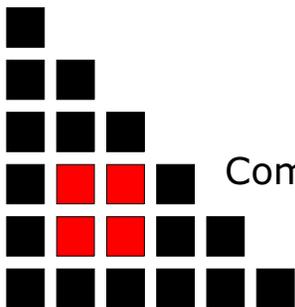


City of Rolla HOUSING STUDY

December 2013

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



Community Partners Research, Inc.

1011 Newhall Drive

Faribault, MN 55021

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Introduction

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

Community Partners Research, Inc., was hired by the Rolla Job Development Authority to conduct a study of the housing needs and conditions in the City of Rolla.

Goals

The multiple goals of the study include:

- ▶ Provide updated demographic data including the 2010 Census
- ▶ Provide an analysis of the current housing stock and inventory
- ▶ Determine gaps or unmet housing needs
- ▶ Examine future housing trends that the area can expect to address in the coming years
- ▶ Provide a market analysis for housing development
- ▶ Provide housing recommendations and findings

Methodology

A variety of resources were utilized to obtain information for the Housing Study. Community Partners Research, Inc., collected and analyzed data from August to November, 2013. Data sources included:

- U.S. Census Bureau
- American Community Survey
- Records and data from the City
- Records and data maintained by Rolette County
- North Dakota State Data Center
- Interviews with City officials, community leaders, housing stakeholders, etc.
- Area housing agencies
- State and Federal housing agencies
- Rental property owner surveys
- Housing condition survey

Limitations

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

This study was prepared by:

**Community Partners Research, Inc.
1011 Newhall Drive
Faribault, MN 55021
(507) 838-5992
cpartners@charter.net**

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Demographic Data Overview

Sources of Data

The following pages contain demographic data obtained from a variety of local, state and national sources for the City of Rolla, Rolette County and the Turtle Mountain Reservation, including tribal lands. At the time that research was completed for this Study, the 2010 Census information was available. However, the 2010 Census was more limited in scope than in the past. As a result, some of the demographic variables, such as income and housing cost information, were not available.

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

The frequency of American Community Survey estimates vary depending on the size of the jurisdiction. For most jurisdictions in North Dakota, the 2011 estimates were derived from sampling that was done over a five-year period, between 2007 and 2011. Unless otherwise noted, the American Community Survey estimates are based on the five-year sampling data.

Population Data and Trends

Table 1 Population Trends - 1980 to 2012							
	1980 Census	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2012 Estimates
Rolla	1,538	1,286	1,417	10.2%	1,280	-9.7%	1,321
Rolette Co.	12,177	12,772	13,674	7.1%	13,937	1.9%	14,382
Turtle Mountain Res.	N/A	N/A	8,305	N/A	8,655	4.2%	N/A

Source: U.S. Census; Census Bureau

- ▶ According to the 2010 U.S. Census, the City of Rolla lost population and Rolette County and the Turtle Mountain Reservation gained population from 2000 and 2010. Rolla’s population was 1,280 in 2010. This was a 137-person decrease from 2000, or a population loss of 9.7%.
- ▶ Rolette County’s population was 13,937 in 2010. This was a 263-person increase from 2000, for a population gain of 1.9%.
- ▶ Turtle Mountain Reservation’s population in 2010 was 8,655. This was a 350-person increase from 2000, for a population gain of 4.2%.
- ▶ Rolla and Rolette County experienced population gains in the 1990s. Rolla’s population increased by 131 people and Rolette County’s population increased by 902 people from 1990 to 2000.
- ▶ The Census Bureau has released more recent information through its annual population estimates program. The most recent estimate for Rolette County is effective July 1, 2012, and shows the County gaining 445 people after the 2010 Census. The most recent estimate for Rolla is also effective July 1, 2012, and shows the City adding 41 people between 2010 and 2012. The population gains for both the City and County are due to births exceeding deaths and in-migration.
- ▶ According to the Census Bureau, 21 Rolla residents and 122 Rolette County residents lived in group quarters in 2010. Most of the City’s group quarters residents were living in institutional settings, primarily correctional facilities. Most of the County’s group quarters residents were also living in institutional settings, primarily skilled nursing facilities.

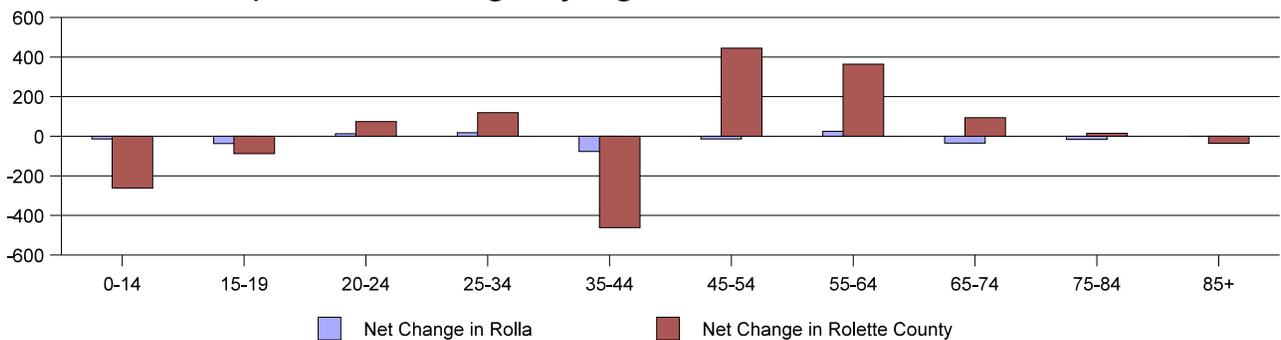
Population by Age Trends: 2000 to 2010

The release of demographic information from the 2010 Census allows for some analysis of the changing age patterns for Rolla and Rolette County. The following table compares population by age in 2000 and 2010, along with the numeric changes.

Table 2 Population by Age - 2000 to 2010						
Age	Rolla			Rolette County		
	2000	2010	Change	2000	2010	Change
0-14	317	303	-14	4,108	3,846	-262
15-19	112	75	-37	1,345	1,257	-88
20-24	68	81	13	837	911	74
25-34	147	165	18	1,537	1,656	119
35-44	195	118	-77	1,992	1,530	-462
45-54	183	169	-14	1,490	1,935	445
55-64	125	150	25	1,040	1,404	364
65-74	130	95	-35	708	802	94
75-84	102	86	-16	451	466	15
85+	38	38	0	166	130	-36
Total	1,417	1,280	-137	13,674	13,937	263

Source: U.S. Census

Population Change by Age Between 2000 and 2010

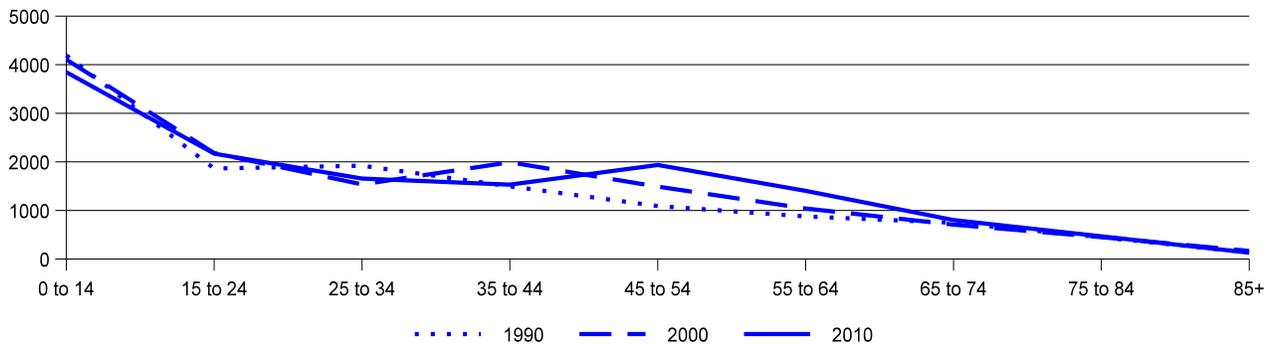


For many years, demographic analysts have been talking about the impact that is occurring as the large “baby boom” generation moves through the aging cycle. This trend has been evident in Rolette County, as most of the County’s growth was in age groups that represent the baby boom generation.

Between 2000 and 2010, Rolette County had a gain of 809 people in the age ranges between 45 and 64 years old. Rolla had a gain of 25 people in the 55 to 64 age range, but a loss of 14 people in the 45 to 54 age range. In 2010, nearly all of the baby boomers were within the 45 to 64 age ranges. The aging of the baby boomers, as reflected in the numeric net gain in the 55 to 64 year old age group, was the largest increase within any of the defined age cohorts in Rolla and Rolette County. Rolla and Rolette County also had population gains in the 20 to 34 age ranges.

Both Rolla and Rolette County had significant population losses in the 0 to 19 age ranges from 2000 to 2010. Rolla lost 51 people and Rolette County lost 350 people in these younger age ranges. In the 65 and older age ranges, Rolla experienced a loss of 51 people and Rolette County had a net gain of 73 people.

County Age Distribution: 1990 to 2010



The aging trends present in Rolla in 2010 can be traced back over the previous decades to see the movement of the baby boom generation over the last 20 years in Rolette County.

Population Projections

The following table presents population projections using two different sources. The first set of projections has been generated by Community Partners Research, Inc., using past trends in population change, and calculating these trends forward. The second projection source is from North Dakota’s 2012 Housing Needs Assessment, which has generated population projections for counties in the State. Projections are provided for the years 2015 and 2020.

Table 3 Population Projections Through 2020					
	2012 Estimates	Community Partners Research Projection		North Dakota Needs Assessment	
		2015	2020	2015	2020
Rolla	1,321	1,326	1,334	N/A	N/A
Rolette County	14,382	14,568	15,041	14,596	15,172
Turtle Mountain Reservation	N/A	9,290	9,760	8,838	9,020

Source: U.S. Census; Community Partners Research, Inc.; MN State Demographer

The Community Partners Research, Inc., projections are based on past trends and expect a gain of five people in Rolla from 2012 to 2015, and a gain of another eight people from 2015 to 2020. The most recent estimate from the Census Bureau for Rolla did show a faster rate of growth in the City between 2010 and 2012, but this appears to have been primarily due to previously vacant housing that was occupied after the 2010 Census. With few vacancies remaining in 2013, any future population growth will probably require additional housing unit construction. The limited population growth projected for the next few years, as shown in the table above, is based on the assumption that limited construction will occur. If more units are built in the future, the projections for Rolla could prove to be conservative.

The Community Partners Research, Inc., projections for Rolette County expect a gain of 186 people from 2012 to 2015, followed by a gain of 473 people from 2015 to 2020. The North Dakota Needs Assessment population projections for Rolette County are more optimistic and forecast a gain of 214 people from 2012 to 2015, followed by a gain of 576 people from 2015 to 2020. In the recent past, nearly all of the population growth Countywide has been due to gains made on the Turtle Mountain Reservation and Tribal-owned lands. The projections above continue this trend, with nearly all of the County’s growth on the Reservation. The North Dakota Needs Assessment projections place most of the County’s population growth outside of the Reservation. While possible, this would differ from the pattern that existed over the last decade.

Household Data and Trends

Table 4 Household Trends - 1980 to 2010						
	1980 Census	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010
Rolla	576	555	599	7.9%	563	-6.0%
Rolette County	3,425	4,150	4,556	9.8%	4,783	5.0%
Turtle Mountain Reservation	N/A	N/A	2,492	N/A	2,693	8.1%

Source: U.S. Census

- ▶ According to the 2010 U.S. Census, Rolla lost households and Rolette County gained households from 2000 to 2010. Rolla had 563 households in 2010. This was a decrease of 36 households from 2000, or a household loss of 6.0%.
- ▶ Rolette County had 4,783 households in 2010. This was a gain of 227 households from 2000, or a household increase of 5.0%.
- ▶ The Turtle Mountain Reservation had 2,693 households in 2010. This was a gain of 201 households from 2000, or a household increase of 8.1%.
- ▶ Rolla gained 44 households and Rolette County gained 406 households during the 1990s.

Household by Age Trends: 2000 to 2010

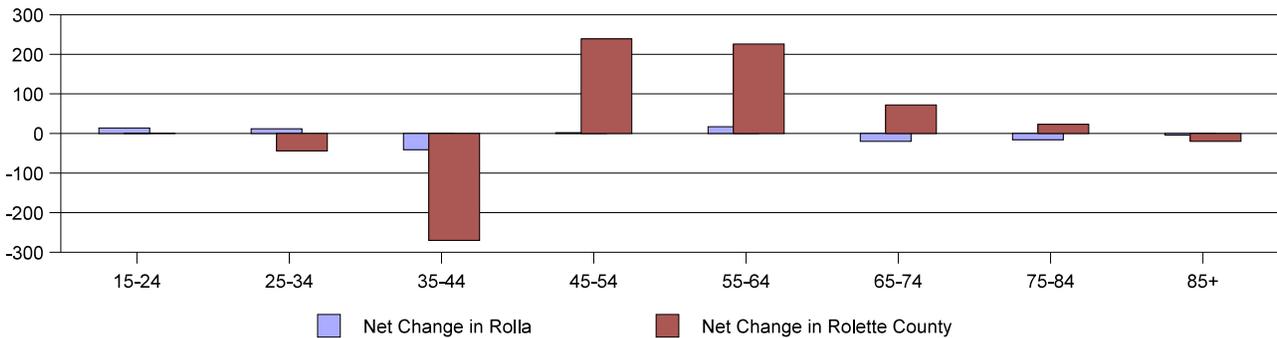
The 2010 Census allows for some analysis of Rolla and Rolette County’s changing age patterns. The following table compares households by age of householder in 2000 and 2010, along with the numeric changes.

Table 5 Households by Age - 2000 to 2010						
Age	Rolla			Rolette County		
	2000	2010	Change	2000	2010	Change
15-24	31	45	14	287	288	1
25-34	78	90	12	747	703	-44
35-44	101	60	-41	1,086	816	-270
45-54	105	107	2	869	1,108	239
55-64	78	95	17	654	880	226
65-74	86	66	-20	479	551	72
75-84	87	71	-16	330	353	23
85+	33	29	-4	104	84	-20
Total	599	563	-36	4,556	4,783	227

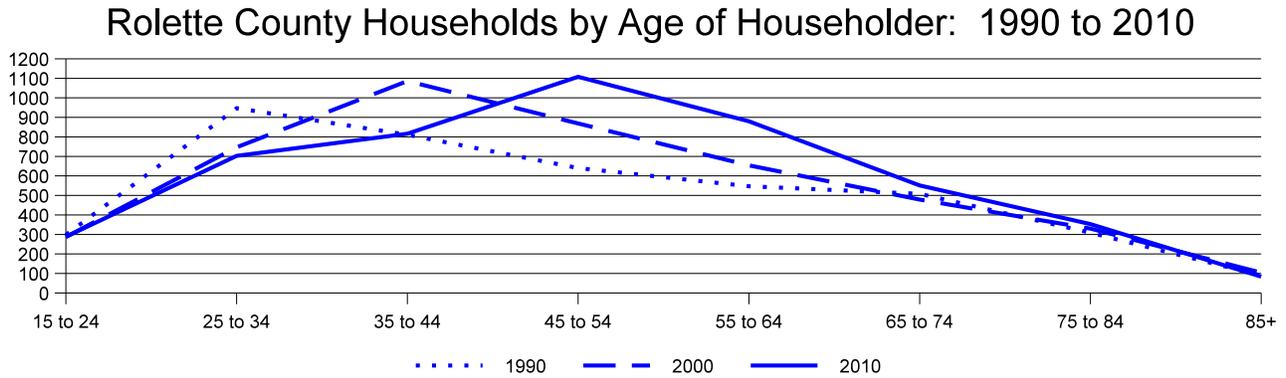
Source: U.S. Census

Rolla added 19 households and Rolette County added 465 households in the 45 to 64 year old age ranges from 2000 to 2010. Rolla also added 26 households and Rolette County had a net loss of 43 households in the 15 to 34 age ranges.

Household Change by Age Between 2000 and 2010



Rolla had a decrease of 41 households and Rolette County had a decrease of 270 households in the 35 to 44 age range from 2000 to 2010. Rolla lost 40 households and Rolette County had a net gain of 75 households in the 65 and older age ranges.



As with the longer-term patterns for population, it is possible to track the progression of the baby boomer households over the past 30 years in Rolette County, using Census information for households by the age of householder.

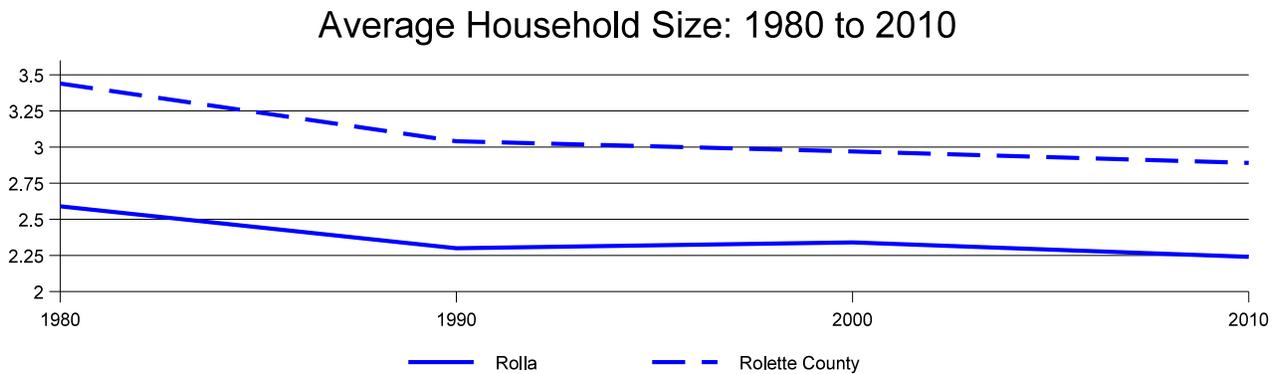
Average Household Size

The following table provides decennial Census information on average household size.

Table 6 Average Number of Persons Per Household: 1980 to 2010				
	1980 Census	1990 Census	2000 Census	2010 Census
Rolla	2.59	2.30	2.34	2.24
Rolette County	3.44	3.04	2.97	2.89
Turtle Mountain Reservation	N/A	N/A	3.31	3.20

Source: U.S. Census

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



The average household size in Rolla and Rolette County has decreased over the past three decades. In Rolla, the average household size has decreased from 2.59 persons per household in 1980 to 2.24 persons in 2010. Most cities in North Dakota have experienced a decrease in average household size over the past three decades. Rolette County’s average household size decreased from 3.44 in 1980 to 2.89 in 2010.

The Turtle Mountain Reservation’s average household size has decreased from 3.31 persons per household in 2000 to 3.20 in 2010. However, 3.20 persons per household is still a very high average compared to other jurisdictions in North Dakota.

Household Projections

The following table presents household projections using different calculation methods. These calculations have been generated by Community Partners Research, Inc., and are based in part on the rate of change that was present between 2000 and 2010. Aging patterns of the area’s population, as well as projections contained in the North Dakota Housing Assessment have also been factored into the forecasts.

Table 7 Household Projections Through 2015/2020			
	2010 Census	2015 Projection	2020 Projection
Rolla	563	584	595
Rolette County	4,783	5,069	5,272
Turtle Mountain Reservation	2,693	2,950	3,130

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

The household growth projections expect that Rolla will show household gains between 2010 and 2015. However, as stated previously, this household growth has largely been attributed to formerly vacant housing units that have been occupied after the 2010 Census was completed. There have been only a few new housing units constructed in Rolla in recent years, and as vacant units are filled, future household growth will slow. After 2015, these projections expect the City to add approximately two households per year, provided there is some housing unit growth.

While the number of households in Rolette County is also expected to increase, nearly all of the gain in households has once again been attributed to the Turtle Mountain Reservation. Between 2010 and 2015, these projections expect the County to add approximately 286 households. After 2015, the County’s rate of household growth would be expected to slow, with the probable addition of approximately 203 total households.

Household by Age Projections: 2010 to 2015

With the release of the 2010 Census, a new benchmark has been established for Rolette County’s age-related statistics. In the following table, Community Partners Research, Inc., has generated age-based household projections for Rolette County to the year 2015.

The projections were created by Community Partners Research, Inc., by trending forward past retention rates within defined age cohorts, and assuming that these past patterns are reasonable predictors of future changes.

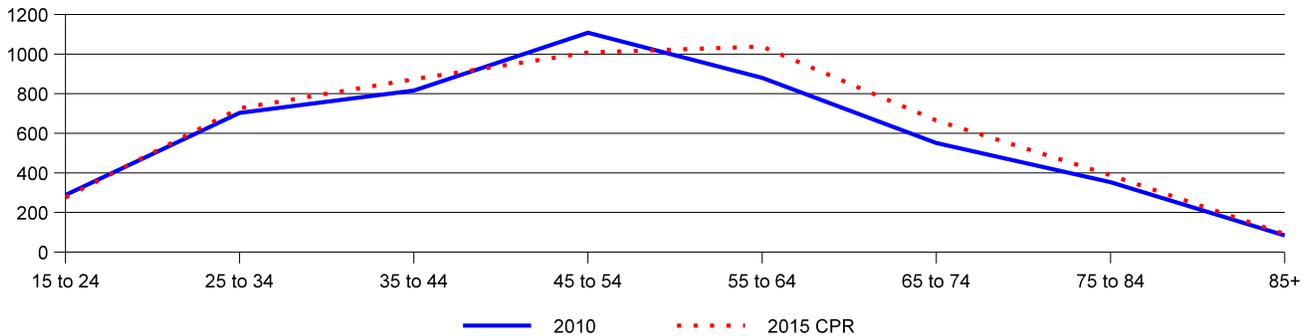
The projections assume that historical patterns will continue into the near-future, especially related to household formation and household size within specific age groups. If Rolette County’s population changes at a rate that is different from past patterns, traditional age-based forecasts would be altered.

Table 8 Rolette County Projected Households by Age - 2010 to 2015			
	2010 Census	2015 Projection	Change from 2010
15-24	288	276	-8
25-34	703	726	+23
35-44	816	873	+57
45-54	1,108	1,008	-100
55-64	880	1,038	+158
65-74	551	665	+114
75-84	353	388	+35
85+	84	91	+7
Total	4,783	5,069	286

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

Consistent with the age distribution data presented earlier, the movement of the “baby boom” generation through the aging cycle should generate most of Rolette County’s growth in households in the age ranges between 55 and 74 years old. Community Partners Research, Inc., projects a gain of more than 270 households in the 55 to 74 age ranges from 2010 to 2015.

Rolette County Projected Households by Age: 2010 to 2015



Community Partners Research, Inc., is also projecting a gain of 80 households in the 25 to 44 age ranges and a gain of 156 households in the 65 and older age ranges.

A significant loss of 100 households in the 45 to 54 age range is projected, as the 10-year age group immediately behind the baby boomers was not as large.

It is important to note that these projections are based on the past age distribution patterns in Rolette County. It appears that most of the recent population and household growth has been occurring on the Turtle Mountain Reservation. To the extent that Reservation growth is the result of in-migration, it is possible that the age distribution patterns may be altered.

Households by Type

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

Table 9 Rolla Household Composition - 2000 to 2010			
	2000 Census	2010 Census	Change
Family Households			
Married Couple with own children	121	74	-47
Single Parent with own children	66	85	19
Married Couple without own children	146	125	-21
Family Householder without spouse	24	37	13
Total Families	357	321	-36
Non-Family Households			
Single Person	218	227	9
Two or more persons	24	15	-9
Total Non-Families	242	242	0

Source: U.S. Census

Between 2000 and 2010, Rolla experienced an overall net decrease of 36 “family” households. There was a decrease of 47 married couple families with children and a decrease of 21 married couples without children in the household. The City had an increase of 19 single parent households with children.

The number of “non-family” households in the City of Rolla did not change. However, there was an increase of nine one-person households and a decrease of nine households that had unrelated individuals living together.

Housing Tenure

The following tables examine overall tenure rates in 2010, along with the changes that have occurred since 2000.

Table 10 Household Tenure - 2010				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Rolla	339	60.2%	224	39.8%
Rolette County	3,266	68.3%	1,517	31.7%
State	183,943	65.4%	97,249	34.6%

Source: U.S. Census

According to the 2010 Census, the ownership tenure rate in Rolla was 60.2% and Rolette County’s ownership rate was 68.3% in 2010. Rolla’s rental tenure of 39.8% was significantly above the Statewide renter rate of 34.6%.

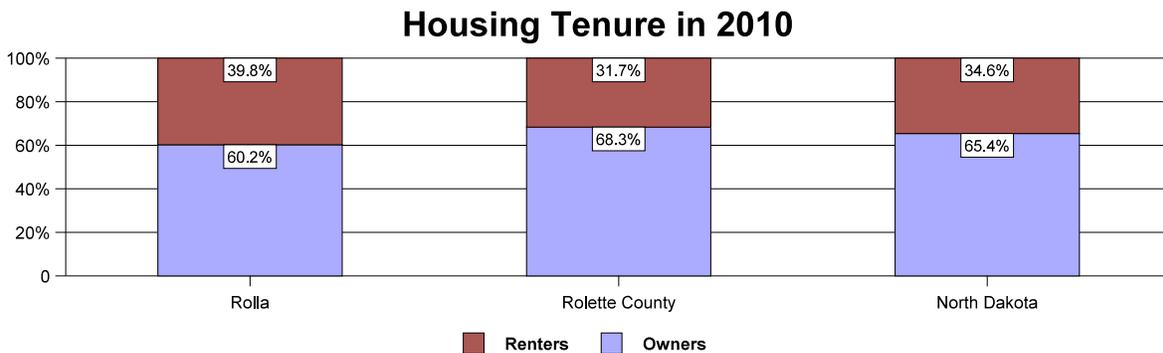


Table 11 Households by Housing Tenure - 2000 to 2010						
Tenure	Rolla			Rolette County		
	2000	2010	Change	2000	2010	Change
Owners	386/64.4%	339/60.2%	-47	3,073/67.4%	3,266/68.3%	-193
Renters	213/35.6%	224/39.8%	11	1,483/32.6%	1,517/31.7%	34
Total	599	563	-36	4,556	4,783	-227

Source: U.S. Census

The City of Rolla’s ownership tenure rate decreased over the last decade from 64.4% in 2000 to 60.2% in 2010. For Rolette County, there was a slight increase in the rate of owner households between 2000 and 2010. The ownership tenure rate increased from 67.4% in 2000 to 68.3% in 2010.

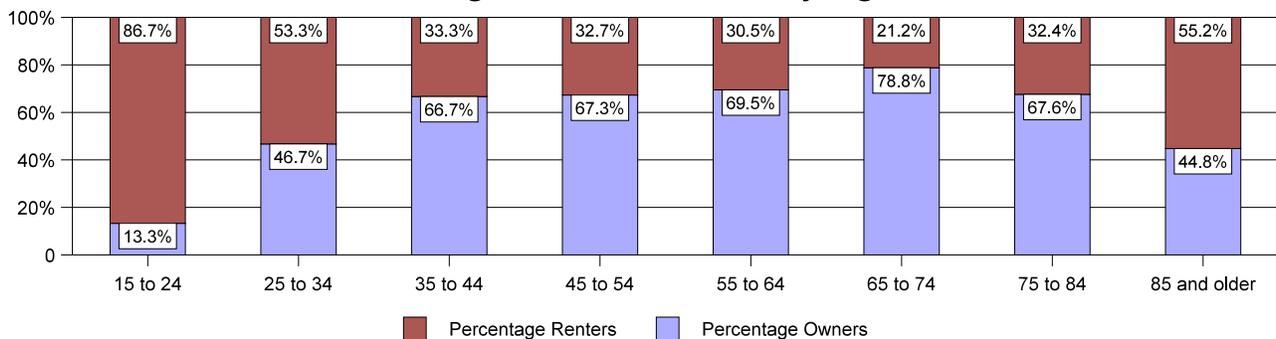
Tenure by Age of Householder

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

Table 12 Rolla Tenure by Age of Householder - 2010				
Age	Owners		Renters	
	Number	Percent within age	Number	Percent within age
15-24	6	13.3%	39	86.7%
25-34	42	46.7%	48	53.3%
35-44	40	66.7%	20	33.3%
45-54	72	67.3%	35	32.7%
55-64	66	69.5%	29	30.5%
65-74	52	78.8%	14	21.2%
75-84	48	67.6%	23	32.4%
85+	13	44.8%	16	55.2%
Total	339	60.2%	224	39.8%

Source: U.S. Census

Rolla Housing Tenure Patterns by Age in 2010



Within the defined age ranges, typical tenure patterns were present. Households at the lowest and highest ends of the age spectrum showed greater preference for rented housing, while middle-aged adult households were primarily homeowners. Approximately 87% of households age 24 and younger rented their unit, and approximately 55% of households age 85 and older were renters. Home ownership rates for each of the 10-year age cohorts between 35 and 84 years old were above 66%.

Tenure by Household Size

The 2010 Census did provide information on housing tenure by household size. This can be compared to 2000 Census information to better understand trends for housing unit needs. The following table provides information for the City of Rolla.

Table 13 Rolla Tenure by Household Size - 2000 to 2010						
Household Size	Owners			Renters		
	2000	2010	Change	2000	2010	Change
1-Person	112	110	-2	106	117	11
2-Person	125	118	-7	50	47	-3
3-Person	51	41	-10	21	31	10
4-Person	54	36	-18	18	13	-5
5-Person	36	18	-18	12	10	-2
6-Person	7	8	1	5	5	0
7-Persons+	1	8	7	1	1	0
Total	386	339	-47	213	224	11

Source: U.S. Census

From 2000 to 2010, there was a decrease in the number of owner households and an increase in renter households in Rolla. There was a decrease of 55 owner households with five or fewer household members. There was an increase of eight households with six or more household members. There was a net increase of 13 renter households with four or fewer household members and a decrease of two renter households with five or more household members. Approximately 73% of the renter households in Rolla were one or two person households in 2010.

Rolla Housing Tenure Patterns by Household Size in 2010



2011 Income Data

The 2010 Census did not collect information on household income. However, estimates are available at the city and county level through the 2011 American Community Survey.

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

Table 14 Median Household Income - 2000 to 2011			
	2000 Median	2011 Median	% Change
Rolla	\$32,222	\$28,262	-12.3%
Rolette County	\$26,232	\$27,662	5.5%
North Dakota	\$34,604	\$45,140	30.4%

Source: U.S. Census; 2011 ACS 5-year survey

Table 15 Median Family Income - 2000 to 2011			
	2000 Median	2011 Median	% Change
Rolla	\$41,550	\$40,729	-2.0%
Rolette County	\$29,744	\$33,882	13.9%
North Dakota	\$43,654	\$60,381	38.3%

Source: U.S. Census; 2011 ACS 5-year survey

Information contained in the 2011 American Community Survey shows that Rolla’s median household and family incomes have decreased and Rolette County’s median incomes have increased from 2000 to 2011. The Rolla and Rolette County’s median incomes are substantially below the respective median incomes for the State of North Dakota.

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

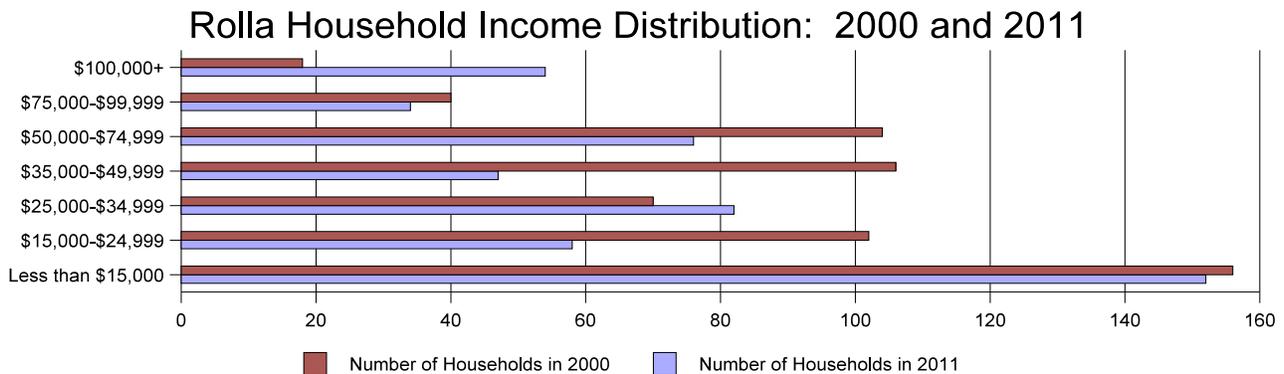
Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Rolla could afford approximately \$707 per month and a median income family household could afford \$1,018 per month for ownership or rental housing in 2011.

Rolla Household Income Distribution

The 2011 American Community Survey household income estimates for Rolla can be compared to the same distribution information from 2000 to examine changes that have occurred over the past decade.

Table 16 Rolla Household Income Distribution - 2000 to 2011			
Household Income	Number of Households 2000	Number of Households in 2011	Change 2000 to 2011
\$0 - \$14,999	156	152	-4
\$15,000 - \$24,999	102	58	-44
\$25,000 - \$34,999	70	82	12
\$35,000 - \$49,999	106	47	-59
\$50,000 - \$74,999	104	76	-28
\$75,000 - \$99,999	40	34	-6
\$100,000+	18	54	36
Total	596	503	-93

Source: 2000 Census; 2011 ACS



When compared to the 2000 Census (1999 income), the net number of households with an income of \$50,000, or more, increased by only two households. There was a net decrease of 36 households in the lower income ranges, \$34,999 and lower. However, there were still 210 households with an annual income below \$25,000 in 2011, which represented 41.7% of all households in Rolla.

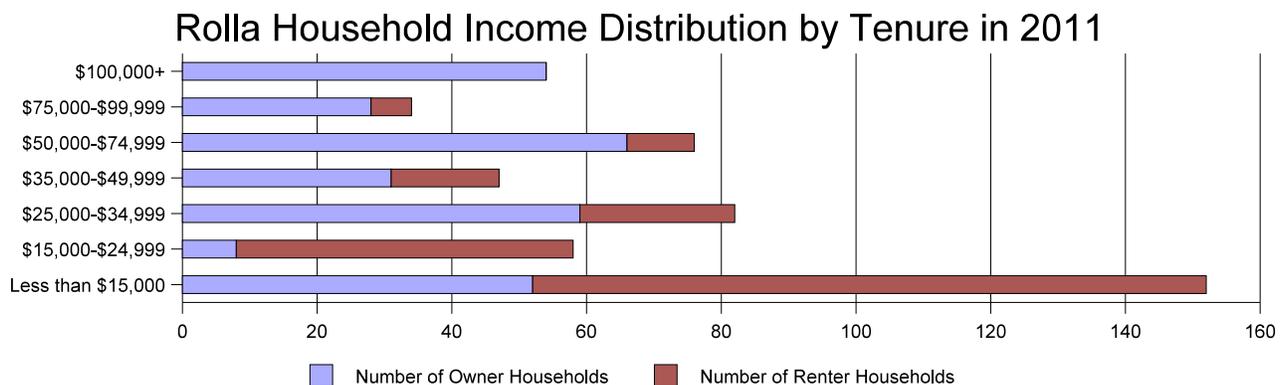
Rolla Income Distribution by Housing Tenure

The 2011 American Community Survey provides income data by owner and renter status. The following table examines income distribution in Rolla. The American Community Survey is an estimate, based on limited sampling data, and there are some differences when compared to the 2010 Census. The American Community Survey reported income information on 503 households and the U.S. 2010 Census reported that there are 563 households in Rolla.

Table 17 Rolla Household Income Distribution by Tenure - 2011			
Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	52/34.2%	100/65.8%	152
\$15,000 - \$24,999	8/13.8%	50/86.2%	58
\$25,000 - \$34,999	59/72.0%	23/28.0%	82
\$35,000 - \$49,999	31/66.0%	16/34.0%	47
\$50,000 - \$74,999	66/86.8%	10/13.2%	76
\$75,000 - \$99,999	28/82.4%	6/17.6%	34
\$100,000+	54/100%	0/0%	54
Total	298/59.2%	205/40.8%	503

Source: 2011 American Community Survey

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



In 2011, approximately 84% of all renter households in Rolla had an annual income below \$35,000. At 30% of income, these households would have \$875, or less, that could be applied to monthly housing costs. The median income for all renter households was below \$12,500 in 2011. At 30% of income, a renter at the median level could afford approximately \$312 per month or less for housing costs.

Most owner households had a higher income level than rental households. Approximately 50% of all owner households had an annual income of \$50,000 or more. The estimated median household income for owners in 2011 was approximately \$50,000. At 30% of income, an owner at the median income level could afford approximately \$1,250 per month for housing costs.

2011 Estimated Income and Housing Costs - Renters

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

Table 18 Gross Rent as a Percentage of Household Income - Rolla		
Percentage of Household Income for Housing Costs	Number of Renter Households 2011	Percent of All Renter Households 2011
0% to 19.9%	42	20.5%
20% to 29.9%	37	18.0%
30% to 34.9%	4	2.0%
35% or more	104	50.7%
Not Computed	18	8.8%
Total	205	100%

Source: 2011 American Community Survey

Based on the more recently released tenure information from the 2010 Census, the 2011 American Community Survey did underestimate the number of renter households in Rolla by approximately 19 households. However, the estimates on housing cost burden are the best available information on income and expenses for housing.

According to the American Community Survey, approximately 53% of all renters in the City were paying 30% or more of their income for rent. Almost all of these households were actually paying 35% or more of their income for housing. Federal standards for rent subsidy programs generally identify 30% of income as the maximum household contribution. When more than 30% of income is required, this is often called a "rent burden". When more than 35% is required, this can be considered a "severe rent burden".

Most of the renter households with a housing cost burden had an annual household income below \$20,000. To avoid a cost burden, these lower income households would have needed a unit with a gross monthly rent of \$500 or less.

2011 Estimated Income and Housing Costs - Owners

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

Table 19 Ownership Costs as a Percentage of Income - Rolla		
Percentage of Household Income for Housing Costs	Number of Owner Households 2010	Percent of All Owner Households 2010
0% to 19.9%	205	68.8%
20% to 29.9%	37	12.5%
30% to 34.9%	4	1.3%
35% or more	48	16.1%
Not Computed	4	1.3%
Total	298	100%

Source: 2011 ACS

The 2011 American Community Survey underestimated the number of owner households in the City of Rolla by approximately 41 households. However, this source still represents the best available information on income compared to housing costs.

Most owner-occupants, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. However, approximately 17% of all home owners reported that they paid more than 30% of their income for housing. Most of these households were actually paying more than 35% of income for housing costs.

Occupancy Status of Housing Units - 2010

Table 20 Occupancy Status of Housing Units - 2010						
	Occupied Units		Vacant Units			
	Owner	Renter	For Rent	For Sale	Seasonal Use	Other Vacant
Rolla	339	224	30	6	4	16
Rolette Co.	3,266	1,517	119	17	140	313

Source: U.S. Census

- ▶ In 2010, according to the U.S. Census, there were 140 seasonal housing units in Rolette County including four units in Rolla.
- ▶ There were 449 vacant housing units in Rolette County in 2010, in addition to the seasonal use units, including 52 units in Rolla.

Existing Home Sales

This section examines houses that have been sold in Rolla from 2010 to 2013. It is important to note that the number of houses that have sold is limited, and may not be an accurate indicator of overall home values in the City. However, this sample does provide some insight into those units that have turned-over during this time period. This table primarily reflects existing home sales. New construction sales activity would generally not be recorded in the data that was used for this analysis.

Table 21 Median Value of Recent Residential Sales - 2010 to 2013

	Number of Good Sales	Median Sale Price	Average Sale Price
2013 (through Aug.)	15	\$68,500	\$70,493
2012	15	\$70,000	\$64,593
2011	14	\$77,000	\$83,579
2010	13	\$62,000	\$68,462

Source: Rolette County Assessor; Community Partners Research, Inc.

- ▶ From 2010 to 2013, there were 57 improved residential sales of single family houses in Rolla that were considered to be “arms length” transactions, according to the County’s Director of Equalization. Sales that are not “arms length” include, but are not limited to, sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. Only the “arms length” transactions have been reviewed for this study.
- ▶ The median sales price for the 15 residential sales in Rolla in 2013 was \$68,500. The highest valued sale was for \$170,000 and the lowest valued sale was for \$28,000.
- ▶ The median sales price for the 15 residential sales in Rolla in 2012 was \$70,000. The highest valued sale was for \$135,000 and the lowest valued sale was for \$13,000.
- ▶ The median sales price for the 14 residential sales in 2011 was \$77,000. The highest valued sale was for \$194,000 and the lowest valued sale was for \$27,100.
- ▶ The median sales price for the 13 residential sales in 2010 was \$62,000. The highest valued sale was for \$150,000 and the lowest valued sale was for \$30,000.

Rolla Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of 168 single family/duplex houses in two Rolla neighborhoods. The table below provides the survey information for the single family homes/duplexes in the two neighborhoods. The boundaries of the two neighborhoods are as follows:

- Neighborhood No. 1** - North - 5th Ave. NE, South - Hwy 281,
East - 4th St. NE, West - Front St. NE
- Neighborhood No. 2** - All homes south of Hwy 281

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

Dilapidated was the lowest rating used. These houses need major renovation to become decent, safe and sanitary housing. Some Dilapidated properties may be abandoned and may be candidates for demolition and clearance. Major Rehabilitation is defined as a house needing multiple major improvements such as roof, windows, sidings, structural/foundation, etc. Houses in this condition category may or may not be economically feasible to rehabilitate. Minor Repair houses are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses in this condition category will generally be good candidates for rehabilitation programs because they are in a salable price range and are economically feasible to repair. Sound houses are judged to be in good, 'move-in' condition. Sound houses may contain minor code violations and still be considered Sound.

Table 22 Windshield Survey Condition Estimate - 2013					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
Neighborhood No. 1	27/31.8%	29/34.1%	23/27.1%	6/7.0%	85
Neighborhood No. 2	30/36.1%	26/31.3%	17/20.5%	10/12.1%	83
Total	57/33.9%	55/32.7%	40/23.8%	16/9.6%	168

Source: Community Partners Research, Inc.

- ▶ The existing housing stock in these two neighborhoods is in fair to good condition. Approximately 33% of the houses need minor repair and 24% need major repair. Approximately 34% are sound, with no required improvements. Sixteen houses are dilapidated and possibly beyond repair.

Rolla Mobile Home Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of 56 mobile homes that are located in Rolla.

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

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

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

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

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

Table 23 Windshield Survey Condition Estimate - 2013					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
Mobile homes	13/23.2%	10/17.9%	18/32.1%	15/26.8%	56

Source: Community Partners Research, Inc.

- ▶ The mobile homes in Rolla are in fair to poor condition. Approximately 18% of the mobile homes in the City need minor repair and 32% need major repair. Approximately 23% are sound, with no required improvements.
- ▶ Fifteen mobile homes are dilapidated and possibly beyond repair.

Housing Construction Activity

Based on information provided from the City of Rolla and the U.S. Census Bureau, 10 single family owner-occupied homes were constructed in, or moved into Rolla, from 2000 to 2013. Eight of these 10 houses were constructed from 2000 to 2004. Only two houses have been built in Rolla from 2005 to 2013.

Six rental housing units have been constructed in Rolla from 2000 to 2013. A duplex was built in 2008, and a four-plex was constructed in 2012.

Also, approximately five homes have been demolished since 2000.

Minority Households by Race/Ethnicity

Over the last decade, Rolla has increasingly attracted Native American residents. The following table provides some basic information from the 2000 and 2010 Census about households by race and by ethnicity.

Table 24 Households by Race/Ethnicity in Rolla - 2000 to 2010			
	2000 Households	2010 Households	% Change 2000 to 2010
Race			
White	446	351	-21.3%
Black/African American	0	1	100%
Native American/Alaskan	134	193	44.0%
Asian/Pacific Islander	4	3	-25.0%
Other Race/Two or More Races	15	15	0%
Total	599	563	-6.0%
Ethnicity			
Hispanic/Latino	3	6	100%
Non-Hispanic/Latino	596	557	-6.5%
Total	599	563	-6.0%

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

- ▶ Although the majority of Rolla’s households are White, the number of White households has been decreasing. Conversely, the number of Native American households has been increasing over the last decade.
- ▶ The number of White households decreased by 95 households and there was an increase of 59 Native American households from 2000 to 2010.
- ▶ The City added three Hispanic/Latino households between 2000 and 2010.

Minority Households by Race/Ethnicity

Over the last decade, Rolette County has increasingly attracted Native American residents. The following table provides some basic information from the 2000 and 2010 Census about households by race and by ethnicity.

Table 25 Households by Race/Ethnicity in Rolette County - 2000 to 2010			
	2000 Households	2010 Households	% Change 2000 to 2010
Race			
White	1,473	1,294	-12.2%
Black/African American	3	6	100%
Native American/Alaskan	3,011	3,391	12.6%
Asian/Pacific Islander	4	8	100%
Other Race/Two or More Races	65	84	29.2%
Total	4,556	4,783	5.0%
Ethnicity			
Hispanic/Latino	16	24	50.0%
Non-Hispanic/Latino	4,540	4,759	4.8%
Total	4,556	4,783	5.0%

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

- ▶ The number of White households in Rolette County decreased by 179 households, or 12.2%, from 2000 to 2010. The number of Native American households increased by 380 households or 12.6%.
- ▶ Approximately 71% of the households in Rolette County are Native American households.
- ▶ Rolette County added eight Hispanic/Latino households from 2000 and 2010.

Household Tenure by Race/Ethnicity

The following table presents race/ethnicity household tenure information for the City of Rolla from the 2010 Census.

Table 26 Household Tenure by Race/Ethnicity in Rolla: 2010				
Race/Ethnicity	Owner Households		Renter Households	
	Number	Percent	Number	Percent
Race				
White	249	70.9%	102	29.1%
Black/African American	1	100%	0	0%
Native American/Alaskan	78	40.4%	115	59.6%
Asian/Pacific Islander	1	33.3%	2	66.7%
Other Race/Two or More Races	10	66.7%	5	33.3%
Total	339	60.2%	224	39.8%

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

- ▶ The home ownership rate among White households was approximately 80% in 2010. The Native American home ownership rate was 40.4%.
- ▶ The home ownership rate among households that identified themselves as other race or two or more races had a home ownership rate of approximately 67%.

Household Tenure by Race/Ethnicity

The following table presents race/ethnicity household tenure information for Rolette County from the 2010 Census.

Table 27 Household Tenure by Race/Ethnicity in Rolette County: 2010				
Race/Ethnicity	Owner Households		Renter Households	
	Number	Percent	Number	Percent
Race				
White	1,010	78.1%	284	21.9%
Black/African American	3	50.0%	3	50.0%
Native American/Alaskan	2,190	64.6%	1,201	35.4%
Asian/Pacific Islander	2	25.0%	6	75.0%
Other Race/Two or More Races	61	72.6%	23	57.4%
Total	3,266	68.3%	1,517	31.7%

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

- ▶ The highest rate of home ownership in 2010 was among White households at 78%.
- ▶ The Native American home ownership rate was approximately 65% and the Other Race/Two or More Races group had a home ownership rate of approximately 73%.
- ▶ The Black/African American household home ownership rate was 50%, however, only six households identified themselves as Black/African American.

Rental Housing Data

Census Bureau Rental Inventory

According to the 2010 U.S. Census, there were 224 occupied rental units and 32 unoccupied rental units in Rolla, for a total estimated rental inventory of 256 units. The City's rental tenure rate in 2010 was 39.8%, above the Statewide rental rate of 31.9%.

At the time of the 2000 Census, Rolla had 213 occupied rental units, and 34 vacant rental units, for a total estimated rental inventory of 247 units. The rental tenure rate in 2000 was 35.6%.

Based on a Census comparison, the City gained 11 renter-occupancy households, and approximately nine rental units during the last decade.

The City experienced a decrease in owner-occupants between 2000 and 2010. In many communities, the reduction of owner households corresponded to growth among renters, as tenure conversion occurred in some housing units.

Rental Housing Survey

As part of this housing study, a telephone survey of rental units in Rolla was conducted. We collected data on larger multi-family projects, small rental buildings, duplexes and single family homes.

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

There were 172 housing units of all types that were contacted in the survey. The units that were successfully contacted include:

- ▶ 50 market rate units
- ▶ 93 federally subsidized units
- ▶ 29 assisted living units

The findings of the survey are provided below.

Market Rate Summary

Information was obtained on 50 market rate rental units in 14 projects. The projects surveyed include an eight-plex, a five-plex, three four-plexes and eight duplexes. Six single family homes were also surveyed.

San Haven Apartments with 15 units, does not have income limits, however, 13 of the 15 tenants have a Housing Choice Voucher. Therefore, we have included San Haven Apartments with the subsidized projects.

Unit Mix

Information on bedroom mix was obtained for the 50 market rate units that were surveyed. The breakdown of the bedroom mix is:

- ▶ one-bedroom - 9 (18%)
- ▶ two-bedroom - 32 (64%)
- ▶ three-bedroom - 9 (18%)

Occupancy / Vacancy

There was one vacant unit in the 50 market rate units that were surveyed. This is a vacancy rate of 2%. Rental property owners reported very high occupancy rates.

Rental Rates

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

The median gross rent range has been identified based on the telephone survey and is as follows:

<u>Unit Type</u>	<u>Identified Median Rent Range</u>
One-bedroom	\$450-\$550
Two-bedroom	\$550-\$650
Three-bedroom	\$650-\$750

Tax Credit Summary

There are no tax credit units in Rolla.

Subsidized Summary

The research completed for this Study identified six subsidized projects providing rental opportunities for lower income households. These projects have a combined 93 units. Five projects are general occupancy and one project is a senior/disabled rental housing project.

The six subsidized rental projects in Rolla include:

- ▶ **Munro Northwest Apartments** - Munro Northwest Apartments is a 31-unit general occupancy USDA Rural Development project. The 31 units include 21 one-bedroom and 10 two-bedroom units. The project was constructed in 1977.
- ▶ **Munro 8-plex** - The Munro 8-plex is an eight-unit general occupancy USDA Rural Development project. The eight units are all two-bedroom units. The project was constructed in 1976.
- ▶ **Munro Townhouses** - Munro Townhouses is a 16-unit general occupancy USDA Rural Development/HUD project. The 16 units include eight two-bedroom and eight three-bedroom units. The project was constructed in 1986.
- ▶ **Jewell City I Apartments** - Jewell City I Apartments is a Rural Development USDA Senior/Disabled project with 16 units. The 16 units are all one-bedroom units. The project was constructed in 1986.
- ▶ **Jewell II Apartments** - Jewell City II Apartments is a seven-unit general occupancy Rural Development USDA project. The seven units are all one bedroom apartments. The project was constructed in 1988.
- ▶ **San Haven Apartments** - San Haven Apartments is a 15-unit general occupancy project owned and managed by the Rolette County Housing Authority. The 15 units include four two-bedroom and 11 three-bedroom units. The project has no income limits, however, 13 of the 15 tenants have a Housing Voucher and the project was constructed as affordable housing.

Five of the City's six subsidized projects have access to project-based rent assistance. These units can charge rent based on 30% of the tenant's household income up to a maximum market rent. San Haven Apartments does not have access to project-based rent assistance, however, the tenants have access to a Housing Choice Voucher, which pays a portion of the \$500 rent plus heat and electricity.

Unit Mix

The bedroom mix breakdown for the 93 subsidized housing units in Rolla is as follows:

- ▶ 44 one-bedroom (47.3% of all subsidized units)
- ▶ 30 two-bedroom (32.3%)
- ▶ 19 three-bedroom (20.4%)

Occupancy / Vacancy

There were two unoccupied units that were identified in the 93 subsidized units, which is a 2.2% vacancy rate. Both vacancies were in San Haven Apartments. The other five subsidized projects are fully occupied and have waiting lists.

Subsidized Housing Gains/Losses

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

At this time, we are not aware that any of the Rolla projects are opting out of their subsidy program.

Senior Housing with Services

Unit Inventory

Park View Assisted Living is located in Rolla. Park View has 29 assisted living units. Twenty-eight of the 29 units are one-bedroom units and one unit has two bedrooms. Tenants can choose to purchase one of four different levels of assisted living services based on their level of need. Services can include housekeeping, meals, laundry, medication assistance, etc. Therefore, residents who do not need more intensive assisted living services can live in the facility at a lower cost.

Occupancy / Vacancy

The assisted living beds were fully occupied and there was a waiting list when the survey was conducted.

Table 28 Rolla Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Hanlan Apartments	1 - 1 bedroom 1 - 2 bedroom <u>1 - 3 bedroom</u> 3 total units	\$400 \$425 \$450 + electricity	No vacancies	General occupancy	Triplex with one one-bedroom, one two-bedroom and one three-bedroom unit. Owner reports no vacancies and high demand for the units. Rent includes all utilities except electricity.
316 1 st Ave. NE	<u>2 - 1 bedroom</u> 2 total units	\$400	No vacancies	General occupancy	Duplex with two one-bedroom units. Units are usually fully occupied. Tenants pay heat and electricity.
407 & 409 5 th Ave. NE	<u>4 - 2 bedroom</u> 4 total units	\$443-\$580	No vacancies	General occupancy	Two duplexes. All four units are two-bedroom. Tenants pay heat and electricity. Units are usually fully occupied.
416 7 th Ave. NE	<u>4 - 2 bedroom</u> 4 total units	\$525-\$593	No vacancies	General occupancy	Four-plex constructed in 1963. All four units are two-bedroom. Units are usually fully occupied. Tenants pay electricity.
1101 & 1103 6 th St. NE	<u>2 - 3 bedroom</u> 2 total units	\$625	No vacancies	General occupancy	Duplex with two three-bedroom units. Units usually fully occupied. Tenants pay all utilities.
503 & 505 12 th Ave. NE	<u>2 - 3 bedroom</u> 2 total units	\$625	No vacancies	General occupancy	Duplex constructed in 1994. Both units are three-bedroom. Tenants pay all utilities. Units are usually fully occupied.
518 1 st St. N	<u>8 - 2 bedroom</u> 8 total units	\$550	1 vacancy	General occupancy	Eight-plex constructed in 1977. All units have two bedrooms. Manager reports a high occupancy rate. Rent includes utilities.
319 5 th Ave. NE	<u>2 - 1 bedroom</u> 2 total units	\$500-\$700	No vacancies	General occupancy	House with two one-bedroom units. Units are usually fully occupied. Rent includes all utilities except heat.
503 & 507 5 th St. NE	<u>2 - 2 bedroom</u> 2 total units	\$555-\$575	No vacancies	General occupancy	Duplex with two two-bedroom units. Tenants pay heat and electricity. Units have a high occupancy rate.
14 Main Ave. E	2 - 1 bedroom <u>3 - 2 bedroom</u> 5 total units	\$345-\$370	No vacancies	General occupancy	Building with two one-bedroom and three two-bedroom units. Units have a high occupancy rate. Tenants pay heat and electricity in addition to rent.
1010 6 th St. NE	2 - 2 bedroom <u>2 - 3 bedroom</u> 4 total units	\$475 \$600-\$625	No vacancies	General occupancy	Four-plex constructed in 2008 owned by the Rolla Development Corporation. Units have a high occupancy rate. Rent does not include utilities.

Table 28 Rolla Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
115 & 117 3 rd St. SE	<u>2 - 2 bedroom</u> 2 total units	\$1,000	No vacancies	General occupancy	Duplex constructed in 2012 and owned by the Rolla Development Corporation. Units have a high occupancy rate, although, one unit was vacant for two months over the past 10 months. The units are the most recently constructed rental units in Rolla. Rent does not include heat or electricity.
Six single family homes managed by Revere Real Estate	<u>2 - 1 bedroom</u> <u>4 - 2 bedroom</u> 6 total units	\$285-\$675 \$300-\$650	No vacancies	General occupancy	Five single family homes including two one-bedroom and four two-bedroom units. Homes are usually fully occupied. Utilities included in the rent vary for each home. Rents range from \$285 to \$650.
606 4 th St. NE	<u>2 - 3 bedroom</u> 2 total units	\$568-\$650	No vacancies	General occupancy	Duplex constructed in 1996. One unit was vacant for two months over the past 10 months. Rent does not include heat or electricity.
314 1 st Ave. NE	<u>2 - 2 bedroom</u> 2 total units	\$468-\$518	No vacancies	General occupancy	Duplex constructed in 1957, both units have two bedrooms. Units have a high occupancy rate. Tenants pay heat and electricity.

Table 28 Rolla Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized					
Munro Northwest Apartments	21 - 1 bedroom <u>10 - 2 bedroom</u> 31 total units	30% of income market rent- 1 bed-\$515 2 bed-\$540	No vacancies, waiting list	General occupancy	Rural Development General Occupancy Project constructed in 1977. Project includes 21 one-bedroom and 10 two-bedroom units. Manager reports no vacancies and a waiting list. Non-low income households can rent a unit and pay market rent if there is no waiting list. Currently, all tenants are receiving rent assistance.
Munro 8-plex	<u>8 - 2 bedroom</u> 8 total units	30% of income market rent-\$495	No vacancies, waiting list	General occupancy	Rural Development General Occupancy Project constructed in 1976. Project includes eight two-bedroom units. Manager reports no vacancies and a waiting list. Non-low income households can rent a unit and pay market rent. Currently, all tenants are receiving rent assistance.
Munro Townhouses	8 - 2 bedroom <u>8 - 3 bedroom</u> 16 total units	30% of income market rent- 1 bed-\$598 2 bed-\$697	No vacancies, waiting list	General occupancy	Rural Development/HUD project constructed in 1986. Project includes eight two-bedroom and eight three-bedroom units. No vacancies with a waiting list. Two-bedroom units have a one-year waiting list. Non-low income households can rent a unit if there is no waiting list. All tenants are receiving rent assistance.
Jewell City I Apartments	<u>16 - 1 bedroom</u> 16 total units	30% of income market rent-\$583	No vacancies, waiting list	Senior/ Disabled	Senior/Disabled Rural Development Project constructed in 1986 and owned by the Rolla Development Corporation. Project includes 16 one-bedroom units. Project is fully occupied with a waiting list. Tenants pay 30% of income up to the market rent.
Jewell City II Apartments	<u>7 - 1 bedroom</u> 7 total units	30% of income-maximum rent-\$640	No vacancies, waiting list	General occupancy	Rural Development General Occupancy Project constructed in 1988. Project has seven one-bedroom units. Manager reports no vacancies with a waiting list. Tenants pay 30% of income up to the market rent.

Table 28 Rolla Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
San Haven Apartments	4 - 2 bedroom <u>11 - 3 bedroom</u> 15 total units	\$500 + heat and electricity	Two vacancies	General occupancy	San Haven Apartments is owned and managed by the Rolette County Housing Authority. The apartments are in two buildings and were constructed 15 years ago. Although San Haven has no income or age requirements, it is considered subsidized because 13 of the 15 tenants have a Housing Choice Voucher. Rent is \$500 plus heat and electricity. Currently, there are two vacancies. The Housing Authority reports that vacancy rates fluctuate.
Senior with Services					
Park View Assisted Living	28 - 1 bedroom <u>1 - 2 bedroom</u> 29 total units	Based on level of services	No vacancies	Assisted Living	Park View Assisted Living is a 29-unit project. Twenty-eight units are one-bedroom and there is one two-bedroom unit. Tenants can purchase services based on their level of need including housekeeping, meals, laundry, medication assistance, etc. Rent and fees are based on the level of services. The facility has no vacancies and there is a waiting list.

Source: Community Partners Research, Inc.

Employment and Local Economic Trends Analysis

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

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

The largest employers in Rolla include:

- ▶ Presentation Medical Center
- ▶ Rolette County
- ▶ Rolla Public Schools
- ▶ Microlap Technologies Inc.
- ▶ Leever's Foods Inc.
- ▶ ALCO Discount Store
- ▶ Dacotah Bank
- ▶ Cenex
- ▶ Rolla Ambulance Service
- ▶ Theel Motors
- ▶ Arrow Tech Inc.

The largest employers in all of Rolette County are located in Belcourt, and include:

- ▶ Sky Dancer Casino
- ▶ Bureau of Indian Education
- ▶ Human Services Office
- ▶ Turtle Mountain Community School
- ▶ Turtle Mountain Comprehensive Health
- ▶ US Indian Hospital
- ▶ US Public Health Service
- ▶ Belcourt School District 7

Source: Infogroup; Job Service North Dakota

Work Force and Unemployment Rates

Employment information is available at the County level. Data in the table that follows is for all of Rolette County and was obtained from the North Dakota Labor Market Information Center.

Table 29 Rolette County Average Annual Labor Statistics: 2000 to 2013*						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - ND	Unemployment Rate - US
2000	5,278	4,782	496	9.4%	2.9%	4.0%
2001	5,665	5,210	455	8.0%	2.8%	4.7%
2002	5,553	4,909	644	11.6%	3.5%	5.8%
2003	5,391	4,820	571	10.6%	3.6%	6.0%
2004	5,276	4,769	507	9.6%	3.5%	5.6%
2005	5,221	4,727	494	9.5%	3.4%	5.1%
2006	5,108	4,642	466	9.1%	3.2%	4.6%
2007	5,146	4,680	466	9.1%	3.1%	4.6%
2008	5,000	4,527	473	9.5%	3.1%	5.8%
2009	4,982	4,408	574	11.5%	4.1%	9.3%
2010	5,019	4,454	565	11.3%	3.8%	9.6%
2011	4,823	4,271	552	11.4%	3.5%	8.9%
2012	4,672	4,150	522	11.2%	3.1%	8.1%
2013*	4,639	3,938	701	15.1%	3.4%	7.7%

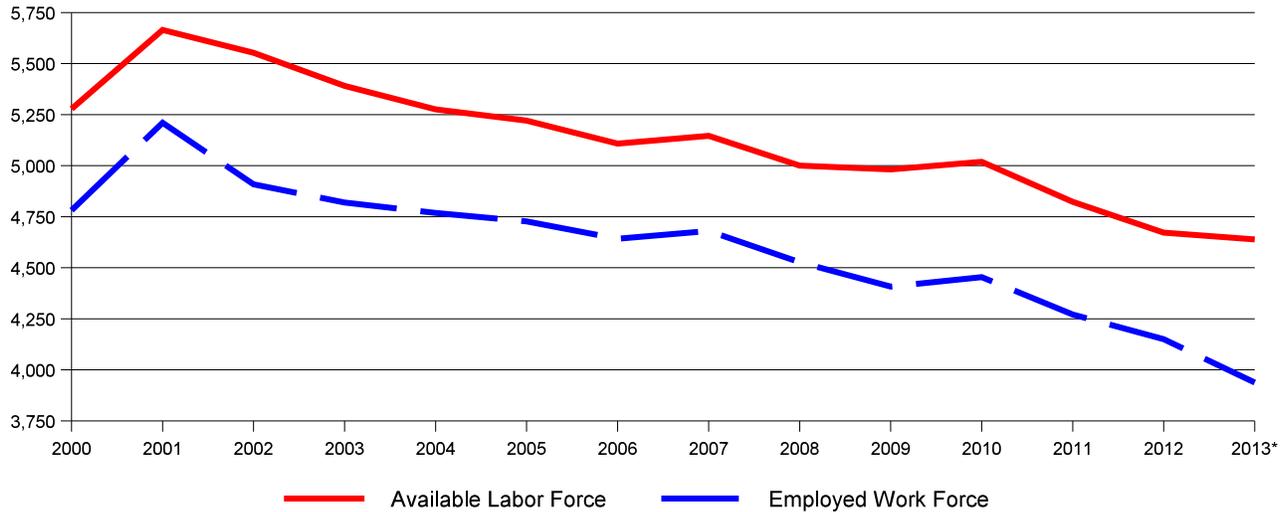
Source: Job service North Dakota, Labor Market Information Center, LAUS Unit

Note: Not Seasonally Adjusted

* 2013 is through August

Rolette County has experienced a gradual decline in the size of the available civilian labor force over the past 13 years. Between 2000 and 2001, there was growth in the resident labor force and employed work force, but after 2001 began a longer-term period of loss. Between 2001 and 2012 (the last full year of data), the available labor force decreased by 993 people, or 17.5%. Through the first eight months of 2013, the size of the labor force has continued to decrease slightly, although this may change when a full 12-month period is reported.

Labor Force and Work Force Trends - Rolette County



The employed work force has also followed a longer-term pattern of decrease. After peaking in 2001, the number of County residents that are employed decreased gradually since 2000. Between 2000 and 2012, the number of employed workers in Rolette County decreased by 1,060 people, or 20.3%. Once again, information for the first eight months of 2013 shows a further decline, down 212 employed people from the 2012 annual average.

With the employed work force decreasing at a slightly faster rate than the total labor force, the County’s unemployment rate has generally grown higher over time. Since the year 2000, the lowest unemployment rate was achieved in 2001 at 8.0%. The highest annual rate of unemployment was 11.6% in 2002, but through the first eight months of 2013, Rolette County’s unemployment rate has been much higher, above 15%, and may rise even higher as the winter months approach. The County’s unemployment rate has tended to be significantly higher the Statewide rate, and has also been well above the national average.

Employment and Wages by Industry

The following table shows the average weekly wages by major employment sector in 2012, the last full year of data. It is important to note that the major employment sectors listed do not represent all employment in the County.

Table 30 Rolette County Average Weekly Wages by Industry Detail		
Industry	2012 Employment	2012 Average Annual Wage
Total All Industry	4,694	\$33,124
Agriculture, Forestry, Fishing, Hunting	8	\$29,900
Construction	236	\$34,788
Manufacturing	212	\$33,748
Wholesale Trade	84	\$34,996
Retail Trade	459	\$18,408
Transportation and Warehousing	36	\$30,212
Information	104	\$24,908
Finance and Insurance	88	\$34,684
Professional and Technical Services	8	\$25,844
Educational Services	696	\$41,236
Health Care and Social Assistance	649	\$41,392
Accommodation and Food Services	160	\$10,608
Public Administration	975	\$39,416

Source: Job Service North Dakota, QCEW Unit

The average annual wage for all industry sectors in Rolette County for 2012 was \$33,124.

The highest paying wage sectors were Health Care and Social Assistance, at \$41,392, and Educational Services, at \$41,236, for average annual wages.

There were two wage sectors, Accommodation and Food Services, and Retail Trade, that had an annual average wage of less than \$20,000.

Employment Projections by Industry for North Dakota

The North Dakota Labor Market Information Center has generated employment projections for the State. The following table provides the annual projected percentage increase in employment within the top 25 industry classifications.

Table 31 North Dakota Projected Employment Growth by Industry to 2020	
Industry	Annual Percent Change 2010-2020
Oil and Gas Extraction	23.9%
Support Activities for Mining	8.3%
Truck Transportation	7.4%
Natural Resources and Mining	3.3%
Heavy and Civil Engineering Construction	3.0%
Professional, Scientific, Technical Services	2.9%
Construction of Buildings	2.8%
Goods-Producing Industries	2.7%
Construction	2.6%
Merchant, Wholesalers, Durable Goods	2.6%
Specialty Trade Contractors	2.4%
Professional and Business Services	2.3%
Ambulatory Health Care Services	2.0%
Trade, Transportation, Utilities	1.9%
Manufacturing	1.7%
Financial Activities	1.7%
Leisure and Hospitality	1.6%
Food Services and Drinking Places	1.6%
Hospitals	1.6%
Service-Providing Industries	1.5%
Education and Health Services	1.4%
Administrative and Support Services	1.4%
Nursing and Residential Care Facilities	1.3%
Educational Services	0.9%

Source: North Dakota Labor Market Information Center

The specific industries displayed in the table above reflect the fastest growing sectors for annual percentage job growth between 2010 and 2020 in North Dakota. The fastest growing segment is projected to be in the Oil and Gas Extraction sector, with expected annual growth of more than 23%. Other industry sectors that are also expected to grow at an annual rate of 3% or more are directly or indirectly related to Oil and Gas Extraction, including Support Activities for Mining, Truck Transportation, Natural Resources and Mining, and Heavy and Civil Engineering Construction.

Commuting Patterns of Area Workers

Only limited information is available on area workers that commute for employment. The best information is from the 2011 American Community Survey, and has been examined for the City of Rolla. This table only examines people that commuted, and excludes people that work at home.

Table 32 Commuting Times for Rolla Residents - 2011		
Travel Time	Number	Percent
Less than 10 minutes	282	56.1%
10 to 19 minutes	177	35.2%
20 to 29 minutes	38	7.6%
30 to 44 minutes	0	0%
45 minutes or more	6	1.2%
Total	503	100%

Source: 2011 American Community Survey 5-year estimates

The large majority of Rolla residents were commuting less than 20 minutes to work in 2011. Presumably, most residents were working within the City limits, or in the immediately surrounding area. Overall, more than 91% of residents commuted less than 20 minutes to work, and nearly 99% had a drive time of 29 minutes or less. Only 1.2% of the City’s residents did commute a half hour or more for employment, and all of these people reported a longer-distance drive time of 90 minutes or more.

Findings on Growth Trends

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

The City of Rolla had population losses in the 1980s, followed by population gains in the 1990s and a return to population losses in the 2000s. Overall, Rolla's population decreased from 1980 to 2010. From 1980 to 2010, Rolla's population decreased by 258 people. Over the last decade, Rolla's population decreased by 137 people.

However, the U.S. Census estimates Rolla's 2012 population to be 1,321, which is an increase of 41 people. Since only a few new housing units were constructed in Rolla after the 2010 Census, the estimated population growth was probably the result of people moving into formerly vacant housing units. For example, the 2010 Census counted 30 vacant rental units in the City. The rental survey completed for this Study found a high rate of occupancy in rental housing, implying that these units were filled after the Census was completed.

Rolette County's population has continued to increase over the past three decades. From 1980 to 2010, the County added 1,760 people. The U.S. Census estimates that Rolette County has gained an additional 445 people from 2010 to 2012. The Turtle Mountain Reservation has gained 350 people from 2000 to 2010. Although no estimate exists for the Reservation after 2010, it is probable that most of the County's growth in recent years has continued to be on the Turtle Mountain Reservation.

Household levels in Rolla also decreased slightly from 1980 to 2010. The City experienced a loss of 13 households over the past three decades. As with population, Rolette County had household gains from 1980 to 2010. Over the past three decades, Rolette County has gained 1,358 households. From 2000 to 2010, the Turtle Mountain Reservation gained 201 households, representing nearly 90% of the household growth for the entire County.

Findings on Projected Growth

The projections for Rolla, Rolette County and the Turtle Mountain Reservation calculated by Community Partners Research, Inc., from past growth trends reflect the patterns of recent decades. Community Partners Research, Inc., projects that Rolla's population will increase by approximately 54 people between 2010 and 2020. The household projections expect a gain of approximately 32 households from 2010 to 2020. It is important to note that most of the population and household growth for Rolla are dependent on housing unit availability, as very limited unused housing appears to exist in 2013.

The population and household projections for all of Rolette County expect ongoing increases through the year 2020. The forecasts used for this Study expect a gain of approximately 1,104 people and a gain of approximately 489 households from 2010 to 2020. Nearly all of this growth has been attributed to the Turtle Mountain Reservation, consistent with the patterns that were present over the previous decade.

Summary of Rolette County Growth Projections by Age

The Demographic section of this Study presented Rolette County projection information on anticipated changes by age group over the next few years. This information can be informative in determining the housing that may be needed due to age patterns of the County's population.

In general terms, much of the projected net growth to the year 2015 will occur among people in the 55 to 74 age ranges. This would largely reflect the aging "baby boomers", nearly all of whom will be age 55 or older by the year 2015. From 2010 to 2015, Rolette County is projected to add 272 households in the age ranges between 55 and 74 years old.

Community Partners Research, Inc., also projects a net gain of 80 households in the 25 to 44 year old age group, and 156 households in the age ranges 65 and older.

There is a projected net loss of 8 households in the youngest adult age group, age 15 to 24 years old, and a loss of 100 households in the 45 to 54 year old age range.

While projections can be informative in planning for change, it is important to note that they may be altered in the future. To the extent that Rolla and Rolette County can attract in-migration, the demographic profile of future residents may not always match historical patterns, and it is possible that more young adults may move to the area.

The expected net change in the number of Rolette County households in each 10-year age cohort between 2010 and 2015 is as follows:

<u>Age Range</u>	<u>Projected Change in Households</u>
	<u>2010 to 2015</u>
15 to 24	-8
25 to 34	23
35 to 44	57
45 to 54	-100
55 to 64	158
65 to 74	114
75 to 84	35
85 and Older	7
Total	286

Findings on Unit Demand by Type of Housing

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

Age 15 to 24 Years Old - The projections used for this Study expect a small loss of households in this young adult age range through the year 2015. Past tenure patterns indicate that 87% of these households in Rolla will rent their housing. A reduction in the number of households in this age range should mean that rental demand from younger households will decrease slightly during the projection period.

25 to 34 Years Old - The projections show a gain of approximately 23 households by 2015. Within this age range households often move from rental to ownership housing. The ownership rate among these households in Rolla was approximately 47% in 2010. A net gain in the number of households within this age range indicates limited demand for both first-time buyer and rental opportunities.

35 to 44 Years Old - The projections for this 10-year age cohort expect a gain of 57 households between 2010 and 2015 in Rolette County. In the past, this age group has had a 67% rate of home ownership in Rolla. Households within this range often represent both first-time buyers and households looking to trade-up in housing, selling their starter home for a more expensive house.

45 to 54 Years Old - By 2015, this age cohort will represent the front-end of the "baby bust" generation that followed behind the baby boomers. This age group represents a much smaller segment of the population than the baby boom age group. For Rolette County, the projections show a loss of approximately 100 households in this range. This age group had a 67% rate of home ownership in Rolla in 2010, and will often look for trade-up housing opportunities. With a household decrease in this age group, there will be a decrease in the demand for trade-up housing.

55 to 64 Years Old - This age range is part of the baby boom generation. The projections show an expected increase of 158 additional households in this 10-year age range by the year 2015 in Rolette County. This age range has traditionally had a relatively high rate of home ownership in Rolla, at approximately 70% in 2010. Age-appropriate housing, such as town house or twin home units, is often well suited to the life-cycle preferences of this age group, as no maintenance/low maintenance housing has become a popular option for empty-nesters.

65 to 74 Years Old - Community Partners Research, Inc., forecasts a gain of approximately 114 households by the year 2015 in this age range. While this group will begin moving to life-cycle housing options as they age, the younger seniors are still predominantly home owners. At the time of the 2010 Census, approximately 79% of the households in this age range owned their housing in Rolla. Once again, preferences for age-appropriate units would increase from household growth within this age cohort.

75 to 84 Years Old - There is a projected gain of 35 households in Rolette County in this age range between 2010 and 2015. In the past, households within this 10-year age range have had a 68% rate of home ownership in Rolla. While this is likely to continue, an expansion of other housing options for seniors, including high quality rental housing, should appeal to this age group. In most cases, income levels for senior households have been improving, as people have done better retirement planning. As a result, households in this age range may have fewer cost limitations for housing choices than previous generations of seniors.

85 Years and Older - A gain of approximately seven households is projected from 2010 to 2015. Historic home ownership rates in this age group in Rolla have been relatively low, at approximately 45% in 2010. Seniors in this age range often seek senior housing with services options.

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

Findings on Housing Unit Demand and Tenure

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

Demand from Growth - The household projections used for this Study expect Rolla to gain approximately 32 households from 2010 to 2010, and Rolette County is expected to gain approximately 437 households. As a result, if Rolla can capture some of the housing demand that will be generated from household growth in Rolette County, there will be demand for new housing production in Rolla.

Replacement of Lost Owner-Occupancy Units - It is difficult to quantify the number of units that are lost from the housing stock on an annual basis. Unit losses may be caused by demolition activity, losses to fire or natural disasters, and to causes such as deterioration or obsolescence. In Rolla, some dilapidated housing has been demolished, and more units may be removed in the future. As a result, we have included a minor allowance for unit replacement in the recommendations that follow.

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

Pent-Up Demand - The third primary demand-generator for new housing is caused by unmet need among existing households, or pent-up demand. Although there has not been growth in the number of households, shifting age patterns, the overall household growth in Rolette County and low occupancy rates in existing rental units, have created demand for certain types of age-appropriate housing in Rolla. We have included our estimates of pent-up demand into the specific recommendations that follow later in this section.

Strengths for Housing Development

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

- ▶ **Rolla serves as a small regional center** - Rolla provides employment opportunities, retail/service options, health and professional services and recreational facilities for a geographical area that surrounds the City.
- ▶ **Affordable priced housing stock** - The City of Rolla has a stock of affordable, existing houses. Our analysis shows that the City's median home value based on 2012 and 2013 sales is approximately \$70,000. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Adequate land for development** - Rolla has adequate land available for both residential and commercial/industrial development. However, some of this land needs to be serviced with infrastructure improvements and/or annexed into the City limits.
- ▶ **Educational system** - Rolla has a public K-12 school system.
- ▶ **Infrastructure** - Rolla's water and sewer infrastructure can accommodate future expansion. The City is currently undertaking a \$4.2 million water main replacement project.
- ▶ **Commercial development** - Rolla's commercial district is adequate to meet most daily needs. Commercial property owners have access to two programs that will assist with funding improvements to commercial buildings.
- ▶ **Rolette County Housing Authority** - The Rolette County Housing Authority owns and manages rental units and manages the Housing Voucher Program in Rolla and Rolette County.
- ▶ **Rolla Job Development Authority and Rolla Development Corporation** - The Rolla Job Development Authority and the Rolla Development Corporation are very active in promoting economic, employment and housing opportunities for the area.
- ▶ **Small-town atmosphere** - Rolla is a small town with the real and perceived amenities of small communities. This small-town living is attractive to some households.

- ▶ **Medical Facilities** - The Presentation Medical Center Campus has a hospital, an assisted living facility, a medical clinic and dental and eye clinics. The Northland Community Health Center is also located in Rolla.
- ▶ **Turtle Mountain Reservation** - The Turtle Mountain Reservation is located in Rolette County and in 2010 had 8,655 people.
- ▶ **Major Employers** - Rolla's economy is diversified for a City of its size and has several large employers.
- ▶ **Recreational Area** - Rolla is in a recreational area that provides excellent hunting and fishing as well as other recreational opportunities.

Barriers or Limitations to Housing Activities

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

- ▶ **Age and condition of the housing stock** - While the existing stock is very affordable, some of the housing is in need of improvements to meet expectations of potential buyers.
- ▶ **Low rent structure** - The area's rent structure is low, which makes it difficult to construct new rental housing.
- ▶ **Value gap deters new owner-occupied construction** - Based on market values for 2012 and 2013 residential sales, we estimate that the median priced home in Rolla is valued at approximately \$70,000. This is well below the comparable cost for new housing construction, which will generally be above \$150,000 for a stick built home with commonly expected amenities. This creates a value gap between new construction and existing homes. This can be a disincentive for any type of speculative building and can also deter customized construction, unless the owner is willing to accept a potential loss on their investment.
- ▶ **Population and household growth** - Historical data indicates that Rolla is not expected to add a significant number of people or households from 2010 to 2020. The City has to use realistic expectations when planning for the future.
- ▶ **Distance from a major regional center** - The nearest major regional center is Devils Lake, which is located 77 miles from Rolla. Many households desire or need to be near a regional center for employment, health care, entertainment, retail, etc.
- ▶ **Lack of buildable lots** - Although land is available for home construction, there are very few buildable lots in Rolla that have City infrastructure.

Recommendations, Strategies and Housing Opportunities

Based on the research contained in this study, and the housing strengths and barriers identified above, we believe that the following recommendations are realistic options for Rolla. They are based on the following strategies.

- ▶ **Be realistic in expectations for housing development** - Large-scale residential growth has not occurred in the recent past and is not likely to occur in the near future. The scale of activities proposed for the future should be comparable with the area's potential for growth.
- ▶ **New housing development generally will not occur without proactive community involvement** - To attract new home or apartment construction in Rolla, subsidies or some other form of financial assistance will be needed from the City, local and regional housing and economic development agencies and the North Dakota Housing Finance Agency.
- ▶ **Protect the existing housing stock** - The future of Rolla will be heavily dependent on the City's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the City's long-term viability. The existing housing stock is in good condition and is a major asset, however, rehabilitation efforts are needed to preserve the housing stock.
- ▶ **Protect the existing assets and resources** - Rolla has many assets including a K-12 school, employment opportunities, a Downtown Commercial District, health facilities, etc. These are strong assets that make Rolla a desirable community to live in, and are key components to the City's long-term success and viability. These assets must be protected and improved.
- ▶ **Develop a realistic action plan with goals and time lines** - In the past, the City and local development and housing agencies have been involved in housing issues. The City, local economic development and housing agencies should prioritize the housing issues and establish goals and time lines to achieve success in addressing its housing needs.
- ▶ **Access all available resources for housing** - In addition to the local efforts, the City has other resources to draw on including USDA Rural Development, the North Dakota Housing Finance Agency, the Rolla Job Development Authority, the Rolla Development Corporation, the Rolette County Housing Authority, the Turtle Mountain Housing Authority, the Eastern Dakota Housing Alliance, the Dakota Prairie Community Action Agency and the North Central Planning Council. These resources should continue to be accessed as needed, to assist with housing activities.

Summary of Findings/Recommendations

The findings/recommendations for the City of Rolla have been formulated through the analysis of the information provided in the previous sections and include 20 recommendations. The findings/recommendations have been developed in the following five categories:

- ▶ **Rental Housing Development**
- ▶ **Home Ownership**
- ▶ **Single Family Housing Development**
- ▶ **Housing Rehabilitation**
- ▶ **Other Housing Issues**

The findings/recommendations for each category are as follows:

Rental Housing Development

1. Develop 18 to 22 general occupancy market rate rental units
2. Develop 10 to 12 subsidized rental housing units
3. Develop five to six affordable rental units through rehabilitation/conversions
4. Consider the development of 10 to 13 additional senior housing with services units
5. Develop a downtown mixed-use commercial/housing project
6. Utilize the Housing Choice Voucher Program

Home Ownership

7. Utilize and promote all programs that assist with home ownership
8. Develop a purchase/rehabilitation program

Single Family Housing Development

9. Support the development of 10 to 12 lots
10. Develop a City of Rolla Housing Incentive Program

11. Coordinate with economic development agencies, housing agencies and nonprofit groups to construct affordable housing
12. Promote townhouse and twin home development

Housing Rehabilitation

13. Promote rental housing rehabilitation
14. Promote owner-occupied housing rehabilitation efforts

Other Housing Issues

15. Encourage employer involvement in housing programs
16. Acquire and demolish dilapidated structures
17. Create a plan and a coordinated effort among housing and economic development agencies
18. Consider a mobile home time-of-sale inspection program
19. Continue to promote commercial rehabilitation and development
20. Competition with other jurisdictions

Rental Housing Development

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

From 2000 to 2013, based on City of Rolla and U.S. Census data, six rental units were constructed in Rolla. The six rental units include a market rate four-plex and a market rate duplex. In addition to the new rental units, several single family homes were converted from owner-occupied to rental between 2000 and 2012.

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

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

Our household projections expect gains for Rolla and Rolette County. From 2010 to 2020, it is projected that there will be a gain of 32 households in Rolla and a gain of approximately 437 households in Rolette County. Approximately 33% of the new households in Rolette County will be rental households, thus, there will be a demand for approximately 142 to 146 additional rental units over the next five years in Rolette County. Most of this projected demand will come from households from the Turtle Mountain Reservation. We are projecting that approximately 14 to 16 of the growth-generated demand could be met by units constructed in Rolla.

Demand created by replacement of lost units is more difficult to determine, but the best available evidence suggests that the city will lose as many as eight to ten rental units over the next five years. As a result, up to 10 additional units will be needed over the next five years to replace lost units. In some cases, this unit replacement will be necessary as existing units are removed from the inventory through demolition or conversion. In other cases, this replacement is appropriate due to the deteriorating condition of older, substandard rental housing that should be removed from the occupied stock.

Pent-up demand also exists. As part of this study, a rental survey was conducted. There were 172 rental units in 21 multi-family buildings that were contacted. Information was also obtained on single family homes, duplexes and large and small rental buildings.

The survey found a 2.0% vacancy rate in general occupancy market rate units, a 2.2% vacancy rate in subsidized units and a 0% vacancy rate in the senior with services projects. Only three vacancies were identified in the 172 rental units surveyed.

Based on this information and interviews with stakeholders, we are estimating that there is a pent-up demand for approximately seven to nine additional subsidized rental units, eight to 10 market rate units and six to eight senior with services units in Rolla over the next five years.

These three demand factors show a need for 43 to 53 rental units over the next five years. Based on the factors stated above, we recommend the development of the following new rental units over the next five years from 2014 to 2019. With limited exceptions, Rolla would be the preferred location for these future projects:

▶ General Occupancy Market Rate	18-22 units
▶ Rehab/Conversions	5-6 units
▶ Subsidized	10-12 units
▶ Senior with Services	<u>10-13 units</u>
Total	43-53 units

1. Develop 18 to 22 general occupancy market rate rental units

Findings: Approximately 48% of the rental housing in the City of Rolla can be classified as general occupancy market rate housing. These units are free of any specific occupancy restrictions such as financial status, age, or student enrollment. Market rate housing does not have any form of rent controls, other than those imposed by the competitive marketplace.

The entire rental inventory in the city includes approximately 256 total units in 2010. We believe that approximately 134 of these units are best described as market rate rental housing.

As part of the research for this Study, we contacted 50 market rate units. We found one vacant unit for a vacancy rate of 2.0%, which is below a healthy market range of 3% to 5%. All but one of the 14 market rate rental projects surveyed had no vacancies.

The prevailing rent ranges in Rolla including utilities are \$450 to \$550 for a one-bedroom unit, \$550 to \$650 for a two-bedroom unit and \$650 to \$750 for a three-bedroom unit. However, the most recently constructed rental duplex in Rolla has a rent of \$1,000 plus utilities for a two-bedroom unit.

From 2000 to 2012, only six market rate rental units were constructed. Also, it is estimated that several single family homes have converted from owner-occupied to rental units partially due to the downturn in the economy. The Rolla Development Corporation constructed a four-plex in 2008 and a duplex in 2012. The four-plex replaced a four-plex that was demolished by a tornado.

Recommendation: As stated earlier in this section, rental housing demand is based on household growth, pent-up demand and replacement of housing units that have been demolished or converted.

Using this combination of demand generators, we believe that it is reasonable to plan for production of 18 to 22 market rate rental units over the next five years from 2014 to 2019. This includes any market rate rental projects that may be in the planning phase.

Based on our research, there is a need for smaller one-bedroom units as well as larger rental units, thus, new units constructed over the next five years should include one, two, three and four-bedroom units.

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

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

With needs for both affordable and higher-rent market rate rental housing, there is a wide rent range in the following table reflecting the two segments. To construct the workforce housing at affordable rents, land donations, financial assistance, tax increment financing and other resources may be needed.

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

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	5-6	700 - 850	\$600 - \$800
Two Bedroom	8-9	900 - 1,000	\$650 - \$975
Three Bedroom	4-5	1,100 - 1,200	\$700 - \$1,050
Four Bedroom	1-2	1,300 - 1,400	\$900 - \$1,200
Total	18-22		

Note: The recommended rents are gross rents including all utilities. The rents are quoted in 2013 dollars.

2. Develop 10 to 12 subsidized rental housing units

Findings: Rolla has a good supply of subsidized multifamily rental units. The City of Rolla has five project-based subsidized developments with a combined 78 units, which is 36% of the total number of rental units in Rolla. Subsidies have been provided by USDA Rural Development and the Department of Housing and Urban Development (HUD). Also, the Rolette County Housing Authority has constructed 15 units which do not have income limits. However, 13 of the 15 tenant households are subsidized with a Housing Choice Voucher, thus, we have included this project in the subsidized category.

Five of the projects are subsidized general occupancy projects with 77 units and one project is a subsidized senior/disabled project with 16 units.

Five of the City's subsidized projects serve low income people and charge rent based on 30% of the tenant's household income. In some cases, tenant households pay 30% of income, but not less than a basic rent level established for the unit. In these cases, it is possible that a very low income household pays more than 30% of income, if the basic rent was higher. There is also a market rent and tenants don't pay more than the market rent.

Despite the existing supply of subsidized units in Rolla, the 2010 Census still identified that approximately 108 renter households in Rolla reported a housing cost burden, with 30% or more of their income going to housing costs. A majority of these households were actually paying 35% or more of their income for housing, which is defined as a severe cost burden.

Our rental survey found two vacancies in the subsidized projects, which represented a vacancy rate of 2.2%. Both vacancies were in San Haven Apartments. The other five subsidized projects were fully occupied and have waiting lists.

Recommendation: Based on the cost burden data contained in the American Community Survey, current occupancy rates and pent-up demands, we would recommend that the City look to expand the supply of deep subsidy rental housing for lower income renters. Over the next five years, we would recommend that the City attempt to construct 10 to 12 units that achieve a rent level that would be affordable to very low income households earning less than \$20,000 per year.

This recommendation represents a modest goal, since substantially more low income households exist in the City with a cost burden. However, over the past few decades, very few federal subsidy sources have been available for the construction of "deep subsidy" rental housing. The actual number of units that can be developed will be dependent upon access to financial resources.

Another important community strategy will be to prevent the future loss of the existing project-based subsidized housing. It may be appropriate for public or nonprofit housing agencies to become involved in attempts to preserve subsidized housing resources.

Expanded promotion of Housing Choice Vouchers may also be appropriate. Although Vouchers are tenant-based, and may not remain in the City if the tenant moves, the Voucher can eliminate a severe rent burden by allowing the household to apply only 30% of income for gross rent. Currently, Vouchers are available in Rolette County.

3. Develop five to six affordable rental units

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

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

There are still some programs for affordable housing creation for moderate income renters. The federal low income housing tax credit program is one available resource. However, competition for tax credits is very difficult, and few awards are made to small cities for small rental projects.

Recommendation: We would encourage the City of Rolla to promote the development of more affordable rental units. A goal of five to six units over the next five years would help to replace affordable housing that has been lost and to address pent-up demand.

It would be difficult to create units through new construction. Instead, it may be more practical to work on building renovation or conversion projects that can create housing. This opportunity may arise in downtown buildings or through the purchase and rehabilitation of existing single family homes. According to the U.S. Census, in 2010 there were 22 vacant housing units in Rolla. Potentially, some housing units could be renovated to be quality rental units. These units could be developed by a housing agency or by a private developer.

A partnership between a housing agency and private developers is another option. In the past, some rental property owners have purchased properties and renovated them into affordable rental units.

Creating rental units with contract rents below \$600 per month would help to expand the choices available to a majority of the City's renter households.

To obtain an affordable rent structure, financial commitments from other sources such as tax increment financing from the City of Rolla, property tax deferment and other financial resources from funding agencies such as the North Dakota Finance Agency may be necessary.

4. Support the development of 10 to 13 additional senior with services units

Findings: The City of Rolla currently has one senior with services project, Park View Assisted Living. Park View Assisted Living has 29 units. Residents can choose from four different levels of service, thus, tenants can move into the facility at a lesser cost and purchase services as needed. Currently, Park View Assisted Living is fully occupied and has a waiting list.

The research for this Study did not identify any dedicated beds/units for people needing specialized memory care housing.

Recommendation: Using 2010 Census data for Rolette County, there were 650 senior citizens age 75 and above that were not currently in a nursing home and are part of the market for senior with services units. Based on our previous research in other communities, approximately 6% to 6.5% of seniors over the age of 75 will need senior with services housing, thus, there is potential demand for 39 to 42 senior with services beds in Rolette County.

Currently, there are 29 beds in Rolla, providing senior housing with services, therefore, there is potential demand for approximately 10 to 13 additional beds over the next five years. This could include a mix of assisted living, lighter services housing and specialized memory care units. This recommendation is intended to provide general guidance and to identify the need for additional senior with services beds/units in Rolla and Rolette County.

Park View Assisted Living is in the best position to determine when additional units are needed and the type of units that will be needed in the future.

5. Develop a downtown mixed-use commercial/housing project

Findings: The City of Rolla has an active downtown area. A mixed-use rental housing/commercial project could complement the City's ongoing efforts to maintain a vibrant downtown. There should be sensitivity to the timing of the project and type of commercial tenants the project will have, to assure the project is an asset to the downtown.

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

Recommendation: We recommend the development of a mixed-use building in the downtown Rolla area. There are several potential sites in the downtown area for a mixed-use project.

We recommend commercial space on the first floor and six to eight rental units on the second floor. Prior to construction, a portion of the commercial space should be leased to an anchor tenant who would complement existing downtown businesses and attract people to downtown.

The rental units should be primarily market rate units, but could be mixed-income with some moderate income units. The units should be one and two-bedroom units. Please note that these units are not in addition to the units recommended in the first and second recommendations of this section. If a mixed use building was constructed, the number of units recommended previously should be reduced.

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

6. Utilize the Housing Choice Voucher Program

Findings: The Housing Choice Voucher Program provides portable, tenant-based rent assistance to lower income renter households. The program requires participating households to contribute from 30% to 40% of their adjusted income for rent, with the rent subsidy payment making up the difference. Tenants may lease any suitable rental unit in the community, provided that it passes a Housing Quality Standards inspection, and has a reasonable gross rent when compared to prevailing rents in the community.

Although the federal government provides almost no funding for subsidized housing construction, it has provided new Housing Choice Voucher allocations over the last two decades.

Based on the research for this study, it appears that the Housing Choice Voucher Program is an underutilized form of subsidized housing in Rolla. Because of the flexibility offered through the program, eligible households often prefer the portable rent assistance to other forms of subsidized housing that are project-based, and can only be accessed by living in a specific rental development.

The Housing Choice Voucher Program is administered in Rolette County by the Rolette County Housing Authority. There currently are Housing Choice Vouchers available. The Rolette County Housing Authority has the ability to issue approximately 64 Vouchers. Currently, approximately 54 Vouchers have been issued, thus, 10 Vouchers are currently available.

Recommendation: The Rolette County Housing Authority should continue to work with Rolla households and rental property owners to assure that they are aware of the Housing Choice Voucher Program and have to the opportunity to apply for a voucher.

Currently, the Housing Choice Voucher Program is underutilized and Vouchers are available. Also, if new rental units are constructed in Rolla, new tenants could potentially have access to Housing Choice Vouchers.

Home Ownership

Findings: Expanding home ownership opportunities is one of the primary goals for most cities. High rates of home ownership promote stable communities and strengthen the local tax base. The median owner-occupied home value in Rolla is estimated to be approximately \$70,000 based on 2012 and 2013 sales activity. The home values in Rolla provide an excellent opportunity for first time buyers and households seeking moderately priced homes.

Our analysis of Rolette County demographic trends shows an increasing number of households in the traditionally strong home ownership age ranges between 55 and 74 years old. Household growth is also projected in the 25 to 44 age ranges who are typically first-time home buyers. Some households in these age ranges as well as other age ranges that have not been able to achieve the goal of home ownership may need the assistance of special programs to help them purchase their first home.

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

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

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

First time home buyer assistance, down payment assistance, low interest loans and home ownership counseling and training programs can help to address affordable housing issues. The City of Rolla has a supply of houses that are price-eligible for these assistance programs. The home value estimates used in this study indicate that a large majority of the existing stock currently is valued under the purchase price limits for the first-time home buyer assistance programs.

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

Recommendation: Rolla should continue to work with area housing agencies, the North Dakota Housing Finance Agency and local financial institutions to utilize all available home ownership assistance programs. Private and nonprofit agencies should also be encouraged to provide home ownership opportunities.

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

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

8. Develop a Purchase/ Rehabilitation Program

Findings: Rolla has a stock of older, lower valued homes, some of which need repairs. The City also has a limited number of vacant homes. The median estimated market value for homes in Rolla is \$70,000. As some of the homes below the median price come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

The Home ownership and Rehabilitation Program (HARP) has been developed by the North Dakota Finance Agency. Under the program, the North Dakota Housing Finance Agency purchases an existing home that needs rehabilitation, rehabilitates the home, sells the home to a low income family and provides a mortgage and a monthly payment that are affordable for the family. The HARP Program accomplishes many community goals, including the promotion of home ownership for lower income people, and the repair of substandard housing units.

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

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

Recommendation: We recommend that the City of Rolla consider the creation of a rehab/purchase program for existing houses. Area housing agencies and financial institutions could assist by offering some rehabilitation assistance in conjunction with first-time buyer programs to make the City's older housing a more attractive option for potential home buyers. Also, Rural Development provides mortgage funds to purchase a home and to make repairs to the home.

Attitudinal surveys that we have conducted in other cities have found that purchase/rehabilitation programs are appealing to people who are currently renting their housing. In some similar sized communities, more than 80% of survey respondents who were renters indicated an interest in buying a home in need of repair if rehabilitation assistance was also available.

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

Single Family Housing Development

Findings: Based on City and U.S. Census Bureau information, Rolla has experienced some single family housing development from 2000 to 2013. Over the past 14 years, 10 single family homes have been constructed in Rolla. This is an average of approximately one home constructed annually in Rolla. Eight of the 10 homes were constructed from 2000 to 2004. Only two homes have been constructed in Rolla from 2005 to the present.

Household growth projections for Rolla indicate some demand for owner-occupied housing construction. Relatively strong growth is anticipated over the next five years among Rolla and Rolette County households in the 55 and 74 year old age ranges. Households in these age ranges tend to be predominantly home owners, and form a market for higher priced, and trade-up housing or town homes/twin homes.

Growth projections estimate that households in the 25 to 44 age ranges will also have some limited growth from 2010 to 2015. Some households in these age ranges are first-time home buyers and may be in the market for new affordable homes.

It is our opinion that if the City, housing agencies, and builders are proactive, eight to 12 homes can be constructed or moved into Rolla from 2014 to 2019. The projected breakdown of new owner-occupied housing units over the next five years is as follows:

▶ Higher and Median priced homes	2-3
▶ Affordable Homes	2-3
▶ Twin homes/Townhome	<u>4-6</u>
Total	8-12

9. Support the development of 10 to 12 lots

Findings: As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in Rolla. Buildable lots are defined as having sewer, water, streets, curbs and gutter. We did not identify any available buildable lots in newer subdivisions.

There are infill lots that are potentially available throughout the City. We do not know the status of these lots. Also, there are dilapidated houses throughout the City that could be demolished and the lots could potentially be suitable for new construction.

Also, the Munro parcel is platted, but has not been developed. Additionally, a local land owner is in the planning phase of developing six to eight lots on property that he owns.

Recommendation: We use a standard that a 2.5-year supply of lots should be available in the marketplace, based on annual lot usage. Using our projections that two to three houses will be constructed or moved in annually, an adequate supply of lots would be five to eight lots. With only infill lots potentially available, there is currently a shortage of lots available in Rolla.

If new construction projections come to fruition, there is an immediate need for lot development. We recommend the development of 10 to 12 lots, which should include the following:

- ▶ The subdivision should be approximately 10 to 12 lots, but the subdivision and infrastructure should be planned and developed to accommodate future phases if land is available. Two smaller subdivisions could also be developed to address the area's demand.
- ▶ The subdivision or subdivisions must be as aesthetically acceptable as possible.
- ▶ The subdivisions should accommodate a variety of home designs and home prices, but quality should not be compromised.
- ▶ Major employers should be involved in the financing and publicity.
- ▶ Successful subdivisions will need the cooperation of local housing agencies, funding agencies, employers, the City of Rolla and the private sector.
- ▶ A portion of the lots should accommodate twin homes

We are estimating a five-to-six year lot absorption timeframe for 10 to 12 lots.

It may be necessary for the City of Rolla, the Rolla Job Development Authority, the Rolla Development Corporation or a local or regional housing agency to assist a developer or potentially partner with a developer to develop a subdivision or subdivisions. It is very difficult and a risk for a developer to develop a subdivision, especially in a small community.

10. Develop a City of Rolla Housing Incentive Program

Findings: Several cities have developed Incentive Programs to encourage new home construction. For example, the City of Herreid in South Dakota has developed the following program. The Incentive Program guidelines are as follows:

- ▶ A loan up to \$1,000 per person not to exceed \$5,000 per family is awarded to a person or family for the construction of a new home located within the city limits
- ▶ 0% interest and no principal due for five years - after five years of residency, the loan is forgiven
- ▶ The loan must be used toward down payment or closing costs - not applicable if financing is not required
- ▶ Homes \$100,000 and over may qualify for the \$5,000 maximum, homes under \$100,000 will be prorated based on 5% of the purchase price

Recommendation: We recommend that the City of Rolla develop an Incentive Program to promote new single family housing development. In addition to a cash payment, other incentives can include:

- ▶ Reduced lot prices
- ▶ Free water and sewer for a period of time
- ▶ Permit and water and sewer hookup fees waived or discounted
- ▶ Discounts at area businesses

11. Continue to coordinate with economic development agencies, housing agencies and nonprofit groups to construct affordable housing

Findings: There are several housing agencies and nonprofit groups that may have the capacity to construct new housing in Rolla for home ownership, including the Rolla Development Corporation, the Rolette County Housing Authority and the Rolla Job Development Authority.

The Rolla Development Corporation and the Rolette County Housing Authority have constructed 44 rental units in the past, but have not constructed owner-occupied units.

Recommendation: We encourage the City of Rolla to work with economic development and housing agencies and nonprofit groups to develop affordable housing.

As the housing economy continues to improve and home values increase, new affordable home construction production in Rolla will be more feasible.

The City could assist in developing affordable housing with land donations, tax increment financing, reduced water and sewer hook up fees, etc.

12. Promote twin home/town home development

Findings: Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making homes available for families. It is important for the community to offer a range of life-cycle housing options. From 2000 to 2013, only one twinhome has been constructed in Rolla and it was constructed for rental occupancy.

In 2010, there were 1,431 Rolette County households in the 55 to 74 year old age ranges and these age ranges are expected to increase by 272 households between 2010 and 2015. Household growth among empty-nester and senior households should result in some demand for attached single family units. It is likely that demand for attached housing units will also be dependent on the product's ability to gain additional market acceptance among the households in the prime target market.

Recommendation: It is our projection that approximately four to six new owner-occupied twin homes could be constructed in Rolla over the next five years. Our projection is based on the availability of an ideal location for twin home development as well as high quality design and workmanship.

We recommend that for twin home development to be successful, the following should be considered:

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

Rolla's role could include assuring that adequate land is available for development and that zoning allows for attached housing construction. The City, the Rolla Job Development Authority and the Rolla Development Corporation could also provide financial assistance in the form of land donations, tax increment financing, etc. They could also form a partnership with a private developer.

A corporation has been developed in Arlington, MN, that includes local contractors, the local bank, the local lumberyard and local investors to construct twin homes. They have been very successful.

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

Housing Rehabilitation

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

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

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

13. Promote rental housing rehabilitation

Findings: Based on the U.S. Census data, the City of Rolla had approximately 256 rental units in 2010. These rental buildings are in multi-family projects, small rental buildings, duplexes, single family homes and mobile homes. Many of these rental structures could benefit from rehabilitation as many of these rental structures are more than 25 years old and some rental units are in poor condition.

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

Recommendation: The City of Rolla should work with housing agencies to seek funds that allow for program design flexibility that make a rental rehabilitation program workable. The North Central Planning Council may have Community Development Block Grant funds available for the renovation of publically owned rental projects. Other potential funding sources may include USDA Rural Development, the North Dakota Housing Finance Agency and the Federal Home Loan Bank.

14. Promote owner-occupied housing rehabilitation efforts

Findings: The affordability and quality of the existing housing stock in Rolla will continue to be an attraction for families that are seeking housing in Rolla. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities.

Our housing condition survey of 168 homes in two Rolla neighborhoods found 55 homes that need minor repairs and 40 homes that need major repairs. Without rehabilitation assistance, the affordable housing stock will shrink in Rolla.

Recommendation: We recommend that the City of Rolla and local housing and economic development agencies continue to seek local, state and federal funds to assist in financing housing rehabilitation. USDA Rural Development, the North Dakota Housing Finance Agency, the Federal Home Loan Bank and HUD are potential funding sources.

Also, the Turtle Mountain Housing Authority has housing programs to assist households with the rehabilitation of their homes and the Dakota Prairie Community Action Agency provides Weatherization funds for Rolla and Rolette County. Additionally, a Revitalize Rolla Committee has been established to renovate historic structures.

Some programs offer households that meet program requirements for a deferred loan to rehabilitate their homes. Deferred loans do not have to be paid back if the household lives in the rehabilitated home for a stipulated amount of time after the rehabilitation is completed. We encourage Rolla and Rolette County households to continue to utilize these housing rehabilitation programs.

Other Housing Initiatives

15. Encourage employer involvement in housing

Findings: The City of Rolla has several large employers. The connection between economic development and housing availability has become an increasingly important issue to attract new workers into the community.

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

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

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

16. Acquire and demolish dilapidated structures

Findings: Our housing condition survey identified 16 single family houses in two Rolla neighborhoods that are dilapidated and too deteriorated to rehabilitate. We also identified 40 single family houses in the two neighborhoods as needing major repair and several of these homes may also be too dilapidated to rehabilitate. To improve the quality of the housing stock and to maintain the appearance of the City, these structures should be demolished. In the past, the City has worked with property owners to demolish several dilapidated structures.

Recommendation: Rolla should continue to work with property owners to demolish severely dilapidated structures. The appearance of the City is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can be utilized for the construction of new affordable housing units.

Some cities are developing ordinances that give cities more authority to require property owners to demolish vacant, dilapidated homes.

17. Create a plan and a coordinated effort among housing and economic development agencies

Findings: Rolla will continue to need staff resources in addition to existing City and Rolla Job Development Authority personnel and local volunteers to plan and implement many of the housing recommendations advanced in this Study. The City of Rolla has access to the USDA Rural Development Office, the North Dakota Finance Agency, the Rolla Job Development Authority, the East Dakota Housing Alliance, the Dakota Prairie Community Action Agency, the North Central Planning Council, the Rolla Development Corporation, the Rolette County Housing Authority and the Turtle Mountain Housing Authority. These agencies all have experience with housing and community development programs.

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

It will also be important for the City of Rolla to continue to look for opportunities to work cooperatively with other area cities and the Turtle Mountain Reservation to address housing issues. With the number of small cities in the Region, and limited staff capacity at both the city and county levels, cooperative efforts may be the only way to accomplish certain projects. Cooperative efforts will not only make housing projects more practical, but they will often be more cost-effective and competitive.

18. Consider a mobile home time-of-sale inspection program

Findings: Community Partners Research, Inc., has conducted a condition survey of 56 mobile homes in the City of Rolla. Ten mobile homes require minor repairs, 18 homes require major repairs and 15 mobile homes are dilapidated and beyond repair.

Recommendation: Some communities have adopted a time of sale inspection program. This inspection is designed to provide safe living conditions to community residents through the identification and elimination of basic life/safety hazards in older mobile homes. Mobile homes are inspected prior to their sale. All identified safety hazards must be corrected before the unit can be sold or occupied.

19. Continue to promote commercial rehabilitation and development

Findings: The City of Rolla's commercial district is in good condition, and several commercial buildings have been renovated, however, there are several substandard commercial buildings in Rolla.

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

The owners of commercial buildings have access to the Renaissance Zone Program. Also, the Rolla Job Development Authority has a program that provides funds to assist property owners with the renovation of their buildings.

Recommendation: We recommend that the City of Rolla, the Rolla Job Development Authority and the Rolla Development Corporation continue to work with commercial property and business owners to rehabilitate their buildings. Also, new businesses should continue to be encouraged to locate in Rolla.

We also recommend that the City, the Rolla Job Authority and the Rolla Development Corporation continue to review the programs that are available to property owners to assure that the programs are utilized and maximized. Meetings with property owners may be advantageous to determine how the programs can be maximized.

A goal of two commercial rehab projects annually in Rolla would be realistic.

20. Competition with other jurisdictions

Findings: During the interview process, several individuals expressed concern regarding the City of Rolla's ability to compete for new residents and new housing development in the region.

Recommendation: The City of Rolla can enhance its position as a viable location for new households. We recommend the following:

- ▶ Determine the City's strengths and competitive advantages and heavily promote them
- ▶ Continue to create marketing materials that can be distributed regionally (including the internet, TV, radio, etc.)
- ▶ Target people who grew up in Rolla to move back to Rolla
- ▶ Continue to work on the creation of jobs and the development of retail, service and recreational opportunities that make the City a "full service" community
- ▶ Provide attractive lots at an affordable price for a variety of home sizes, styles and price ranges
- ▶ Provide financing mechanisms for households to build new homes, purchase existing homes and to rehabilitate older homes
- ▶ Preserve the quality of existing neighborhoods through the rehabilitation of substandard housing and the demolition of dilapidated structures that are beyond repair
- ▶ Continue to develop new housing choices that serve life-cycle housing needs, such as new rental housing, twin homes, etc.
- ▶ Publicize and market Rolla throughout the Region and among area employers and employees
- ▶ Work with the School District to assure its stability and continued ability to provide a high quality education
- ▶ Develop a coordinated plan with area housing and economic development agencies

Agencies and Resources

The following regional and state agencies have the capacity to administer programs or provide funds for housing programs and projects in the City of Rolla and Rolette County.

Dakota Prairie Community Action Agency

223 4th Street
Devils Lake, ND 58301
(701) 662-3099

North Central Planning Council

Memorial Building
P.O. Box 651
Devils Lake, ND 58301
(701) 662-8131

North Dakota Housing Finance Agency

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

USDA Rural Development

Federal Building, Room 208
220 East Rosser Avenue
P.O. Box 1737
Bismarck, ND 58502
(701) 530-2037

Eastern Dakota Housing Alliance

3233 South University Drive
Fargo, ND 58104
(701) 364-2833