

Sixtieth
Legislative Assembly
of North Dakota

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 section to chapter 54-17 of the North Dakota
2 Century Code, relating to a housing finance agency program to bridge the financing gap of new
3 residential construction in rural communities; to provide an appropriation; and to provide an
4 expiration date.

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

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

8 **(Effective through July 31, 2011) New construction - Financing gap - Report.**

- 9 1. The industrial commission, acting in its capacity as a state housing finance agency,
10 shall establish and administer a program to assist in bridging the financing gap in
11 new residential construction in cities with populations of fewer than twenty
12 thousand if the cost of the new construction exceeds the appraised value of the
13 new construction. The program shall provide financial assistance for new
14 construction of multifamily housing and single-family housing, excluding mobile
15 homes and farmsteads.
- 16 2. The industrial commission's application procedure for financial assistance under
17 this program must provide:
- 18 a. An applicant shall submit an application to the city in which the new
19 construction is to be located, verifying the applicant has private or public
20 funding or in-kind contributions committed to cover at least forty-five percent
21 of the gap between the cost of the construction and the appraised value of the
22 new construction. Under this subdivision, the public funds or contributions
23 may not include state funds.

1 b. The city that receives an applicant's application shall consider whether to
2 approve the application, and if the city supports the application, the city shall
3 forward the application to the industrial commission for consideration.

4 c. Upon receipt of an application from a city, the housing finance agency shall
5 consider whether the application meets the program requirements. The
6 housing finance agency may award financial assistance that does not exceed
7 forty-five percent of the gap between the cost of the construction and the
8 appraised value of the new construction. Eligibility for this program is not
9 limited to persons or families of low or moderate income.

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

14 **SECTION 2. APPROPRIATION.** There is appropriated out of any moneys in the
15 general fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so
16 much of the sum as may be necessary, to the industrial commission for the purpose of
17 administering and providing grants under the program to bridge the financing gap for residential
18 construction, for the biennium beginning July 1, 2007, and ending June 30, 2009.