

Introduced by

Senators Wardner, Lyson, Krebsbach

Representatives Hawken, Keiser, Winrich

1 A BILL for an Act to create and enact two new sections to chapter 54-17 and a new subdivision  
2 to subsection 2 of section 54-60.1-01 of the North Dakota Century Code, relating to an  
3 affordable housing fund; and to provide an appropriation.

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

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

7 **Affordable housing fund - Appropriation.**

- 8 1. The affordable housing fund is created as a special fund in the state treasury. After a  
9 public hearing the housing finance agency shall create an annual allocation plan for  
10 the distribution of the fund. At least seventy-five percent of the fund must be used to  
11 benefit households with an annual income at not more than one hundred percent of  
12 the area median income. At least fifty percent of the fund must be used to benefit  
13 households with incomes at not more than fifty percent of the area median income.  
14 The annual allocation plan must give priority to projects that benefit households at not  
15 more than thirty percent of the area median income and to households with special  
16 needs. The agency may collect a reasonable administrative fee from the fund.
- 17 2. The agency shall adopt rules for the fund so as to address the unmet affordable  
18 housing needs through loans, forgivable loans, grants, subsidies, guarantees, and  
19 credit enhancements. These forms of assistance may be used solely for:
- 20 a. New construction, rehabilitation, or acquisition of an affordable multifamily or a  
21 single-family residence;
- 22 b. Gap assistance, matching funds, and accessibility improvements;
- 23 c. Single-family downpayment or gap assistance that does not exceed the amount  
24 necessary to qualify for a loan using underwriting standards acceptable for

1                   secondary market financing. If there is a profit from a sale, either a proportion or  
2                   the entire amount of single-family downpayment or gap assistance is subject to  
3                   recapture based on the level of assistance and household income; and

4           d. Rental assistance, emergency assistance, or targeted supportive services  
5                   designated to prevent homelessness.

6           3. Eligible recipients include units of local, state, and tribal government; local and tribal  
7                   housing authorities; community action agencies; regional planning councils; and  
8                   nonprofit organizations and for-profit developers of affordable housing. Individuals may  
9                   not receive direct assistance from the fund.

10          4. Any assistance that is repaid or returned within the biennium the assistance was paid  
11                   must be deposited in the fund and is appropriated for the biennium in which it was  
12                   repaid or returned and any assistance repaid or returned in a biennium other than that  
13                   in which the assistance was paid must be deposited with the Bank of North Dakota as  
14                   earnings.

15          **SECTION 2.** A new section to chapter 54-17 of the North Dakota Century Code is created  
16 and enacted as follows:

17          **Report.**

18          The state housing finance agency shall report to the industrial commission on the activities  
19 of the fund.

20          **SECTION 3.** A new subdivision to subsection 2 of section 54-60.1-01 of the North Dakota  
21 Century Code is created and enacted as follows:

22                   Assistance from the state housing finance agency through affordable housing  
23                   funds.

24          **SECTION 4. APPROPRIATION.** There is appropriated out of any moneys in the general  
25 fund in the state treasury, not otherwise appropriated, the sum of \$4,000,000, or so much of the  
26 sum as may be necessary, to the affordable housing fund for the purpose of funding housing  
27 needs as provided in section 1 of this Act, for the biennium beginning July 1, 2011, and ending  
28 June 30, 2013.