

# Grantee: North Dakota - NDHFA

## Grant: B-11-DN-38-0001

### October 1, 2020 thru December 31, 2020 Performance Report

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<b>Grant Number:</b> B-11-DN-38-0001	<b>Obligation Date:</b>	<b>Award Date:</b>
<b>Grantee Name:</b> North Dakota - NDHFA	<b>Contract End Date:</b>	<b>Review by HUD:</b> Reviewed and Approved
<b>Grant Award Amount:</b> \$5,000,000.00	<b>Grant Status:</b> Active	<b>QPR Contact:</b> No QPR Contact Found
<b>LOCCS Authorized Amount:</b> \$5,000,000.00	<b>Estimated PI/RL Funds:</b> \$1,548,616.88	
<b>Total Budget:</b> \$6,548,616.88		

### Disasters:

#### Declaration Number

NSP

### Narratives

#### Summary of Distribution and Uses of NSP Funds:

2017 Amendment to Abbreviated Plan: NDHFA is amending the Abbreviated Plan effective 09/25/2017 to address changes in areas of greatest need. The 2016 Statewide Needs Assessment identified regions of the largest housing need in Region 1, Region V, Region VII, and Region VII with significant increases in population in communities of Bismarck, Dickinson, Fargo, Minot, West Fargo, and Williston. Largest increases in population will be among the extremely low and very low income households. New primary target areas are census tracts with a NSP 3 needs score of 7 or greater and located in the communities of Bismarck, Dickinson, Fargo, Minot, West Fargo and Williston. Priority will be given to projects that target units specifically designed to support households earning 50% AMI or less. Additionally NDHFA will reduce the dollar amount allocated to administration in order to facilitate an additional application round in 2017. The agency anticipates a total of \$460,000 to be available for activity 7. Original Abbreviated Plan Areas with census tracts of 4 or greater that are of primary focus are located within the communities of Alexander, Belfield, Bowman, Dickinson, Fargo, Glenburn, Grand Forks, Mohall, Ray, Rolla, Rolette, Sherwood, South Heart, Tioga, and Williston. These communities will subsequently be referred to as "primary focus areas". Applications in the first round will be accepted from primary focus areas only. Proposed housing activities in these communities must be located within those census tracts that have a minimum needs score of 4 or greater. Entire communities may not be eligible but, rather, only portions of those communities. Pre-applications narrowed down the communities to: Fargo, Belfield, and Tioga. Program income may be used for additional eligible communities. Many of the primary focus areas are experiencing escalating rental rates and severe shortages of affordable rental housing due to the impact of energy development. Other primary areas were selected based on shortages of housing for special needs populations or higher than average shortages of affordable housing due to other economic or socio-economic factors. Many of these areas are also experiencing higher than normal cost of construction due to a shortage of laborers and materials. The financing of new construction in these areas with conventional debt results in rental rates that are beyond the affordability of low to moderate income households making it essential that the developer is able to access additional soft debt to make the projects financially feasible. Financial resources from NSP3 will help finance construction of housing units targeted for households earning 120% or less of area median income (AMI) and will result in affordable rents that would not be achievable without this soft financing. Potential sub-applicants for NSP3 funding may include (but not necessarily limited to) non-profits and local jurisdictions that have a proven track history of developing housing. Sub-applicants will need to be familiar with Community Development Block Grant (CDBG) requirements and demonstrate a working knowledge of Davis-Bacon, lead based paint requirements, procurement and other federal requirements or have the ability to enter into a contractual relationship with an entity that has this knowledge. 50% of the NSP3 program funds must be spent wit

#### Summary of Distribution and Uses of NSP Funds:

in 24 months and 100% within 36 months and the capacity of the sub-applicant to meet this timeline will be considered during the review of pre-applications. Comments to this Draft Abbreviated Plan will be accepted through Febru

#### How Fund Use Addresses Market Conditions:

September 2017: Greatest need was determined by first identifying regions and communities with the greatest housing needs from the 2016 North Dakota Statewide Housing Needs Assessment. The assessment can be found at [https://www.ndhfa.org/Publications/NDSHNA\\_2016\\_Component1\\_Final\\_November.pdf](https://www.ndhfa.org/Publications/NDSHNA_2016_Component1_Final_November.pdf). Once the communities of need were identified eligible projects will be located in census tracts that have a minimum needs score of 7. Preference will be given to applications in those areas that can demonstrate a need for units restricted for extremely low income households. Original Abbreviated Plan Areas of primary focus were established by first determining that the communities included census tracts that have a minimum NSP3 needs score of 4 and secondly determining that there was a need for a) additional housing units to address low vacancies or historical high cost rents or b) stabilize communities due to foreclosures or



abandoned/blighted properties. NDHFA is the lead agency for the Statewide Technical Assistance Team (STAT), a collaboration of representatives from other federal and state funding providers, non-profit housing developers and other organizations involved with housing in the state. STAT's mission is to help rural communities identify and address specific housing needs. As part of this effort NDHFA has a strong knowledge base of the housing needs of communities in the State and used this knowledge to help initially define primary focus areas. Further input is solicited through the public comment period. In many communities the demand for housing has been documented through third party housing needs analysis, often financed in part by NDHFA, and these reports should be referenced whenever possible when submitting a pre-application. In the absence of a formal third party analysis, the sub-applicant will be required to provide sufficient market data to support the need and feasibility for the proposed housing activity. North Dakota currently benefits from a strong economy but this is putting upward pressure on housing costs. A growing workforce, particularly in energy impacted areas of the State, is creating high demand for affordable housing. Special consideration will be given to those sub-applications that clearly articulate how the proposed activity will have a positive impact on the area and community by offering affordable housing. Sub-applicants for NSP3 funding must be able to demonstrate experience in working with federal funding programs such as CDBG or a contractual consultant relationship with an experienced CDBG entity. Preference will be given to applications in those areas that can demonstrate a need for long term affordable rental units. Areas of greatest need are initially established using HUD's NSP3 mapping system. North Dakota's minimum need score of 4 was determined by HUD and reflects the 20th percentile of the most needy census tracts in the State. After reviewing the full list of potential eligible areas with a rating of 4 or greater, NDHFA narrowed down the potential eligible areas to 15 communities based on factors such as 1) recognized need for additional affordable housing; 2) perceived impact of housing activity within those targeted areas; 3) presence of experienced potential sub-applicants to undertake activities within those targeted areas; and 4) the reasonableness of housing activities in these targeted areas t

**How Fund Use Addresses Market Conditions:**

o be completed within the short timeframe required under this program. These areas were identified on page 1 as the primary focus are

**Procedures for Preferences for Affordable Rental Dev.:**

Many of the primary focus areas are experiencing escalating rental rates and severe shortages of affordable rental housing due to the impact of energy development. Other primary areas were selected based on shortages of housing for special needs populations or higher than average shortages of affordable housing due to other economic or socio-economic factors. Many of these areas are also experiencing higher than normal cost of construction due to a shortage of laborers and materials. The financing of new construction in these areas with conventional debt results in rental rates that are beyond the affordability of low to moderate income households making it essential that the developer is able to access additional soft debt to make the projects financially feasible. Financial resources from NSP3 will help finance construction of housing units targeted for households earning 120% or less of area median income (AMI) and will result in affordable rents that would not be achievable without this soft financing. Preference will be given to applications in those areas that can demonstrate a need for long term affordable rental units through our scoring mechanism. NDHFA's intent to give preference to affordable rental development is reflected in our targeting of 80% (\$4,000,000) of available funds for long term affordable rental units.

**Ensuring Continued Affordability:**

NDHFA will ensure long term affordability for NSP assisted housing units by following HOME program rules and requiring that a land use restriction agreement or deed restriction be placed on NSP assisted properties dictating affordability in the following manner:

NSP Assistance Per Unit	Minimum Period of Affordability in Years
Under \$15,000	5
\$15,000-\$40,000	10
Over \$40,000	15
New Construction	20

**Definition of Blighted Structure:**

According to the North Dakota Century Code, the term blighted structure shall include, without limitation, any dwelling, garage, or outbuilding, or any factory, shop, store, warehouse or any other structure or part of a structure which, because of fire, wind, or other natural disaster, or physical deterioration, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use.

**Definition of Affordable Rents:**

NDHFA will require all sub-recipients/developers to use HUD published Fair Market Rents (FMRs) for their area. Rents for all NSP assisted units must be at or below FMRs. In addition, units targeted for households at or below 50% AMI will be subject to rents restrictions based on the lesser of FMRs or 30% of 50% of AMI. NDHFA will refer to CFR 92.252 for further rent limitations and qualifications.

**Housing Rehabilitation/New Construction Standards:**

Housing that is rehabilitated with NSP3 funding must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinates at the time of project completion. All housing assisted with NSP funds must meet, at a minimum, the Housing Quality Standards in 24 CFR Part 982.401.

In addition, all gut rehabilitation (i.e., general replacement of the interior or a building that may or may not include changes to structural elements such as flooring systems, columns or load bearing interior or exterior walls) or new construction of residential buildings up to three stories must be designed to meet the standard for Energy Star Qualified New Homes .

Gut rehab or new construction of multifamily housing structures of four or more floors must be designed to meet American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G plus 20 percent (which is the Energy Star standard for multifamily buildings piloted by the Environmental Protection Agency and the Department of Energy.)

Other (less than gut) rehabilitation must meet these standards to the extent applicable to the rehabilitation work undertaken, e.g. replace older obsolete products and appliances (such as windows, doors, lighting, hot water heaters, furnaces, boilers, air conditioning units, refrigerators, clothes washers and dishwashers) with Energy Star-46 labeled products.

Water efficient toilets, showers, and faucets, such as those with the WaterSense label, must be installed.

Applicants are advised to review Attachment C of the NSP3 Notice found at

<http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/5447-N-01NSP3Notice100810.pdf>

for additional information on recommended energy efficient and environmentally-friendly green elements. Pre-applications for funding consideration should include a narrative that addresses these additional elements.

Applicants will be encouraged to exceed these standards through the scoring criteria by awarding points for projects that achieve LEED, Green Communities, or National Association of Homebuilder's National Green Building Standard Certification.



**Vicinity Hiring:**

Applicants will be required to comply, to the maximum extent feasible, with the requirement for the hiring of employees who reside in the vicinity of NSP3 projects or contract with small businesses that are owned and operated by persons residing in the vicinity of the project. This will be a required certification statement on the application and will be monitored for compliance by NDHFA staff.

**Grantee Contact Information:**

NSP3 Program Administrator Contact Information  
 Name (Last, First)  
 North Dakota Housing Finance Agency  
 PO Box 1535  
 Bismarck ND 58502-1535  
 Attn: Jennifer Henderson  
 Email Address  
 jhenderson@nd.gov  
 Phone Number  
 701-328-8085  
 Mailing Address  
 PO Box 1535, Bismarck ND 58502-1535

<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	\$0.00	\$9,330,325.88
<b>Total Budget</b>	\$0.00	\$6,548,616.88
<b>Total Obligated</b>	\$0.00	\$6,548,616.88
<b>Total Funds Drawdown</b>	\$2,185.18	\$6,452,276.23
<b>Program Funds Drawdown</b>	\$0.00	\$4,963,900.49
<b>Program Income Drawdown</b>	\$2,185.18	\$1,488,375.74
<b>Program Income Received</b>	\$20.17	\$1,569,877.70
<b>Total Funds Expended</b>	\$0.00	\$6,473,091.05
<b>HUD Identified Most Impacted and Distressed</b>	\$0.00	\$0.00
<b>Other Funds</b>	\$ 0.00	\$ 2,781,709.00
Match Funds	\$ 0.00	\$ 2,781,709.00
Non-Match Funds	\$ 0.00	\$ 0.00

**Funds Expended**

<b>Overall</b>	<b>This Period</b>	<b>To Date</b>
Burleigh Housing Authority	\$ 0.00	\$ 460,000.00
Lutheran Social Services Housing, Inc	\$ 0.00	\$ 5,772,425.00
North Dakota Housing Finance Agency	\$ 0.00	\$ 240,666.05

**Progress Toward Required Numeric Targets**

<b>Requirement</b>	<b>Target</b>	<b>Projected</b>	<b>Actual</b>
<b>Overall Benefit Percentage</b>	99.99%	.00%	.00%
<b>Minimum Non Federal Match</b>	\$.00	\$2,438,300.00	\$2,781,709.00
<b>Overall Benefit Amount</b>	\$654,796,201.83	\$.00	\$.00
<b>Limit on Public Services</b>	\$750,000.00	\$.00	\$.00
<b>Limit on Admin/Planning</b>	\$500,000.00	\$316,191.88	\$242,851.23
<b>Limit on Admin</b>	\$.00	\$316,191.88	\$242,851.23
<b>Most Impacted and Distressed</b>	\$.00	\$.00	\$.00
<b>Progress towards LH25 Requirement</b>	\$1,637,154.22		\$3,687,740.00

**Overall Progress Narrative:**

Final activity B11LMMIBismarck- Edwinton Place is completed and fully occupied. Remaining balance



to draw is 5% holdback which will be drawn when developer submits all required closeout compliance documentation.

## Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
NSP3 Acq/Rehab MF, Acq/Rehab Eligible Use B	\$0.00	\$409,190.00	\$376,059.65
NSP3 Admin, Admin and Planning	\$0.00	\$316,191.88	\$131,589.07
NSP3 Redevelopment, Acq/Rehab Eligible Use E	\$0.00	\$5,823,235.00	\$4,456,251.77

## Activities

**Project # / NSP3 Admin / Admin and Planning**



<b>Grantee Activity Number:</b>	<b>Admin</b>
<b>Activity Title:</b>	<b>Admin</b>

**Activity Type:**

Administration

**Project Number:**

NSP3 Admin

**Projected Start Date:**

03/11/2011

**Benefit Type:**

N/A

**National Objective:**

N/A

**Activity Status:**

Under Way

**Project Title:**

Admin and Planning

**Projected End Date:**

12/29/2019

**Completed Activity Actual End Date:**

**Responsible Organization:**

North Dakota Housing Finance Agency

**Overall**

	<b>Oct 1 thru Dec 31, 2020</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	\$0.00	\$316,191.88
<b>Total Budget</b>	\$0.00	\$316,191.88
<b>Total Obligated</b>	\$0.00	\$316,191.88
<b>Total Funds Drawdown</b>	\$2,185.18	\$242,851.23
<b>Program Funds Drawdown</b>	\$0.00	\$131,589.07
<b>Program Income Drawdown</b>	\$2,185.18	\$111,262.16
<b>Program Income Received</b>	\$20.17	\$341.47
<b>Total Funds Expended</b>	\$0.00	\$240,666.05
<b>Most Impacted and Distressed Expended</b>	\$0.00	\$0.00

**Activity Description:**

NDHFA Admin

**Location Description:**

NDHFA

**Activity Progress Narrative:**

**Accomplishments Performance Measures**

No Accomplishments Performance Measures

**Beneficiaries Performance Measures**

No Beneficiaries Performance Measures found.



## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

### Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Activity Supporting Documents: None

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**Project # / NSP3 Redevelopment / Acq/Rehab Eligible Use E**

<b>Grantee Activity Number:</b>	<b>B11 B LMMI</b>
<b>Activity Title:</b>	<b>Nordic Hills Townhomes</b>

**Activity Type:**  
Construction of new housing

**Activity Status:**  
Under Way

**Project Number:**  
NSP3 Redevelopment

**Project Title:**  
Acq/Rehab Eligible Use E

**Projected Start Date:**  
02/15/2011

**Projected End Date:**  
07/15/2012

**Benefit Type:**  
Direct ( HouseHold )

**Completed Activity Actual End Date:**  
10/02/2013

**National Objective:**  
NSP Only - LMMI

**Responsible Organization:**  
Lutheran Social Services Housing, Inc

<b>Overall</b>	<b>Oct 1 thru Dec 31, 2020</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	\$0.00	\$1,250,685.00
<b>Total Budget</b>	\$0.00	\$1,250,685.00
<b>Total Obligated</b>	\$0.00	\$1,250,685.00
<b>Total Funds Drawdown</b>	\$0.00	\$1,250,685.00
<b>Program Funds Drawdown</b>	\$0.00	\$900,426.06
<b>Program Income Drawdown</b>	\$0.00	\$350,258.94
<b>Program Income Received</b>	\$0.00	\$71,467.72
<b>Total Funds Expended</b>	\$0.00	\$1,250,685.00
<b>Most Impacted and Distressed Expended</b>	\$0.00	\$0.00

**Activity Description:**

10 units of new construction townhomes to be rented at 120% and below.

**Location Description:**

N Welo Street  
Tioga, ND 58852

**Activity Progress Narrative:**

**Accomplishments Performance Measures**

	<b>This Report Period</b>	<b>Cumulative Actual Total / Expected</b>
	<b>Total</b>	<b>Total</b>
<b># of Housing Units</b>	0	10/10
<b># of Multifamily Units</b>	0	10/10



## Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	0/0	5/10	10/10	50.00
# Renter Households	0	0	0	0/0	5/10	10/10	50.00

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Activity Supporting Documents: None

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<b>Grantee Activity Number:</b>	<b>B11LMMIBismarck</b>
<b>Activity Title:</b>	<b>Edwinton Place</b>

**Activity Type:**  
Construction of new housing

**Activity Status:**  
Under Way

**Project Number:**  
NSP3 Redevelopment

**Project Title:**  
Acq/Rehab Eligible Use E

**Projected Start Date:**  
12/29/2017

**Projected End Date:**  
12/31/2019

**Benefit Type:**  
Direct ( HouseHold )

**Completed Activity Actual End Date:**

**National Objective:**  
NSP Only - LMMI

**Responsible Organization:**  
Burleigh Housing Authority

<b>Overall</b>	<b>Oct 1 thru Dec 31, 2020</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	\$0.00	\$460,000.00
<b>Total Budget</b>	\$0.00	\$460,000.00
<b>Total Obligated</b>	\$0.00	\$460,000.00
<b>Total Funds Drawdown</b>	\$0.00	\$437,000.00
<b>Program Funds Drawdown</b>	\$0.00	\$336,355.65
<b>Program Income Drawdown</b>	\$0.00	\$100,644.35
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$0.00	\$460,000.00
<b>Most Impacted and Distressed Expended</b>	\$0.00	\$0.00

**Activity Description:**

New Construction of 40 permanent supportive housing units 24 units @ 50% AMI and 16 units at 120% AMI.

**Location Description:**

1115 S 11th Street Bismarck ND 58504

**Activity Progress Narrative:**

Project completed and fully occupied. Funds remaining are the 5% holdback which will be released upon submission of all project close out documents.

**Accomplishments Performance Measures**

	<b>This Report Period</b>	<b>Cumulative Actual Total / Expected</b>
	<b>Total</b>	<b>Total</b>
<b># of Housing Units</b>	0	40/40
<b># of Multifamily Units</b>	0	40/40



## Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	24/24	16/16	40/40	100.00
# Renter Households	0	0	0	24/24	16/16	40/40	100.00

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Activity Supporting Documents: None

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