

FACES OF HOME

Able to Stay in My Community

Alerene Hoffman's home in New Rockford, N.D., was getting to be just a little too much for her to handle. This retired widow loved spending time in her garden tending to her flowers but health issues slowed her down and she wished for something smaller with less maintenance and no steps. She also wanted to stay in the town she had called home for years.

Hoffman moved into one of Eddy County Housing Authority's new twin homes on June 1 fulfilling all those wishes.

Hoffman and her husband Robert raised five children on a farm north of town. She spent 30 years working at the Lutheran Home of the Good Shepherd, an 80-bed nursing home in the rural North Dakota town. When her husband was injured in a construction accident, she was the main bread winner and they moved from the farm to a large home in town. After her husband passed away, she moved into a smaller house on First Avenue. Now, she says, it's time for something with fewer steps.

When the twin homes were completed this spring, Hoffman was one of the lucky ones chosen to live in the rental units which went fast and now have a waiting list.

"This will be a wonderful experience for me," Hoffman said. "I don't have to mow the grass or shovel snow or any of that. This will just be great. These are such nice homes."

Eddy County Housing Authority took on the twin home project in 2010 to help alleviate a rental housing shortage in the community of about 1,400 people. There are two sets of twin homes with two-bedroom units on Seventh Street and three-bedroom units on Third Avenue.

"The response to this project was just



tremendous and really showed us the housing situation in the community," said

Tracy Henningsgard, executive director of the Eddy County Housing Authority. "We've had a lot of interest with over 25 families expressing interest in renting."

Hoffman agrees. "I think it is just wonderful that I can step out of my garage straight into my apartment and not have to worry about steps," she said. "There are a lot of us in town that are at that point where we have to take a step back and these apartments are just such a help."

This is the housing authority's first venture as property owners and came in response to low rental vacancy rates and aging housing stock in the town.

New Rockford Mayor Jim Belquist said there are a number of houses in such disrepair in the community that the city would soon be condemning them. He hoped that the Eddy County Housing project might spur other developments like it. "That will open up some lots so hopefully we can get some other new homes going in town," he said.

Henningsgard said they looked at three

things to make this project viable: controlling the costs, low-cost financing and low rents. "We looked at tax credits and other programs but those didn't work well with a small project like this," said Henningsgard.

Instead they used an Essential Function Bond through local lender Bank Forward, a U.S. Department of Housing and Urban Development HOME program loan from Eastern Dakota Housing Alliance, and cash contributions from Eddy County Housing and the New Rockford Area Betterment Corp. in addition to a \$50,000 Rural Housing Investment Incentive Program (RHIP) allocation from the North Dakota Housing Finance Agency (NDHFA).

"Without any of these, this would have

been a dead project," Henningsgard said.

The RHIP program was established as a pilot to help address the unique challenges to housing development in rural communities. NDHFA utilized \$400,000 of reserve

Rural Housing Investment Incentive

In 2009, the Industrial Commission approved a pilot program that it hoped would assist in overcoming these obstacles. The program supported the development of single- or multi-family housing, or the substantial rehab of existing structures in difficult to develop areas of the state by offering a dollar for dollar match for private sector investment.

funds for the program which has been a resounding success leveraging more than \$6.6 million in housing activity in rural North Dakota.

In the New Rockford project, the RHIP award was matched with \$60,000 in equity investments. That had the effect of helping ease the \$225,000 projected appraisal gap on the project and lowering required rents by \$126 on average enabling affordable rents for low-income families.

NDHFA Director of Planning and Housing Development Jolene Kline said RHIP did just what it was supposed to. "New Rockford epitomizes the pilot," she said. "It addresses the valuation gap and affordability."

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