.

**Figure IV-7.
Household Income.**



Note: n=263.

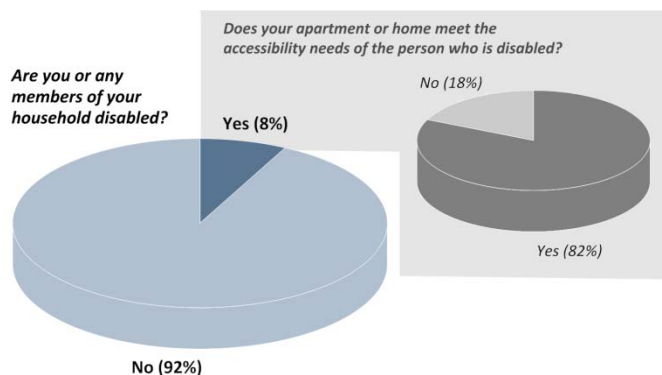
Source: BBC Research & Consulting from Grand Forks Resident Survey

Disability. Slightly less than one in ten households includes a member with a disability, as shown in Figure IV-8. Among those households with a disabled member, nearly one in five are living in housing that does not meet their accessibility needs. Grab bars; main floor bedrooms, bathrooms, laundry facilities; and modifications to entries are the types of accessibility modifications desired.

Figure IV-8.
Disability and Housing Accessibility

Note:
n= and n=.

Source:
BBC Research & Consulting from Grand Forks
2012 Resident Survey.

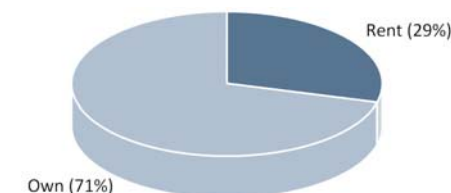


Current Housing Choices

Residents responded to a series of questions regarding their current housing choices including tenure, type of home, costs of housing and whether or not they are housing (non-student) family members or friends who cannot afford to live on their own.

Tenure. Nearly three in ten survey respondents are renters, as shown in Figure IV-9. This is a smaller share of renters than occurs overall (53 percent).

Figure IV-9.
Housing Tenure



Note: n=298.

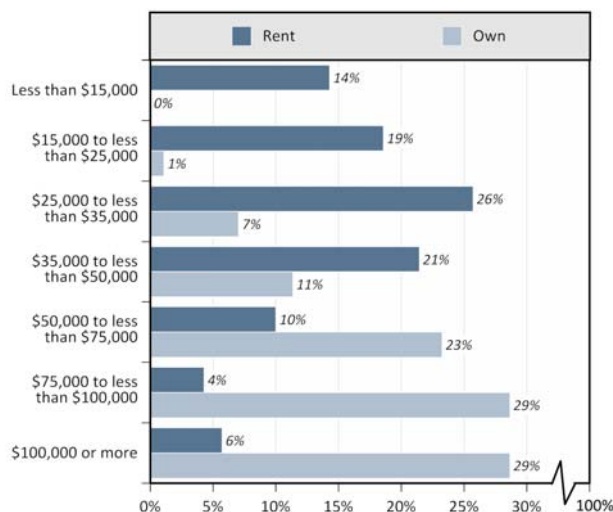
Source: BBC Research & Consulting from Grand Forks
2012 Resident Survey.

Figure IV-10 presents housing tenure by household income. Not surprisingly, homeowners tend to have higher incomes than renters. About one in three renter households earn less than \$25,000 per year, compared to 1 percent of homeowners.

Figure IV-10.
Housing Tenure by Income

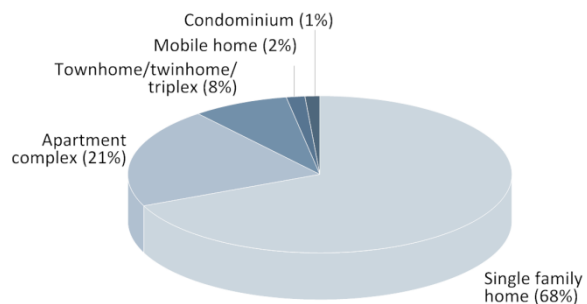
Note:
n=75 renters and 185 homeowners.

Source:
BBC Research & Consulting from Grand Forks
2011 Resident Survey.



Type of home. Figure IV-11 depicts the type of housing in which survey respondents live. Nearly seven in ten live in single family homes, followed by one in five in apartment complexes. In addition to the housing types shown, one respondent lives in military housing; another lives in a group home.

**Figure IV-11.
Type of Home**



Note: n=320.

Source: BBC Research & Consulting from Grand Forks 2012 Resident Survey.

Cost of housing. Figure IV-12 presents the average and median rent and mortgage paid by housing type. Overall, renters pay an average of \$687 per month (median \$660) and homeowners pay \$1,228.¹ Only 12 respondents pay homeowners association fees, and these average \$138 per month. These fees are paid largely by residents living in townhome and condo products.

**Figure IV-12.
Monthly Cost of Housing**

| | Single Family Home | Townhome/Twinhome/Triplex | Condominium | Apartment Complex | Mobile Home | All Types |
|-------------------------|--------------------|---------------------------|-------------|-------------------|-------------|--------------|
| Monthly Rent | <i>n=7</i> | <i>n=11</i> | <i>n=3</i> | <i>n=56</i> | <i>n=4</i> | <i>n=86</i> |
| Average | \$852 | \$739 | \$758 | \$656 | \$453 | \$687 |
| Median | \$900 | \$700 | \$900 | \$650 | \$385 | \$660 |
| Monthly Mortgage | <i>n=159</i> | <i>n=12</i> | <i>n=1</i> | <i>n=0</i> | <i>n=0</i> | <i>n=173</i> |
| Average | \$1,259 | \$893 | \$469 | n/a | n/a | \$1,228 |
| Median | \$1,200 | \$831 | \$469 | n/a | n/a | \$1,167 |

Source: BBC Research & Consulting from Grand Forks 2012 Resident Survey.

¹ This was slightly higher than the median gross rent of \$632 in 2010, reported by the Census.

Cost of utilities. Figure IV-13 presents the average and median monthly cost for utilities by housing type. On average, regardless of housing type, residents are paying \$128 for electricity, \$59 for water, \$27 for sewer and \$120 for gas.

Figure IV-13.
Monthly Cost of Utilities

| | Single Family Home | Townhome/ Twinhome/ Triplex | Condominium | Apartment Complex | Mobile Home | All Types |
|--|--------------------------|-----------------------------------|-------------|----------------------|----------------|--------------|
| Electricity | <i>n=173</i> | <i>n=23</i> | <i>n=4</i> | <i>n=52</i> | <i>n=5</i> | <i>n=261</i> |
| Average | \$146 | \$139 | \$89 | \$68 | \$135 | \$128 |
| Median | \$150 | \$100 | \$50 | \$60 | \$145 | \$120 |
| <i>Note: Many electrical bills reported include gas.</i> | | | | | | |
| Water | <i>n=172</i> | <i>n=16</i> | <i>n=1</i> | <i>n=4</i> | <i>n=3</i> | <i>n=197</i> |
| Average | \$61 | \$49 | \$55 | \$48 | \$32 | \$59 |
| Median | \$60 | \$50 | \$55 | \$50 | \$35 | \$60 |
| <i>Note: The majority of water bills include sewer.</i> | | | | | | |
| Sewer | <i>n=63</i> | <i>n=6</i> | <i>n=0</i> | <i>n=1</i> | <i>n=2</i> | <i>n=74</i> |
| Average | \$29 | \$15 | n/a | \$25 | \$12 | \$27 |
| Median | \$25 | \$15 | n/a | \$25 | \$10 | \$20 |
| Gas | <i>n=93</i> | <i>n=10</i> | <i>n=0</i> | <i>n=4</i> | <i>n=1</i> | <i>n=110</i> |
| Average | \$125 | \$74 | n/a | \$37 | \$40 | \$120 |
| Median | \$100 | \$75 | n/a | \$60 | \$40 | \$100 |

Source: BBC Research & Consulting from Grand Forks 2012 Resident Survey.

Figure IV-14 examines the monthly cost of utilities by household income. The greatest variation in utility costs occurs with electricity, and to a lesser extent, gas. Both are positively correlated with income (that is, utilities costs rise as incomes rise). Water and sewer charges are similar regardless of income.

Figure IV-14.
Monthly Cost of Utilities, by Income

| | Less than \$15,000 | \$15,000 up to \$25,000 | \$25,000 up to \$35,000 | \$35,000 up to \$50,000 | \$50,000 up to \$75,000 | \$75,000 up to \$100,000 | \$100,000 or More |
|--|-----------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|----------------------|
| Electricity | <i>n=10</i> | <i>n=14</i> | <i>n=30</i> | <i>n=35</i> | <i>n=46</i> | <i>n=52</i> | <i>n=45</i> |
| Average | \$61 | \$66 | \$117 | \$109 | \$144 | \$134 | \$140 |
| Median | \$50 | \$50 | \$100 | \$100 | \$150 | \$120 | \$130 |
| <i>Note: Many electrical bills reported include gas.</i> | | | | | | | |
| Water | <i>n=1</i> | <i>n=1</i> | <i>n=19</i> | <i>n=21</i> | <i>n=43</i> | <i>n=50</i> | <i>n=41</i> |
| Average | \$50 | \$50 | \$55 | \$53 | \$60 | \$58 | \$54 |
| Median | \$50 | \$50 | \$55 | \$55 | \$60 | \$60 | \$50 |
| <i>Note: The majority of water bills include sewer.</i> | | | | | | | |
| Sewer | <i>n=0</i> | <i>n=1</i> | <i>n=5</i> | <i>n=12</i> | <i>n=15</i> | <i>n=16</i> | <i>n=19</i> |
| Average | n/a | \$6 | \$25 | \$29 | \$24 | \$31 | \$23 |
| Median | n/a | \$6 | \$20 | \$25 | \$20 | \$20 | \$25 |
| Gas | <i>n=1</i> | <i>n=3</i> | <i>n=6</i> | <i>n=15</i> | <i>n=16</i> | <i>n=29</i> | <i>n=30</i> |
| Average | \$60 | \$53 | \$84 | \$146 | \$85 | \$106 | \$111 |
| Median | \$60 | \$30 | \$75 | \$90 | \$80 | \$100 | \$100 |

Source: BBC Research & Consulting from Grand Forks 2012 Resident Survey.

Housing additional members. Residents were asked if their household included members other than students who could not afford to live on their own. As shown in Figure IV-15, more than one in ten households is housing additional (non-student) members who cannot afford to live on their own. Among these households, two out of three are housing family members, while one-third are unrelated to the additional member. Most respondents do not know how long they will house the additional household members. Others estimated durations ranging from a few months to several years.

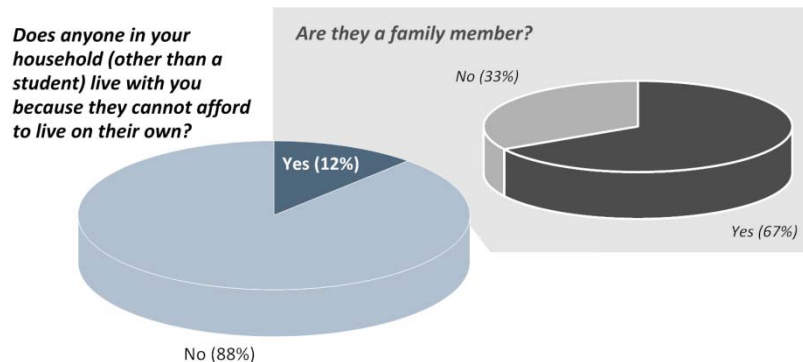
**Figure IV-15.
Housing Additional
Members Who Cannot
Afford to Live on their
Own**

Note:

n=326 and n=39

Source:

BBC Research & Consulting from
Grand Forks 2012 Resident Survey.



Rental housing needs—stakeholder perspectives. In focus groups, stakeholders identified the following as the greatest rental housing needs in Grand Forks:

- People with criminal backgrounds and/or who have violated housing rules in the past have very few options in Grand Forks. They end up renting in small towns in the county from landlords who do not require a background check or living in cheap motels, often living in substandard or unsafe conditions. This becomes a greater concern when they have children.
- There is a severe shortage of affordable rental units for residents with poor credit, legal histories and/or who have been formerly homeless.
- Landlords would be more willing to rent to higher-risk tenants if there was a “safety net”—e.g., a fund for making repairs when a tenant has not kept up an apartment, case managers who visit once a week, a guardian who is responsible for allocating their rent payment. This is especially important when rental vacancies are low and landlords are more selective about to whom they rent.
- Grand Forks has good institutional structure and a strong network of service providers. The main problem is a shortage of rental housing for special needs populations and people who are hard to house.
- Supportive service expansions—especially 24 hour support for residents with severe special needs—are also needed. Funding cuts have reduced service provision, which affects the ability of special needs residents to live semi-independently.
- The largest barrier to housing for people with disabilities and seniors is that the most affordable housing is older and often does not have accessibility features or can add accessibility features. “I can’t tell you the last time I moved someone into an apartment.”

Homeownership housing needs—stakeholder perspectives. With respect to homeownership, stakeholders identified the following needs:

- Building housing under \$200,000 is challenging. Infrastructure costs are high (averaging \$1 million for a 35-lot development). For what most buyers want—2,000 square feet, three bedrooms, two baths on a 10,000 square foot lot—requires \$145 per square foot price. The construction window is short, which limits volume and the ability to react quickly to demand.
- The city seems to be doing “everything they can” to reduce development processing time and facilitate needed residential development. Fees are reasonable.
- Residents oppose density. Four stories is considered tall for the city.
- Could the city purchase more of the older housing stock and rehabilitate it?
- Incentives are needed to reduce the risk of unconventional, diverse product types such as 1) Visitable housing units, and 2) Small lots/cottage homes.

Future Housing Needs

Residents responded to several questions related to their future housing needs and plans.

Future plan to live in Grand Forks. As shown in Figure IV-16, nearly half of residents who responded to the survey do not plan to change their living arrangements in the next five years. Slightly more than one in ten plan to move away from Grand Forks.

Figure IV-16.
Likely Place of
Residence in Five Years

Note:
n=301.

Source:
BBC Research & Consulting from Grand
Forks 2012 Resident Survey.

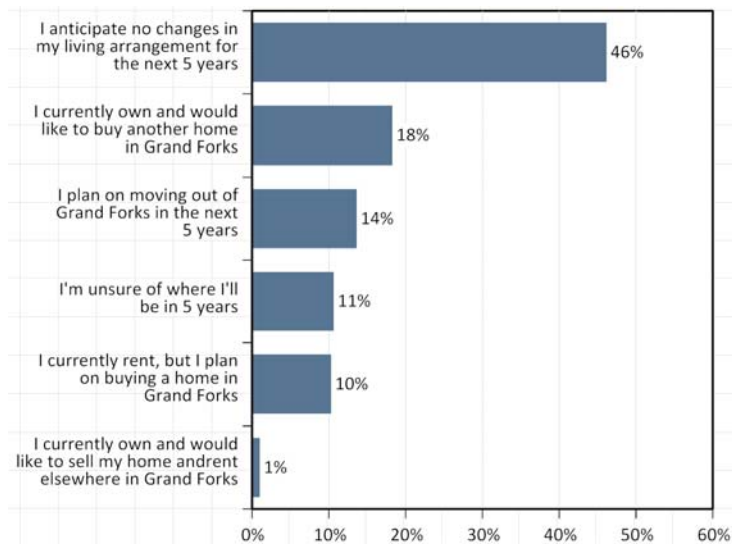
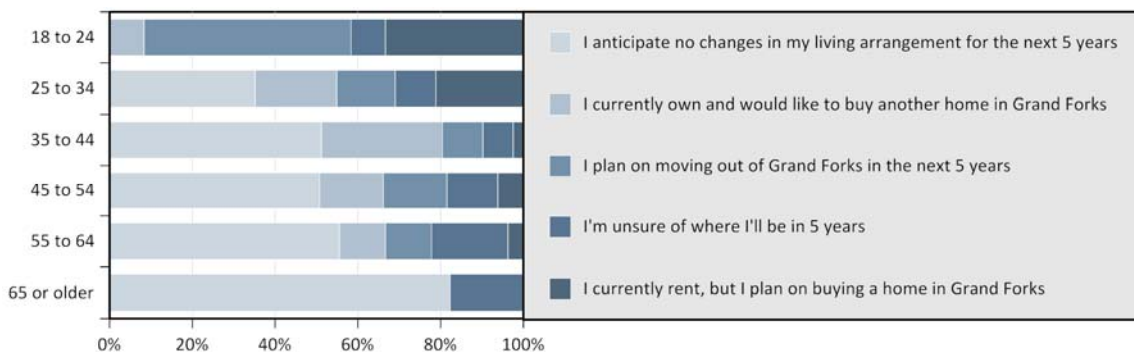


Figure IV-17 examines each of the future living scenarios by age cohort. Among those aged 25 to 34, one-third do not anticipate any changes to their living situation and 14 percent plan to move. After age 35, at least half of residents in each age cohort do not plan to change their living arrangement. But, anywhere from 10 to 15 percent plan to leave Grand Forks. Approximately 20 percent of those aged 55 and older are unsure of where they will live in five years.

Figure IV-17.
Likely Place of Residence in Five Years by Age Cohort

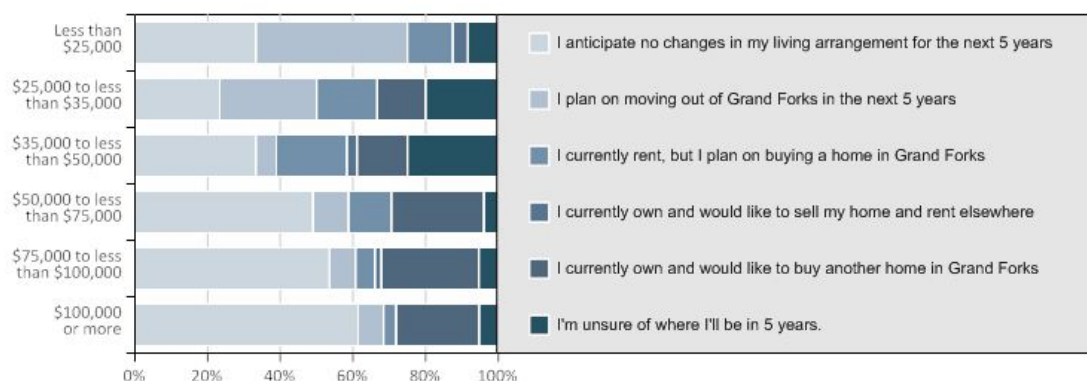


Note: For ages 18-24 n=12; for ages 25-34 n=71; for ages 35-44 n=82; for ages 45-54 n=65; for ages 55 to 64 n=27; and for ages 65+ n=17.

Source: BBC Research & Consulting from Grand Forks 2012 Resident Survey.

Figure IV-18 presents respondents' future living plans by income level. As shown, the greatest proportion of residents planning to leave Grand Forks have household incomes of less than \$25,000 and \$25,000 up to \$35,000 respectively. Those in higher income brackets are the least likely to plan to change their current living situation.

Figure IV-18.
Likely Place of Residence in Five Years by Income

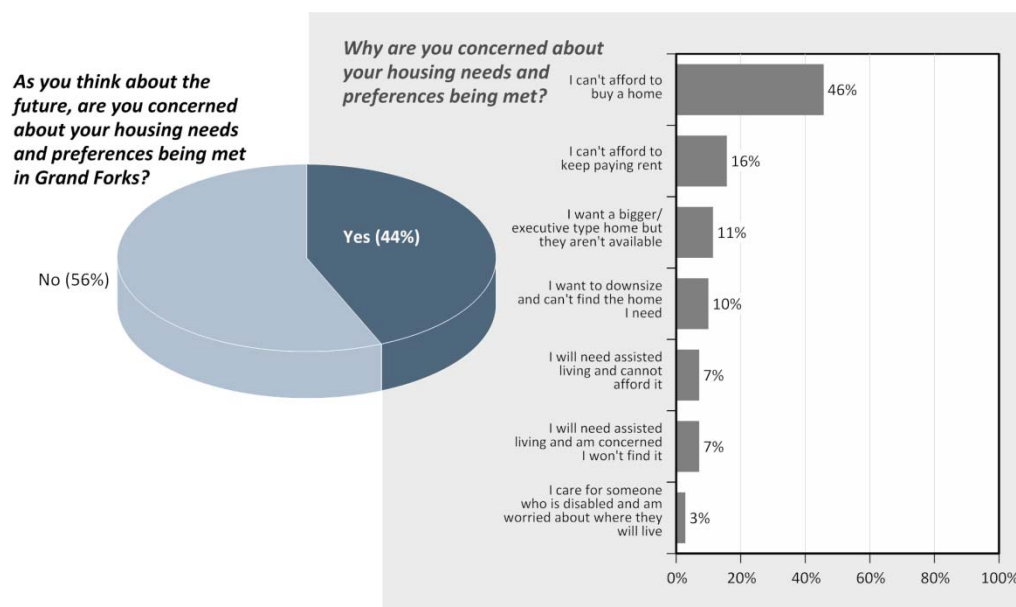


Note: Less than \$25,000 n=24, \$25,000-\$35,000 n=30, \$35,000-\$50,000 n=36, \$50,000-\$75,000 n=51, \$75,000-\$100,000 n=56, \$100,000+ n=57.

Source: BBC Research & Consulting from Grand Forks 2012 Resident Survey.

Concerns about future housing needs. As shown in Figure IV-19, 44 percent of respondents are concerned about their future housing needs and preferences being met in the future. Affordability is a significant concern.

Figure IV-19.
Concerns about Future Housing Needs and Preferences



Note: n=310 and n=70.

Source: BBC Research & Consulting from Grand Forks 2012 Resident Survey.

In addition to the concerns shown in Figure IV-19, residents described other concerns. These include a lack of product for older adults, the increasing number of single family homes being turned into rentals, rising property taxes, and the quality of the housing stock in the north end.

- “Affordable senior housing—not assisted living.”
- “Because the inventory of houses in our price range is quite low and when one does come available it sells within days of coming on the market.”
- “Because we own pets it is hard for us to find decent housing in decent neighborhoods. We cannot afford to buy a home, but our pets are a committed part of our family as are our children. The house we live in now is in a questionable north end neighborhood, where the back door has been kicked in, two bikes stolen, and my car stolen from the back yard.”
- “The cost of housing/living will continue to go up—people won't be able to buy so rental of homes will continue to increase. This will not help the appraisal of homes in neighborhoods with rental and will not help the ‘family neighborhood feeling people with children are looking for.’”
- “Do not enjoy apartment complexes; want more single family homes available for rent.”

- “It is hard to find nicer homes in established neighborhoods. I have no desire to live in a south end development as I prefer mature trees, etc. There is little opportunity for homes above the median value in these kinds of neighborhoods, especially new homes. Urban development seems to be in a hurry to get homes built as soon as possible, without much thought to the effect they will have on the future of a neighborhood.”
- “I’m afraid the City Council won’t expand growth to meet the desires of the greater—not most vocal—community...to the south.”
- “I am concerned about the sprawl heading south. It threatens what would otherwise be a downtown with potential.”
- “I am worried that the built environment won’t meet my desire to be able to walk for the majority for my trips to work, school, the store, entertainment etc.”
- “I want to buy a condo in a development for seniors (55+) but none exist.”
- “More and more of the \$130,000 and under houses are being bought and turned into rentals, leaving fewer and fewer lower cost single family housing options. This also drops the value of our neighborhoods.”
- “Not ready for Baby Boomer retirement housing—independent living with amenities.”
- “Property taxes are way too high.”
- “We do not want to pay \$250,000 for a house. They are overpriced here in Grand Forks. We have starter homes and high end priced homes but very few middle priced homes in-between.”
- “Will we be able to afford the taxes after we retire?”

Plans for homeownership. Renters responded to a series of questions regarding their future plans for homeownership in Grand Forks.

Desire to purchase a home. Nearly 40 percent of renters plan to purchase a home in Grand Forks in the next ten years, as shown in Figure IV-20. Of those planning to buy, the majority plan to purchase within the next three years.

Figure IV-20.
Plan to Purchase a Home in Grand Forks in the Next Ten Years

Note:

n=93 and n=35.

Source:

BBC Research & Consulting from Grand Forks 2012 Resident Survey.

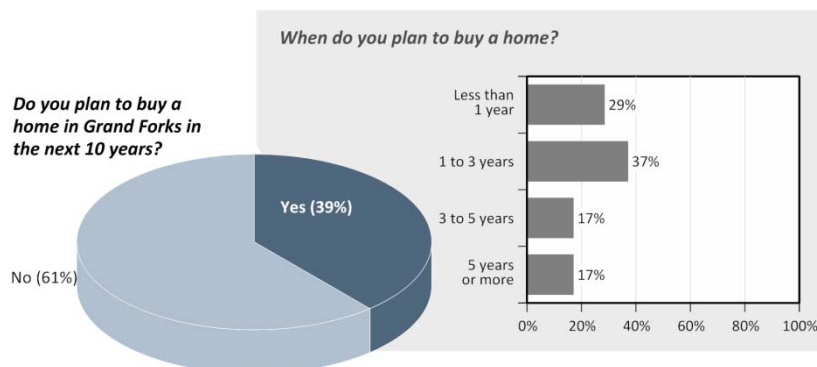


Figure IV-21 presents the income of renters who would like to purchase a home in Grand Forks within the next ten years.

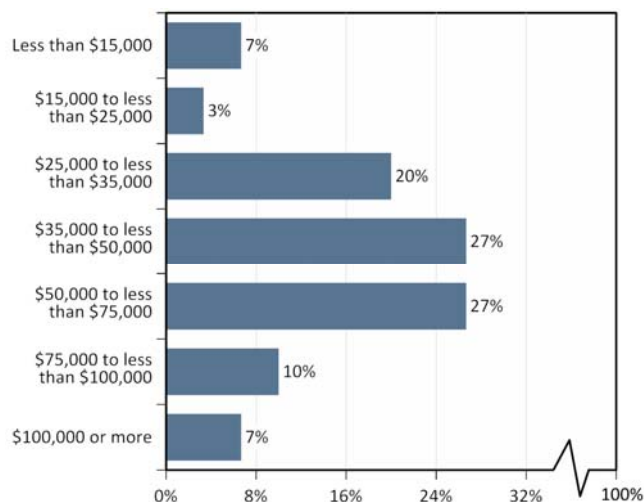
**Figure IV-21.
Desire to Purchase
a Home by Income**

Note:

n=30.

Source:

BBC Research & Consulting from Grand Forks
2012 Resident Survey.



The majority of current renters who plan to purchase a home in Grand Forks within the next ten years are between the ages of 25 and 34. Figure IV-22 depicts the age cohorts of renters who plan to buy a home.

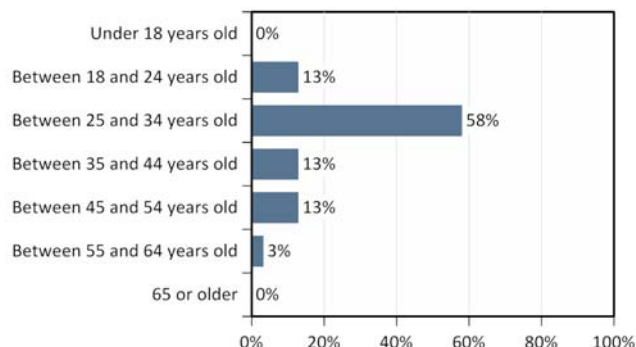
**Figure IV-22.
Desire to Purchase a Home by
Age of Respondent**

Note:

n=31.

Source:

BBC Research & Consulting from Grand Forks
2012 Resident Survey.



Type of home and location desired. The majority of renters looking to buy want to buy a single family home in the south end of Grand Forks. The remainder mentioned the north end or downtown. About one third would prefer a condo or townhome.

Price. Ideally, the majority of renters who would like to purchase a home in Grand Forks hope to spend between \$100,000 and \$200,000. About one in four would prefer to spend less than \$100,000, as shown in Figure IV-23.

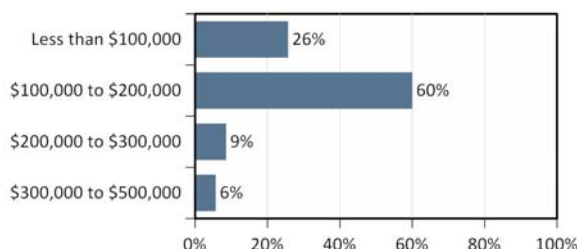
Figure IV-23.
Ideal Price of Future Home

Note:

n=35.

Source:

BBC Research & Consulting from Grand Forks
2012 Resident Survey.



Appeal of deed restricted housing. Affordable but deed restricted housing appealed to a majority of renters looking to purchase as shown in Figure IV-24. Because of the complicated nature of deed restricted housing, it is difficult to properly frame a question to capture residents' true understanding of the implications of deed restrictions. As such, these responses should be viewed as a positive inclination towards deed restrictions but not an estimate of demand.

Figure IV-24.
Appeal of Deed Restricted Homeownership

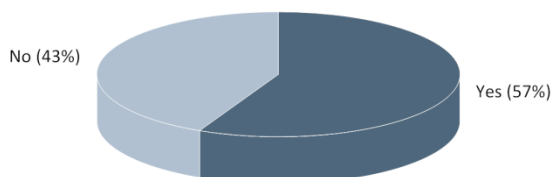
Note:

n=35.

Source:

BBC Research & Consulting from Grand Forks
2012 Resident Survey.

Would you be interested in buying a home that is affordable but carries a restriction on the resale in order to remain affordable?



Reasons why renters have yet to purchase. One in three renters has not yet bought a home due to affordability. Lacking funds for a down payment is an issue for about one in five renters. Figure IV-25 presents factors that keep renters from transitioning to homeownership.

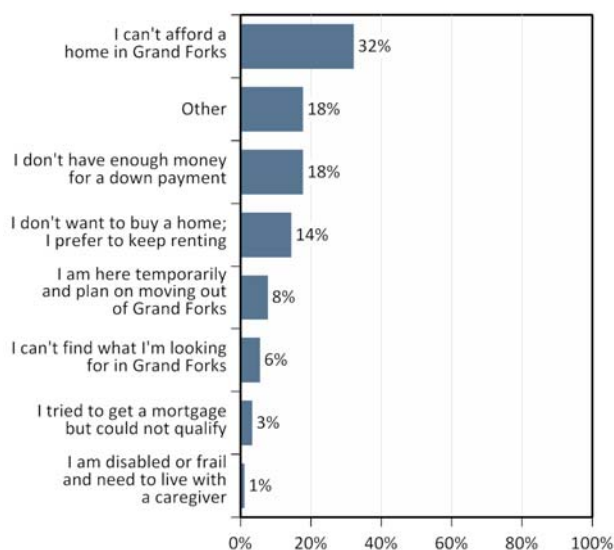
Figure IV-25.
Reasons for Waiting to Purchase

Note:

n=90.

Source:

BBC Research & Consulting from Grand Forks
2012 Resident Survey.



Other reasons for continuing to rent include:

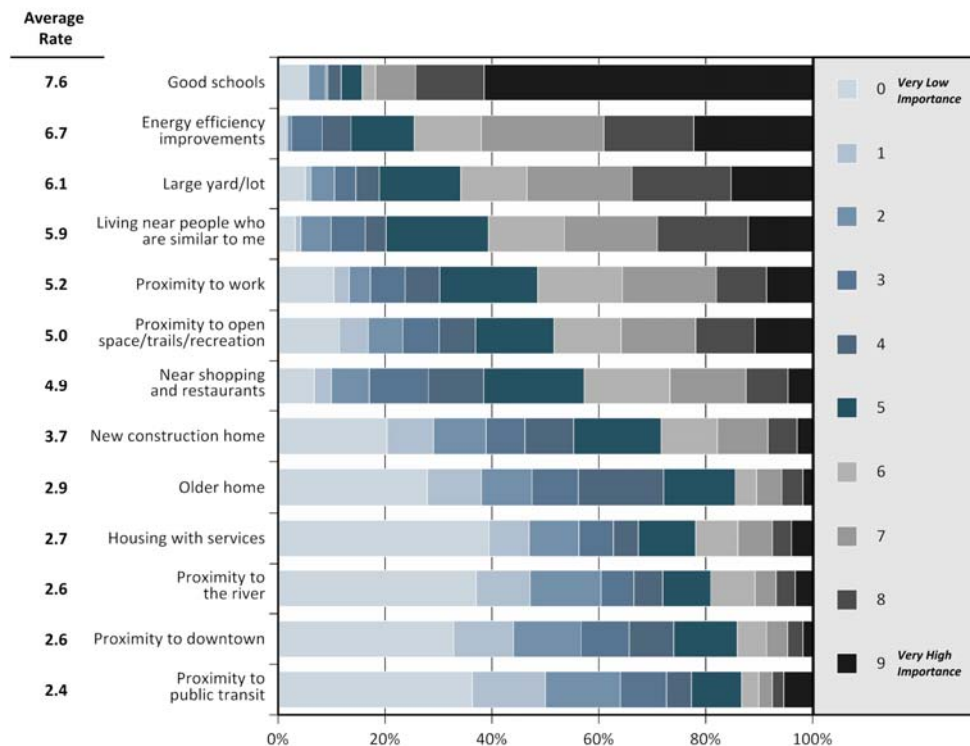
- “Currently have a home out of town which has not sold.”
- “I don't want to purchase a house in Grand Forks.”
- “I should be able to buy a home once my kids move out and my vehicle loans are paid off.”
- “New to Grand Forks. Moved here 8 months ago. Plan to soon buy the house we are currently renting.”
- “The condos and townhomes in Grand Forks are not FHA approved, and I need an FHA loan. And, I want to buy a condo.”
- “We owned a home, but aging brings challenges.”

Living in Grand Forks

Residents responded to several questions about living in Grand Forks, including the importance of various housing and neighborhood factors, the length of time lived in Grand Forks, reasons for living in Grand Forks and the best and least appealing qualities of the community.

Importance of housing and neighborhood factors. Residents rated the importance of several housing and neighborhood factors to them personally. As shown in Figure IV-26, good schools; energy efficient improvements; large yard/lot; and living near people who are similar to me (e.g., age, family structure and occupation) are the most importance factors to residents. Proximity to the river, downtown and public transit are the least important.

Figure IV-26.
Importance of Housing and Neighborhood Factors to Residents



Note: n=282.

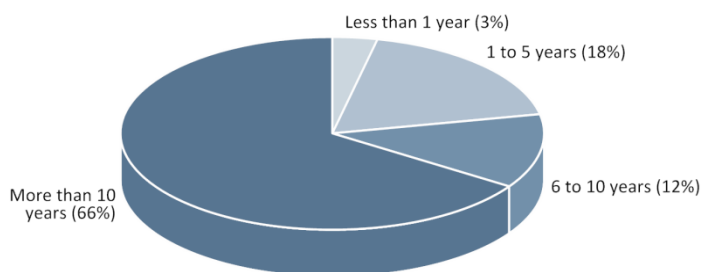
Source: BBC Research & Consulting from Grand Forks 2012 Resident Survey.

Length of residence. Two out of three residents responding to the survey have lived in Grand Forks for more than 10 years. As shown in Figure IV-27, about one in five moved to Grand Forks in the past five years.

Figure IV-27.
Length of Residence in Grand Forks

Note:
n=321.

Source:
BBC Research & Consulting from Grand Forks 2012
Resident Survey.



Reason for living in Grand Forks. The greatest proportion of respondents came to Grand Forks for their or their spouse's job, followed closely by being born in Grand Forks. Figure IV-28 presents the primary factor that brought survey respondents to Grand Forks to live.

Figure IV-28.
Reason for Living in Grand Forks

Note:
n=323.

Source:
BBC Research & Consulting from Grand
Forks 2012 Resident Survey.

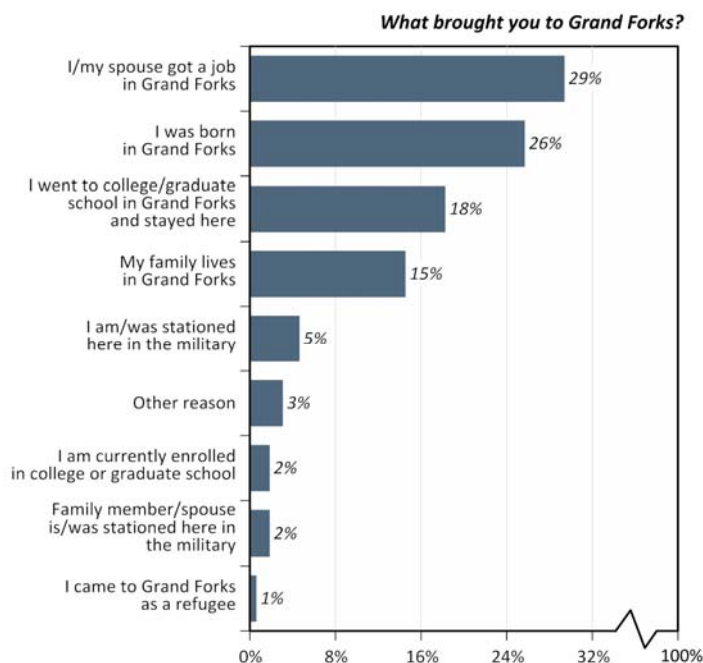
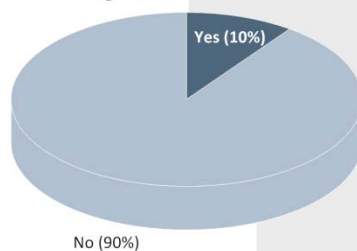


Figure IV-31.
Experience
with Housing
Discrimination

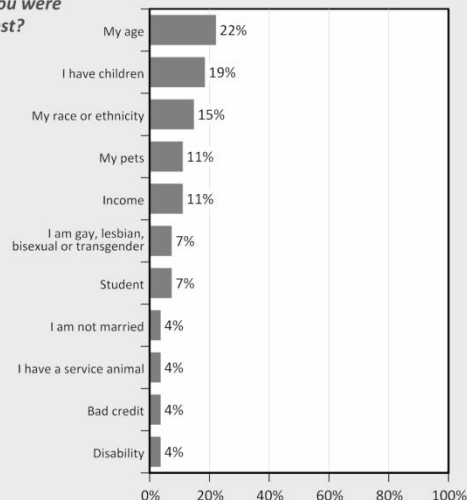
Note:
n=290 and n=27.
Percentages for
discriminatory reasons
add to greater than 100
percent due to multiple
responses.

Source:
BBC Research &
Consulting from Grand
Forks 2012 Resident
Survey.

*When you have looked for
housing in Grand Forks in the
past, did you ever feel you
were discriminated against?*



*Why do you think you were
discriminated against?*



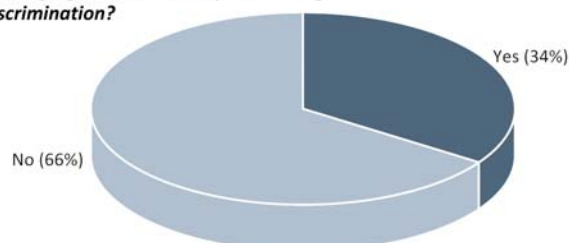
Reporting housing discrimination. Two residents who experienced housing discrimination made reports. One contacted HUD and the other contacted the manager of the apartment complex. Overall, Grand Forks residents do not know who to contact to learn about their fair housing rights or report housing discrimination. Of those who know who to contact, the majority would contact the Grand Forks Housing Authority, followed by HUD and the City of Grand Forks. Others would look in phone books or online for information. Two residents would contact Fair Housing of the Dakotas.

Figure IV-32.
Knowledge of Who to Contact
for Fair Housing Information

Note:
n=273.

Source:
BBC Research & Consulting from Grand Forks 2012 Resident Survey.

*Do you know who to contact if you want
to get more information about your fair
housing rights and/or to report housing
discrimination?*



With respect to fair housing, stakeholders who participated in the focus groups identified the following issues:

- Not-In-My-Backyard Syndrome (NIMBYism) does occur, especially in the form of resistance to multifamily dwellings. It is common for a vocal minority to get the city off track. Residents believe that higher density, affordable housing will lower their property values. There have also been cases of neighborhood resistance to a group home and housing for single women recovering from substance abuse.
- Refugees have trouble understanding tenants' rights and are often unaware of the need to report problems with maintenance (e.g., mold). They also do not always understand the provisions in their lease, especially the conditions of getting their security deposit returned.

- Although social service agencies try not concentrate refugees and people with disabilities in certain apartment complexes or areas of Grand Forks, most refugees live in larger apartment complexes and people with physical disabilities are limited to accessible apartments, which are difficult to find. Group homes are well integrated into the community.
- Linden Place is a very nice option for people with disabilities—the bathrooms are all accessible, doors are wide, there is one level and the complex has a nice community room.
- “Walkability” is very important for people with physical disabilities, especially those who are vision impaired. Streets need to have curb cuts, housing should be located on a bus line, bus stops should have a shelter and streets need to have good snow removal.
- The North Dakota Department of Labor, Human Rights Division, is the only non-federal resource for fair housing complaints and investigation. They seem to be overwhelmed with cases. Grand Forks needs a local fair housing organization that will 1) Offer a hotline that residents can call when they have fair housing and landlord/tenant questions; 2) Produce fair housing materials like the “Blue Fair Housing Book” that was published by the former Fair Housing of the Dakotas. These materials should focus on the fair housing rights of persons with disabilities.
- Landlords do not seem to know much about fair housing regulations. They are also uninformed about eviction procedures and good record keeping practices. This can lead to unlawful evictions. It would be ideal to offer or require some type of fair housing training to landlords as part of the city’s rental licensing program.