

Essential Service Worker housing update
North Dakota Housing Finance Agency
Division of the State Industrial Commission
Jolene Kline, Executive Director

June 27, 2016

Chairman Lee and members of the Budget Section:

North Dakota Century Code requires that the housing finance agency shall maintain a register reflecting the number of housing units owned or master leased by cities, counties, school districts, or other employers of Essential Service Workers (ESW). This register must also reflect those entities that are providing rent subsidies for their essential workers. I am here to provide a quarterly report on progress being made in reducing those numbers.

After surveying public entities and medical facilities on the register this month, there are some generally positive changes to the numbers I reported in March. The number of owned units decreased by 80; 179 fewer units are being master leased; and an additional 10 rent subsidies are being provided. Below is the breakdown between the employer types:

Type of Respondent	Number of Units Owned	Number of Units Master Leased	Number of Rent Subsidies Provided
City	29	88	179
County	34	0	3
First Responder*	15	0	20
Medical**	98	37	0
School Districts	224	4	0
Total	400	129	202

Reported in March 2016	480	308	192
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*Includes law enforcement, emergency medical services and fire departments

** Includes nursing facilities, hospitals and basic care facilities

On the rent subsidy numbers, the City of Williston is the largest with 175. They have a two-tier plan to end the subsidies with half coming to an end by end of year 2016 and the rest by end of year 2017. The increase in subsidies they are providing is due to additional staff coming on board – specifically a full-time fire department. The North Dakota Highway Patrol provides 14 rent subsidies and plans to end them by July 1, 2017, or sooner depending on funding. Other entities indicated they would make decisions regarding future rent subsidies based on the availability of funding. The rent subsidies provided by all entities vary from about \$175 to \$600 per month.

We attribute the dramatic change in the master leased units to confusion about what was meant by master-leasing in previous surveys. We clarified the language to seek out only those entities leasing units from private landlords on behalf of employees. Previously, it is believed, entities which owned units and leased them to their employees were reporting these as master-leased units. Again, the City of Williston has the largest number of master-leased units at 87, but plans to end them in 2018. A number of the other master leases will end as the current leases expire.

On the ownership side, there have been reductions in the number of units owned by cities, counties, first responders and medical facilities. Schools remain largely unchanged from previous reports. A large majority of housing unit owners do not plan to divest themselves of the housing and report that the housing is used to recruit and retain staff.

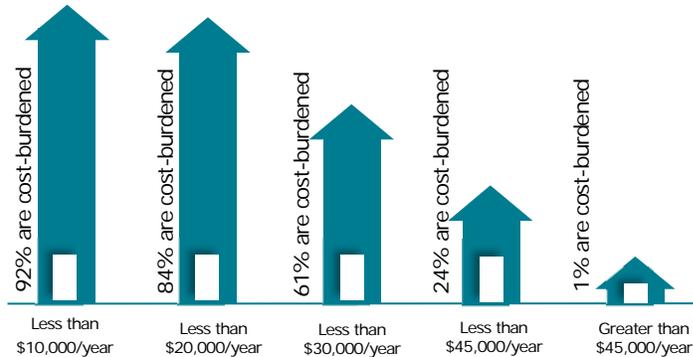
It is important to remember that medical and long-term care facilities that are included in this survey are not public entities, but instead are mostly non-profit organizations. They are included in our count because of the inclusion of medical facilities workers in the definition of ESW under the Housing Incentive Fund.

The Housing Incentive Fund has or will help develop 237 units of ESW housing in the current biennium and 225 units in the previous biennium for a grand total of 462 units that are income- and rent-restricted to ESWs.

One third of North Dakota households live in rental housing.¹ It can be a convenient and economic choice for individuals and families when rents are **affordable**.

Housing is defined as affordable if its occupants pay **no more than 30 percent of their income** on rent. If they pay more than 30 percent, that cost-burdened household has less money to pay for other necessities like food, clothing, healthcare, childcare and education.

Cost-Burdened Households by Income Level in 2014²



\$15.66

The hourly wage needed for a single adult to rent an affordable two-bedroom apartment in North Dakota, costing \$814, based on HUD's fair market rents.

North Dakota occupations that pay less than \$15.66/hr.³

	Daycare Provider	\$9.88		Ambulance Driver	\$11.70
	Waiter/Waitress	\$10.13		Office Assistant	\$12.95
	Grocery Checker	\$10.65		Bank Teller	\$13.57
	Pharmacy Clerk	\$11.21		Dietary Technician	\$14.28

What About Seniors?

For fixed-income households, affordable rent is even more important. On average, North Dakota **seniors receive \$1,152 per month⁴** in social security benefits. If social security is their only source of income, these individuals cannot afford rent greater than \$345 per month.

How are Communities Impacted?

Low-wage earners and seniors help make up an **economically, well-rounded and socially healthy community**. Without affordable housing, jobs remain unfilled, stores close, school districts suffer, we lose our volunteer base, existing businesses are unable to expand and new businesses are unable to open.

¹American Community Survey, 2014; ² National Low Income Housing Coalition tabulations of 2014 American Community Survey;

³ Labor Market Information, Job Service North Dakota, 2015; and ⁴ www.aarp.org.