

State of Region 4 Highlights

- 130 BR&E Interviews conducted in 2022 revealed the need for 1,500 new rural employees
- Approx. 1,000 H2A agriculture workers (21% of the state's total). Rural healthcare and education with high level of immigrant and visa employees.
- Regional focus on high school and collegiate workforce development
- Record enrollment at UND including incoming on-campus freshman class
- Strong job growth forecasts for Grand Sky and the defense-related missions
- Wages are up 27% since 2019, but remain below ND
- 18 of the 41 rural communities grew last decade



2024 REGION 4 RURAL HOUSING STUDY

Our forward-looking methodology focused on community engagement to capture the opportunity ahead in Region 4. Public input included a 10-person steering committee, 12 stakeholder interviews, 14 focus groups, 3 build sessions, and a public survey.

SURVEY FINDINGS

- 77%** of employers surveyed believe that a lack of suitable housing will affect their business
- 50%** nearly half of all survey respondents know someone who would like to move to the region but are unable to due to the lack of suitable housing
- 43%** of survey respondents would sell their home if suitable housing was available in their community

NEW UNITS NEEDED BY 2030

Region 4 Total
4,800 or 960/yr
Grand Forks County (only)
2,414 or 483/yr

TOP NEEDS IDENTIFIED

- Entry level home ownership opportunities
- Low interest loans for single family rehabilitation
- market rate rental housing
- affordable rental housing

RECOMMENDED STRATEGIES

1. Enable new construction
2. Encourage innovation
3. Facilitate redevelopment, reuse, and repair
4. Develop workforce and human capital
5. Invest in expansion of funding resources

HOUSING CHALLENGES

- Land availability
- Development Costs
- Financing
- Market Conditions
- Expectations

State of Region 4's Housing Work

Spark Build

ENABLING NEW CONSTRUCTION. After the 2024 launch of our Spark Build initiative, we continue building and selling single family homes in rural communities using North Dakota Housing Incentive Fund and local bank financing. Lakota, Larimore, Park River, Minto, Grafton, Michigan, Hoople.

Attainable Rental Housing

ENABLING NEW CONSTRUCTION. We are partnering with Grand Forks Homes, Grand Forks Housing Authority, and a private developer to apply for housing tax credits to build rental housing with lower rents to meet current market need. Lower rents mean less debt. Layered capital stack and reduced operating costs can make these projects work.

Modular & Manufactured Housing

ENCOURAGE HOUSING INNOVATION. We recently received grant funding to explore modular and manufactured housing as a lower cost option for homeownership. We are looking at highly energy efficient homes on permanent foundations, production volume, and planning and zoning barriers to this type of housing. Identifying communities to pilot this in 2026.

Single Family Rehabilitation

REDEVELOPMENT, REUSE, AND REPAIR. We secured funding from the Federal Home Loan Bank of Des Moines to do owner occupied rehabilitation for households earning 80% of AMI or less. Rehab on homes owned by veterans and seniors a priority. Goal to do 20 homes with current funding.

Entry Level Homeownership

INVEST IN EXPANSION OF HOUSING RESOURCES. According to a 2024 study by NAHB, 50% of Americans can not afford a \$250,000 home. The same can be said for North Dakota. We are working to attract New Market Tax Credits investment to finance construction of for sale homes in eligible communities. This funding will reduce development costs and allow us to sell at a more affordable price.

Increasing Housing Affordability

- Smaller lot sizes
- Smaller but “big enough” square footage
- Reduce debt (development subsidy)
- Reduces operating costs
- Fewer amenities
- Rental assistance



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The Math

According to NHBA, the average price of a new home nationally in 2024 was \$459,000.

75% of Americans cannot afford that home.

Over 40 percent of Grand Forks County residents under the age of 25 – requiring entry level home ownership opportunities.

50% of households cannot afford a \$250k house

\$68,450	GF County median household income
28%	percent of income toward housing payment
\$1,500	affordable monthly payment (does not include taxes, insurance, PMI)
\$237,000	affordable mortgage (6.5% interest, 30 years fixed)

How do we build what people CAN afford?

What roles could the County play?

- Establish parameters for the type of housing the county would help financially and what the options are.
- Help to remove dilapidated properties
- Inventory available residential lots and farmsteads, owner, willingness to sell
- Tax unoccupied properties at a higher rate
- Negotiate Payment in Lieu of Taxes
- Flex Pace interest rate buy down
- Support creation of a regional housing fund
- Advocate for state housing infrastructure matching grants similar to SB 2225 (2025)

Typical Single Family Development Costs

64%	Construction
14%	Finished Lot
7.6%	Soft Costs
3.4%	Sales Commission
11%	Profit

(NHBA, 2024)

Strategies

1

ENABLE

NEW CONSTRUCTION

LOCAL. REGIONAL.

Catalyze new housing development with zoning changes, incentives, and partnerships with builders & employers.

LOCAL. REGIONAL.

Inventory and aggregate region-wide needs and assets to create scale to attract builders and developers

LOCAL. REGIONAL. Explore nontraditional ownership models such as coops and land trusts.

LOCAL. REGIONAL. Reach out to owners of underutilized property to encourage them to sell

LOCAL. STATE. Expand infrastructure to create additional buildable lots.

2

ENCOURAGE

HOUSING INNOVATION

LOCAL. Enable innovative housing types in individual communities through pilot programs, zoning updates, and districting efforts.

LOCAL. REGIONAL.

Incentivize transfer of ownership of larger existing homes occupied by singles, to ownership by families.

REGIONAL. Educate regional leaders and residents on alternative housing types such as accessory dwelling units (ADU's) cooperative housing, and modular construction.

REGIONAL. STATE. Support homebuyer education and financial fitness classes.

EMPLOYERS. Invest in solutions that increase availability of employee housing.

3

DEVELOP

WORKFORCE & HUMAN CAPITAL

LOCAL. Advance age appropriate educational opportunities to increase exposure and understanding of building trades and apprentice programs.

REGIONAL. Develop a stronger understanding of the region's workforce needs as they relate to housing development.

REGIONAL. Highlight housing development, construction, and back office opportunities for regional entrepreneurs.

REGIONAL. STATE. Support operations and growth of regional organizations to maintain professional capacity in housing & community development in the region.

4

FACILITATE

REDEVELOPMENT, REUSE & REPAIR

LOCAL. Target individual homes for demolition and/or redevelopment, effecting incremental progress in creating new housing at a regional level.

LOCAL. Incentivize upkeep and productive use of property; disincentivize blight, vacancy, and under investment

LOCAL. REGIONAL. Inventory vacant and underutilized properties in the community/ region to facilitate redevelopment

REGIONAL. Explore and develop funding tools, policies, and marketing strategies that increase the volume of housing redevelopment, reuse, and repair in the region.

5

INVEST

FUNDING

LOCAL. EMPLOYERS.

REGIONAL. STATE. Explore creation of new regional housing development funding programs such as CDFI, Housing Trust Fund, or Investment Co-ops. Local money = local place based solutions.

REGIONAL. STATE.

Invest in regional housing development capacity by supporting operations and growth of the non-profit Red River Community Housing Development Organization (CHDO).

STATE.

Leverage and expand existing statewide finance programs such as the Housing Incentive Fund (HIF), Flex PACE for housing, R-WISH, and Slum & Blight Elimination Grants.

STATE.

Raise the \$150,000 maximum on the two year tax abatement cities can offer for new home construction.