

RE: Housing Incentive Fund (HIF) Regulations, Process and Priorities Overview

Housing Incentive Fund- [NDCC 54-17-40](#)

Section 2.

- (a) fifteen percent of the fund must be used to assist developing communities to address an unmet housing need or alleviate a housing shortage.
- (b) priority to provide housing for individuals and families of low to moderate income.

NDCC requires NDHFA to develop an annual Allocation Plan after a public hearing. The 2019 HIF Allocation Plan is available on our website at NDHFA.org. [Click here to view the plan.](#)

The HIF maximum award is currently defined as lesser of:

1. An amount required to secure project financing and make the project financially feasible
2. Thirty percent of the project's total development costs
3. If a project is applying for 9 percent credits from the Federal Low-Income Housing Tax Credit program
 - a. an amount required to ensure feasibility
 - b. \$200,000
 - c. If the project is in a difficult to develop area or is serving populations requiring supportive services, \$400,000
4. \$3,000,000

The Allocation Plan outlines threshold requirements projects must submit to be considered for funding. These requirements help prove project readiness and financial viability. Examples include a capital needs assessment for a rehabilitation project or an executed purchase agreement for the land. Projects must provide letters of intent for financing, other funding source documentation, and income and expense estimates for the completed project.

The second part of the application process is competitive scoring. The Allocation Plan details scoring criteria, and points are given for applications meeting the criteria. This process allows NDHFA to prioritize criteria to address current affordable, multifamily housing needs.

HIF priorities in the current allocation plan:

1. Non-public entity acquiring existing publicly owned rental projects
2. Serving lowest-income households
3. Projects located in communities with populations 20,000 and under
4. Projects completing rehabilitation of existing structures
5. Projects with matching funds or commitments from other sources to reduce overall debt
6. Projects implementing universal design features supporting accessibility in common areas, appliances, and a certain percentage of unit designs

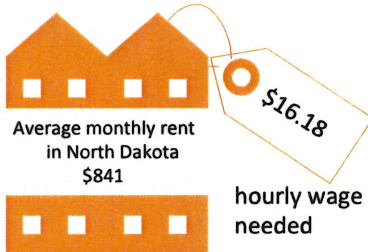
2019-2021 HIF Award Projects

Project Name	City	County	Activity	2019-2020 HIF Award	Total Development Costs	% Total Development Costs
Courtyard Apartments	Rugby	Pierce	Rehabilitation of Habitable	\$603,880	\$2,021,758	30%
Boulevard Avenue Apartments	Bismarck	Burleigh	Rehabilitation of Habitable	\$800,000	\$15,380,652	5%
Elliott Place Four	Fargo	Cass	New Construction	\$2,500,000	\$11,279,180	22%
Souris Heights	Minot	Ward	New Construction	\$2,342,760.61	\$12,134,777	19%
Lakeland Court Phase II	Devils Lake	Ramsey	New Construction	\$1,253,359.39	\$4,298,930	29%
Totals				\$7,500,000	\$45,115,297	21% (Average)

North Dakota Housing Incentive Fund - 2021 and Beyond

The Housing Incentive Fund (HIF) is a state-funded housing development program administered by North Dakota Housing Finance Agency. HIF helps communities leverage the resources needed to create and preserve affordable multifamily housing. The primary goal of the program is to ensure our workforce, elderly and disabled households, and persons experiencing homelessness are able to live affordably, independently and be active members of our communities.

WE ALL WANT A PLACE TO CALL HOME



- 85,993 households do not earn enough to afford the average monthly rent.
- 46,157 of renters are cost burdened, paying 30% or more of their income for housing.
- \$440 the amount 65+ head of households living alone can afford monthly.

AFFORDABLE HOUSING IMPROVES LIVELIHOOD AND COMMUNITIES



- We all want the freedom to choose how and where we live.
- Diversify housing available for multi-tiered workforce.
- Strong tax base for schools, businesses, infrastructure, etc.
- Flexibility to accommodate changing individual and family needs.
- Stability for youth to succeed in school.
- Support systems to allow people to age in place.

ONGOING NEED FOR VULNERABLE POPULATIONS

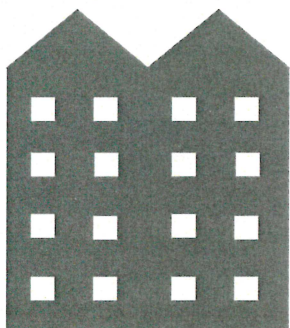
- 2,554 students experiencing homelessness during the school year
- 265 adults on Community Supervision that are homeless
- 557 homeless individuals counted during the HUD PIT Count
- 18.3% of individuals with a disability below the poverty line
- Population 2020: 119,845 people ages 65+, 18,813 people ages 85+

STATE AND FEDERAL HOUSING INVESTMENTS

- \$466 avg. monthly federal rental assistance per unit
- \$500 avg. monthly Money Follows the Person assistance
- \$572 avg. monthly state payment—Emergency Rent Bridge
- \$50,000 avg. HIF investment per unit in rural ND (2017-20)
- \$18,700 avg. HIF investment per unit in urban ND (2017-20)

OPTIONS FOR THE STATE OF NORTH DAKOTA TO CONTINUE INVESTING IN AFFORDABLE HOUSING

Currently, all HIF funding has been awarded. However, HIF is not the only solutions to address affordable housing and community infrastructure needs. NDHFA is working with numerous state agencies and stakeholder groups to maximize all resources.



5% of the ND Legacy Fund allocated to housing infrastructure

- 10 year investment to allow long-term planning and ability for rural communities to leverage HIF, in addition to matching dollars for federal funding

Tax Credit

- Ongoing tax credit maintaining \$1 for \$1 match.

Reprioritization of Agency Budgets and Enhance Synergy

- Housing Finance Agency – HIF, Low Income Housing Tax Credits, National Housing Trust Fund, Helping HAND, Open Doors, Rehab Accessibility Program, ND Continuum of Care
- Dept. of Human Services – Money Follows the Person, Emergency Rent Bridge, Free through Recovery, Home and Community-Based Care, Foster Care
- Dept. of Commerce – Community Development Block Grants, HOME Program, ND Homeless Grant, Emergency Services Grant, Main Street Initiative



North Dakota Affordable Housing Facts

POPULATION

760,077

HOUSEHOLDS

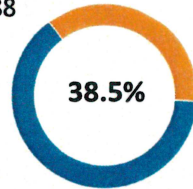
314,903

MEDIAN HOUSEHOLD INCOME

\$63,837

RENTER HOUSEHOLDS

119,888



are cost burdened



SENIOR HOUSEHOLDS

110,254

SENIOR HOUSEHOLDS WITH FOOD STAMPS

6,519

SENIORS WITH A DISABILITY

36,832

HOUSEHOLDS WITH AN INDIVIDUAL WITH A DISABILITY

80,979

WITH FOOD STAMPS

8,971



HOUSEHOLDS WITH FOOD STAMPS

22,273

MEDIAN INCOME OF A HOUSEHOLD WITH FOOD STAMPS

\$23,561

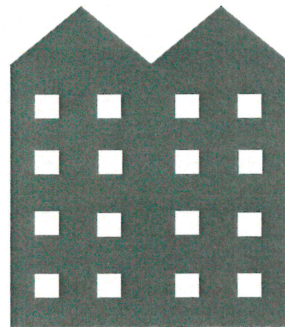


HOUSEHOLDS WITH SOCIAL SECURITY INCOME

83,837

AVERAGE SOCIAL SECURITY INCOME PER YEAR

\$17,597



EXTREMELY LOW- AND VERY LOW-INCOME HOUSEHOLD PROJECTIONS (2019-2029)

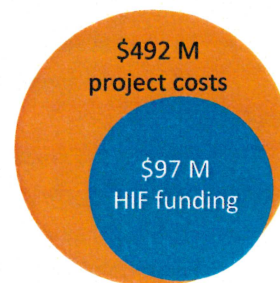
Entire state 15,236



HIF MAKES A DIFFERENCE

88 HIF projects for a total of 2,790 units

- 2,170 income restricted units
- Gap financing leveraging federal, private and local funding to move a project forward
- Community driven flexibility



\$5.06 leveraged for each HIF dollar invested