

SECOND ENGROSSMENT
with House AmendmentsSixtieth
Legislative Assembly
of North Dakota

REENGROSSED SENATE BILL NO. 2333

Introduced by

Senators Hacker, Christmann, Lindaas

Representatives Monson, Onstad, Skarphol

1 A BILL for an Act to create and enact a new subsection to section 54-17-07.3 of the North
2 Dakota Century Code, relating to a housing finance agency program to bridge the financing gap
3 of new residential construction in rural communities; to provide for a report to the legislative
4 council; to provide an appropriation; and to provide an expiration date.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1.** A new subsection to section 54-17-07.3 of the North Dakota Century
7 Code is created and enacted as follows:

8 A program to assist in bridging the financing gap in new residential construction in
9 cities with populations of fewer than twenty thousand if the cost of the new
10 construction exceeds the appraised value of the new construction. The program
11 shall provide financial assistance for new construction of multifamily housing and
12 single-family housing, excluding mobile homes and farmsteads.

13 a. The industrial commission shall establish the eligibility criteria and application
14 procedure for the program which at a minimum must:

15 (1) Require a local grant match from private or public funding or in-kind
16 contributions which may not exceed forty-five percent of the gap
17 between the cost of construction and the appraised value of the new
18 construction;

19 (2) Provide that the local grant match may not include state funds;

20 (3) Require an application for assistance under this program to include
21 evidence of community support for the new construction project;

22 (4) Establish home value maximums that may not be exceeded for a new
23 construction project to be eligible under this program; and

(5) Establish the minimum and maximum size of the gap between the cost of construction and the appraised value of the new construction, within which the new construction project must fall to be eligible under this program.

b. The maximum assistance provided to any person or family under this program may not exceed forty-five percent of the gap between the cost of the construction and the appraised value of the new construction. Assistance provided under this program may be provided to a person or family of low to moderate income or to any other person or family in a developing community in the state to address an unmet housing need or to alleviate a housing shortage.

c. Before August first of every even-numbered year, the housing finance agency shall report to the legislative council on the status of this program, including funds awarded, the state and local impact of the funds awarded, and program recommendations.

SECTION 2. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, to the industrial commission for the purpose of administering and providing grants under the program to bridge the financing gap for residential construction, for the biennium beginning July 1, 2007, and ending June 30, 2009. The housing finance agency may not be construed to be a general fund agency because of the appropriation made by this section.

SECTION 3. EXPIRATION DATE. Section 1 of this Act is effective through July 31, 2011, and after that date is ineffective.