Staff Report for 2018 State Board of Equalization

September 24, 2018
File No.: 2018-WILLISTON-NOKOTA  Prepared By: Property Tax Division - KH
County or City: City of Williston
Issue: Protests the assessment of parcel 01-458-00-27-26-700 Nokota Ridge Apartments

Summary: Wiley Barker of Crowley Fleck, PLLP, agent for G.A. Haan Development, protests the assessment on Nokota Ridge Apartments located within the City of Williston.

Analysis: The City of Williston Board of Equalization and the Williams County Board of Equalization approved an assessment of $3,079,000 ($2,305,000 for the land and $774,000 for the improvements). Mr. Ide, the appraiser for G.A. Haan Development believes the assessment took into account the Low Income Housing Tax Credit and states the true and full value is too high.

An onsite inspection was completed on August 20, 2018. The income and sales approach was relied on for value. Cost was not considered in this assessment. Nokota Ridge consists of 40 units:

- 10-2 bed (1070 SF)
- 10-2 bedroom (1025 SF)
- 10-3 bedroom (1227 SF)
- 10-3 bedroom (1271 SF)

There are five two-story buildings with a community center on the property. A 32 unit carport available for rent. At time of site visit, 3 units were vacant. The apartments were built in 2011. The zoning is R-3, multifamily and townhouse density residential. It is in good quality condition. The economic life estimated at 50-60 years, physical age of 7 years, effective age, a remaining economic life estimated 45-50 years. Property is Low Income housing and is bound by the Low Income Housing Tax Program which limits the earning capacity of the property by placing restrictions on the amount charged for rent. Nokota Ridge receives $602,459 low income housing credit per year for 10 years.

The income approach was used because of lack of current comparable sales. In order to account for changing market conditions, the fair market rent value for the City of Williston was used to obtain an assessment value. The assessment reached is $2,401,620.

Recommendation: Direct Williams County to reduce the improvement value by 22% for parcel #01-458-00-27-26-700.