

Affordability Requires Code Continuity in Minnesota Border Cities

*Presentation by Don Dabbert, Jr. to the
Minnesota Legislative Commission on Housing Affordability
Nov. 2, 2021*



Don Dabbert, Jr.

- ***Builder and Developer since 1991, MN# BC639326 and ND# 38812***
- ***National Association of Home Builders: Senior Life Delegate and North Dakota Representative***
- ***Home Builders Association of Fargo-Moorhead: Board of Directors and Past President***
- ***2021 Minnesota Legislative Assembly: Presenter, SF1114 & HF1402 on Frost Depth***
- ***Minnesota Department of Labor and Industry (DLI): Member, Task Force Advisory Group (TAG) on Frost Depth***

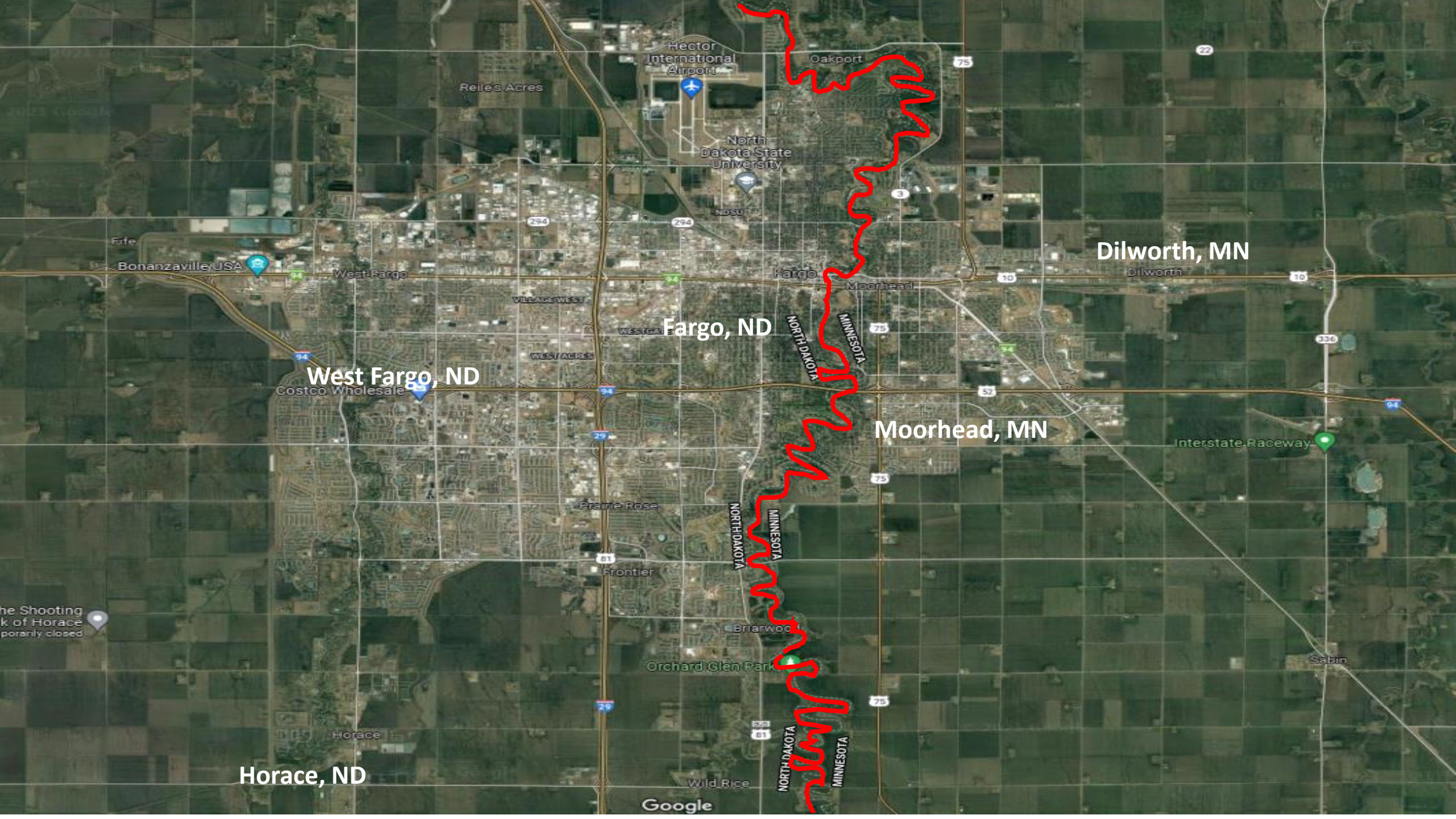
Moorhead, MN
240 miles NW of St. Paul



POPULATION

2010-2020

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | % growth 2010-20 |
|----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------------------|
| Dilworth, MN | 4,024 | 4,068 | 4,090 | 4,133 | 4,187 | 4,369 | 4,419 | 4,422 | 4,438 | 4,422 | 4,414 | 9.1 |
| Moorhead, MN | 38,065 | 40,171 | 40,406 | 40,563 | 41,156 | 41,784 | 42,546 | 43,256 | 43,379 | 43,652 | 44,198 | 16.1 |
| Fargo, ND | 105,549 | 108,142 | 110,881 | 113,739 | 115,715 | 118,093 | 120,149 | 122,420 | 124,091 | 124,662 | 125,804 | 19.2 |
| Horace, ND | 2,430 | 2,471 | 2,521 | 2,565 | 2,559 | 2,553 | 2,650 | 2,728 | 2,830 | 2,944 | 3,172 | 30.5 |
| West Fargo, ND | 25,830 | 26,644 | 27,620 | 29,845 | 31,584 | 33,398 | 34,598 | 35,645 | 36,260 | 37,058 | 38,654 | 49.6 |



Hector International Airport

Oakport

North Dakota State University

Dilworth, MN

Fargo, ND

West Fargo, ND

Moorhead, MN

Horace, ND

Google

HOUSING STARTS

2010 – 2020

(SF, Town, Row, Duplex)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------------|------|------|------|------|------|------|------|------|------|------|------|
| Dilworth, MN | 14 | 16 | 17 | 34 | 49 | 27 | 21 | 7 | 15 | 19 | 17 |
| Moorhead, MN | 165 | 105 | 87 | 133 | 209 | 199 | 169 | 118 | 135 | 125 | 129 |
| Fargo, ND | 334 | 283 | 403 | 521 | 377 | 526 | 476 | 444 | 313 | 312 | 449 |
| Horace, ND | | n/a | n/a | 5 | 5 | 40 | 29 | 42 | 50 | 71 | 86 |
| West Fargo, ND | 198 | 210 | 438 | 487 | 555 | 424 | 445 | 314 | 385 | 312 | 374 |

We cannot spend our way out of
the housing crisis in border cities.

Why?

REGULATORY COST DISPARITIES

Minnesota v. Fargo, ND

2,579 sq. ft. split level

| Code / Category | Additional cost to comply in MN v. Fargo |
|--------------------------------------------------------------|------------------------------------------|
| Passive Radon System | \$650.00 |
| Hot Water Pipe Insulation | \$750.00 |
| Final Plumbing Test | \$650.00 |
| Air Exchanger | \$2,750.00 |
| Blower Door Test | \$500.00 |
| HVAC Hard Pipe, Sealing and Testing | \$750.00 |
| 2" Rigid Foundation Insulation, Slip Sheet ; 60" Frost Depth | \$3,900.00 |
| Surge Protector for Electrical Panel | \$125.00 |
| Floor Truss Blocking - Framing | \$1,500.00 |
| TOTAL COST of COMPLIANCE | \$11,575.00 |

REGULATORY COST DISPARITIES

Minnesota v. Fargo, ND

1,540 sq. ft. rambler

| Code / Category | Additional cost to comply in MN v. Fargo |
|--------------------------------------------------------------|------------------------------------------|
| Passive Radon System | \$550.00 |
| Hot Water Pipe Insulation | \$600.00 |
| Final Plumbing Test | \$650.00 |
| Air Exchanger | \$2,750.00 |
| Blower Door Test | \$500.00 |
| HVAC Hard Pipe, Sealing and Testing | \$575.00 |
| 2" Rigid Foundation Insulation, Slip Sheet ; 60" Frost Depth | \$2,800.00 |
| Surge Protector for Electrical Panel | \$125.00 |
| Floor Truss Blocking - Framing | \$1,500.00 |
| TOTAL COST of COMPLIANCE | \$10,050.00 |

Table 3 Households Priced Out of the Market by a \$1,000 Price Increase, 2021

| Metro Area | Median New Home Price | Income Needed to Qualify | Households | | |
|-------------------|-----------------------|--------------------------|------------|-----------------------------|------------------------------------------|
| | | | All | Who Can Afford Median Price | Who Can't Afford Median Price Priced Out |
| Evansville, IN-KY | 329,086 | 74,241 | 132,592 | 49,595 | 180 |
| Fairbanks, AK | 547,764 | 128,639 | 33,967 | 11,056 | 26 |
| Fargo, ND-MN | 286,173 | 67,105 | 114,384 | 52,371 | 200 |



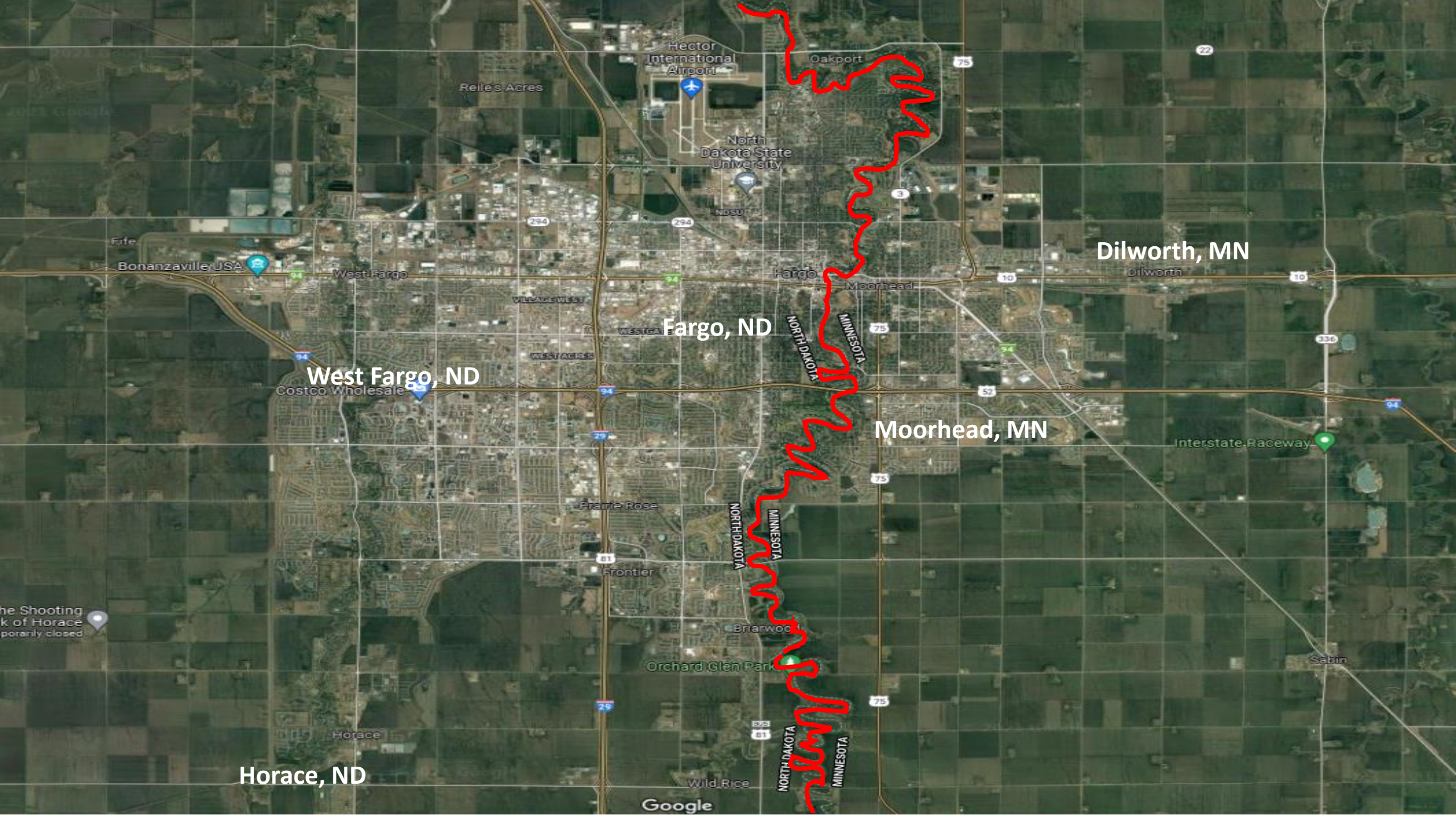
**National Association
of Home Builders**

Who has the authority to
correct these problems?



Suggestion

Regulate border cities as ecosystems.



Hector International Airport

Oakport

North Dakota State University

Dilworth, MN

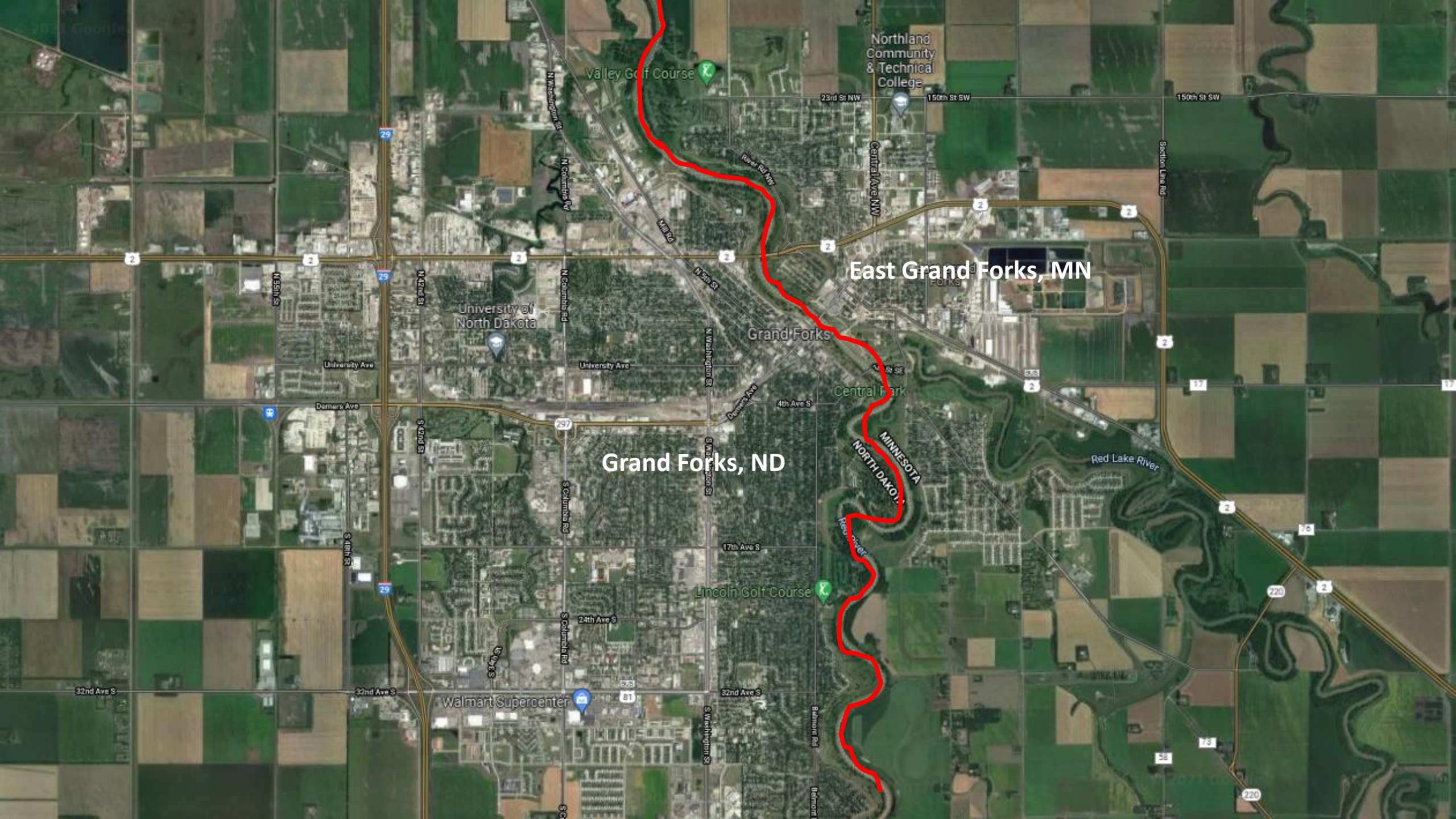
Fargo, ND

West Fargo, ND

Moorhead, MN

Horace, ND

Google



East Grand Forks, MN

Grand Forks, ND

Suggestion

Recognize the diversity of needs and what's reasonable.

Moorhead, MN
240 miles NW of St. Paul





East Grand Forks, MN
326 miles NW of St. Paul

MINNESOTA

POPULATED PLACES

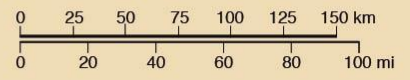
- 100,000 – 499,999 • Minneapolis
- 25,000 – 99,999 • Duluth
- 24,999 and less • Hibbing
- State capital ★ St Paul
- Urban areas ■

TRANSPORTATION

- Interstate: limited access highway
- Other principal highway
- Railroad

PHYSICAL FEATURES

- Streams
- Lakes
- Highest elevation in state (feet) +2301
- The lowest elevation in Minnesota is 600 feet above sea level (Lake Superior).



Proof of partnership and progress
towards homeownership.



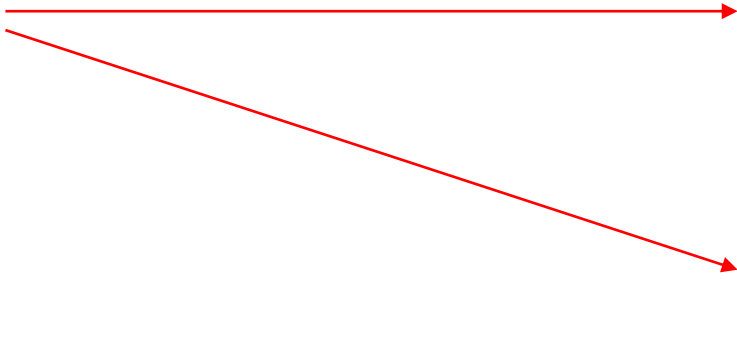
**DEPARTMENT OF
LABOR AND INDUSTRY**

2021 Frost Depth Study TAG



DEPARTMENT OF LABOR AND INDUSTRY

2021 Frost Depth Study TAG



Legislative News and Views - Rep. Heather Keeler (DFL)
[Back to profile](#)

Rep. Keeler and Sen. Eken work with state agencies to make homes in Moorhead more affordable

Wednesday, September 22, 2021 [Tweet](#)

MN modifies building foundation requirements, saving thousands in new construction




File photo of building materials. (ky3)
By [Jordan Schroerer](#)
Published: Sep. 23, 2021 at 10:00 AM CDT

REAL ESTATE

Reduced frost depth requirements expected to lower Minnesota housing costs

The revised requirements are expected to reduce home construction costs in Minnesota and make the state more competitive when it comes to attracting new residents.

Written By: [Thomas Evanello](#) | 12:10 pm, Sep. 27, 2021



<https://www.inforum.com/business/real-estate/7208170-Reduced-frost-depth-requirements-expected-to-lower-Minnesota-housing-costs>

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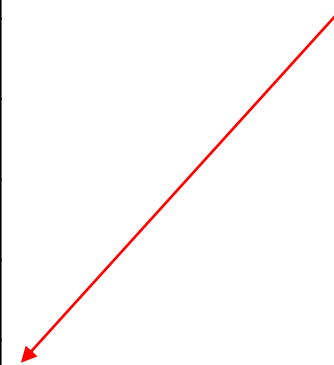
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| TOTAL ADDITIONAL COST of COMPLIANCE | This will vary but be much less. |

This cost savings will vary but the house will be much less thanks to the frost depth task advisory group (TAG).



Suggestion

Don't let
partnership and cost savings be
anomalies.

Executive branch required a legislative nudge to address border cities issues.

“I applaud Rep. Keeler and Sen. Eken for their persistent advocacy on behalf of their constituents. Were it not for their efforts, we wouldn’t have convened a Technical Advisory Group to study this issue and find a creative solution,” said DLI Commissioner Roslyn Robertson.

Suggestion

Urge Department of Labor & Industry
to continue recognizing private
sector and border city
resourcefulness.

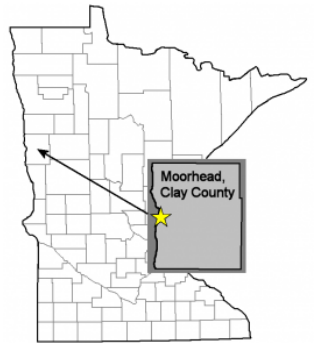
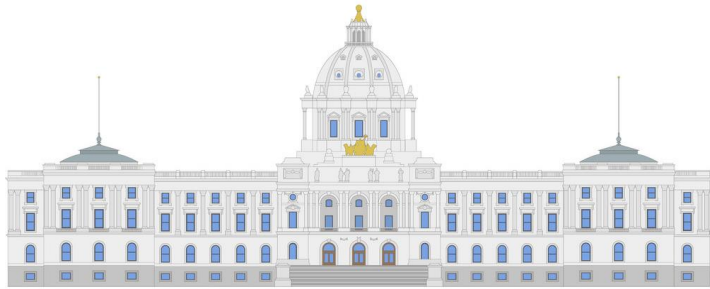
“It is clear technical experts are in the best position to consider and evaluate proposed changes to the building code, and the Construction Codes Advisory Council is the exact venue to review legislation such as this. I urge other legislators to rely on the council for any legislation related to building construction,” says DLI Commissioner Roslyn Robertson.

Suggestion

Rely on the
Construction Code Advisory Council,
but remember Minnesota's
diversity and border cities.

Border cities are
underrepresented.

Let's work together!



Thank you.