

2025 Legislature

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SENATE APPROPRIATIONS – SB 2030

ENVIRONMENT AND EDUCATION DIVISION



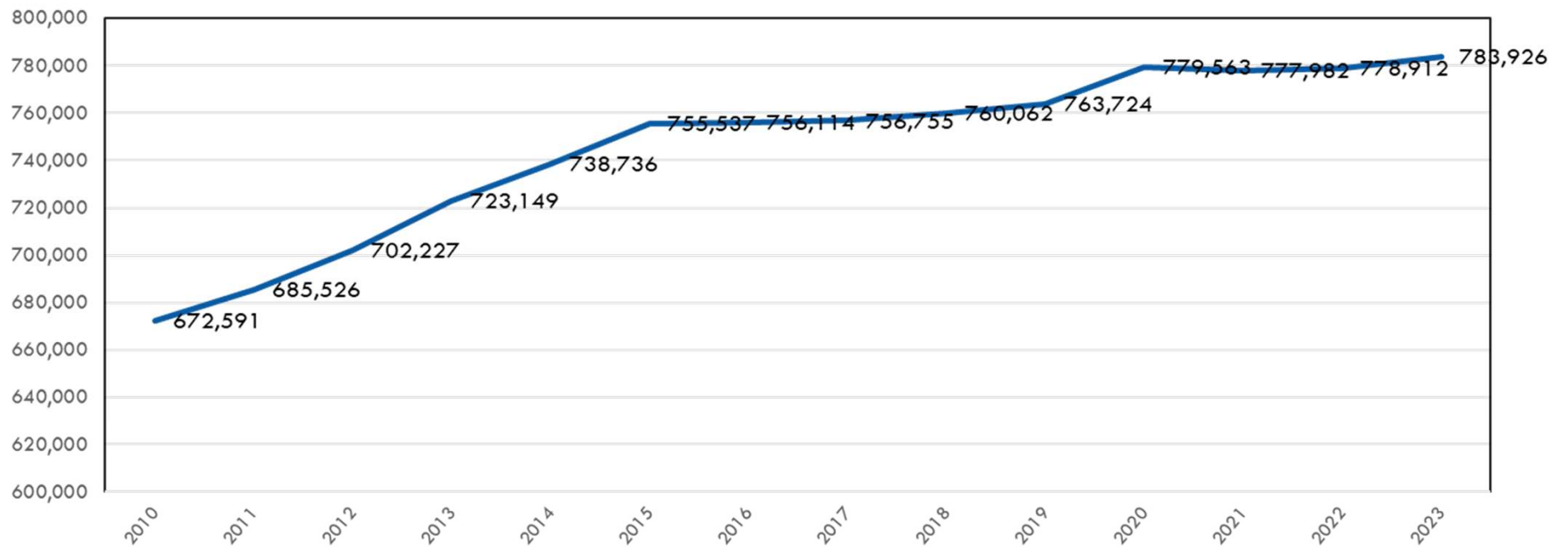
2024 North Dakota Statewide Housing Needs Assessment



NORTH DAKOTA
housing
FINANCE AGENCY

NDSU | NORTH DAKOTA STATE UNIVERSITY

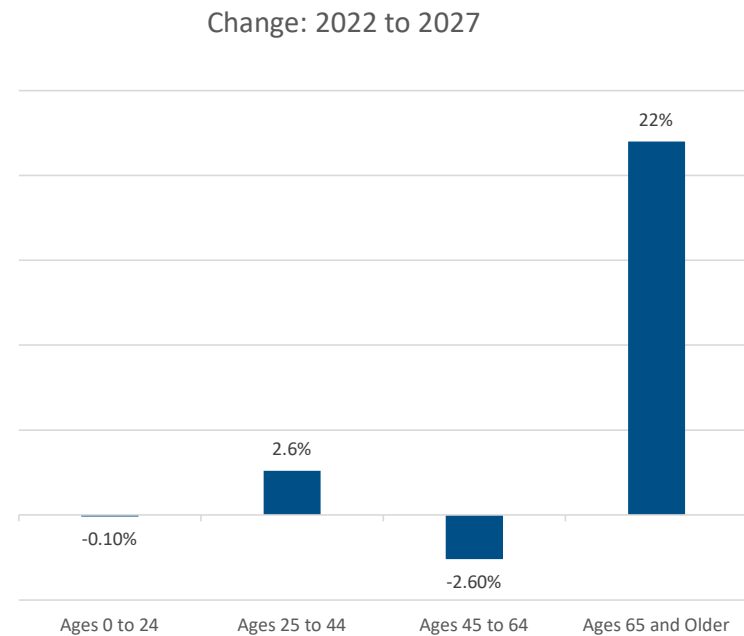
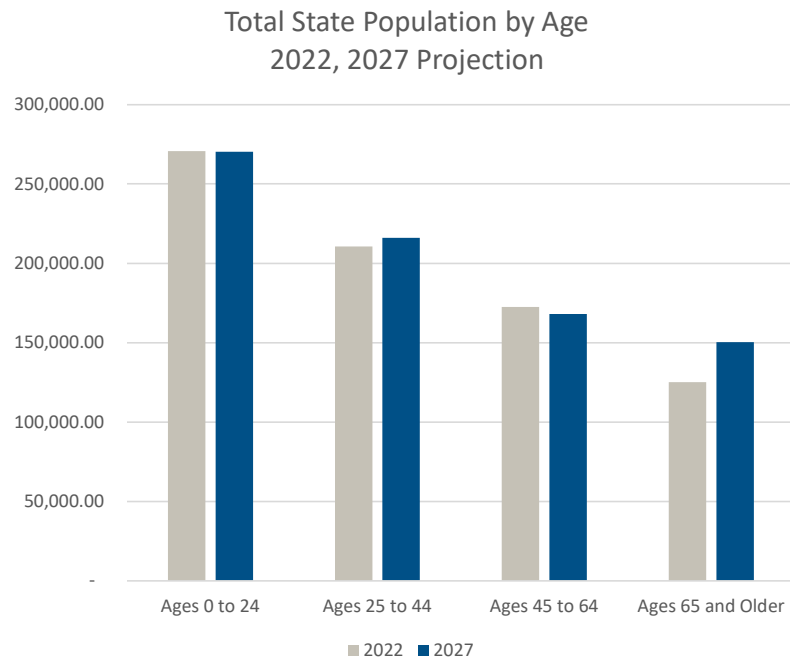
Total Population in North Dakota, 2010 to 2023



Source: U.S. Census Bureau (2024a)

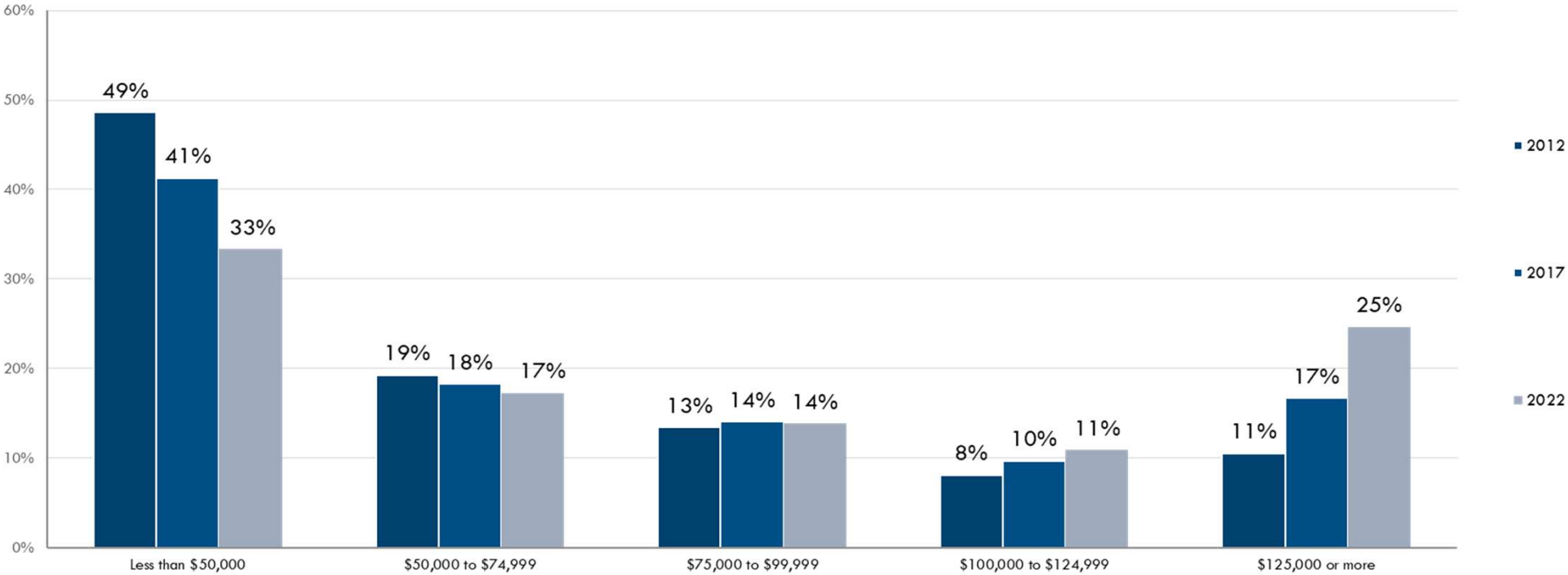
Total State Population by Age

2022, 2027 projection – and Percent Change from 2022-2027



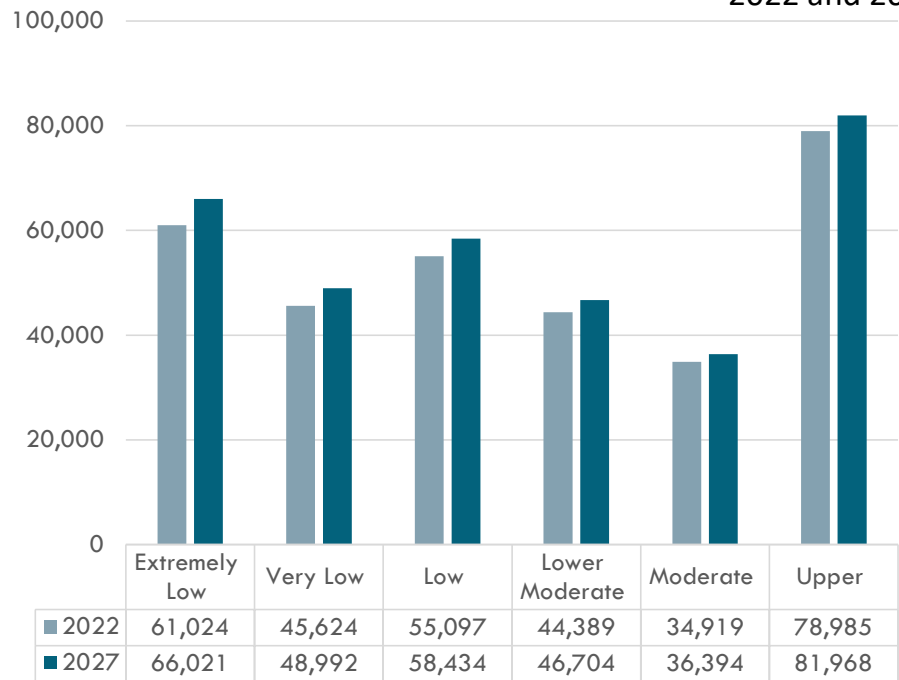
Household Income in North Dakota

North Dakota Households by Income Level, 2012, 2017, and 2022

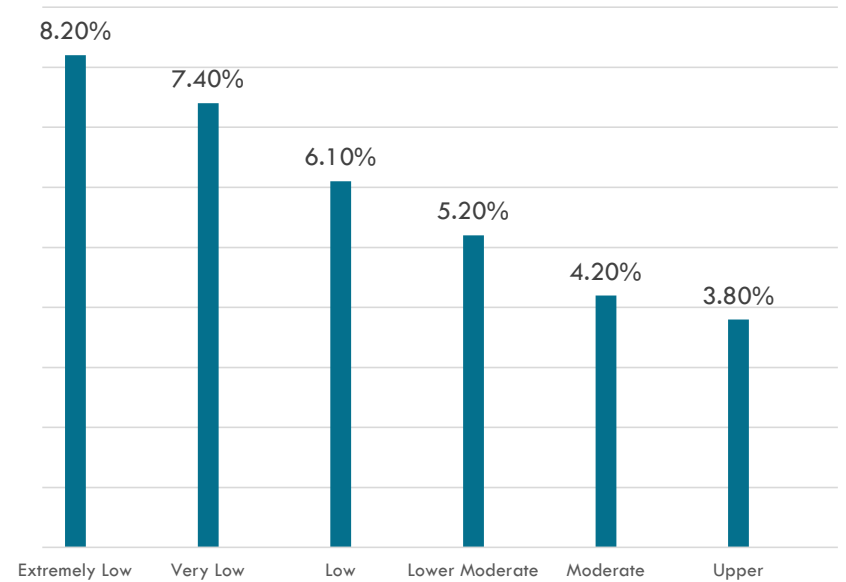


Household Income Levels in ND

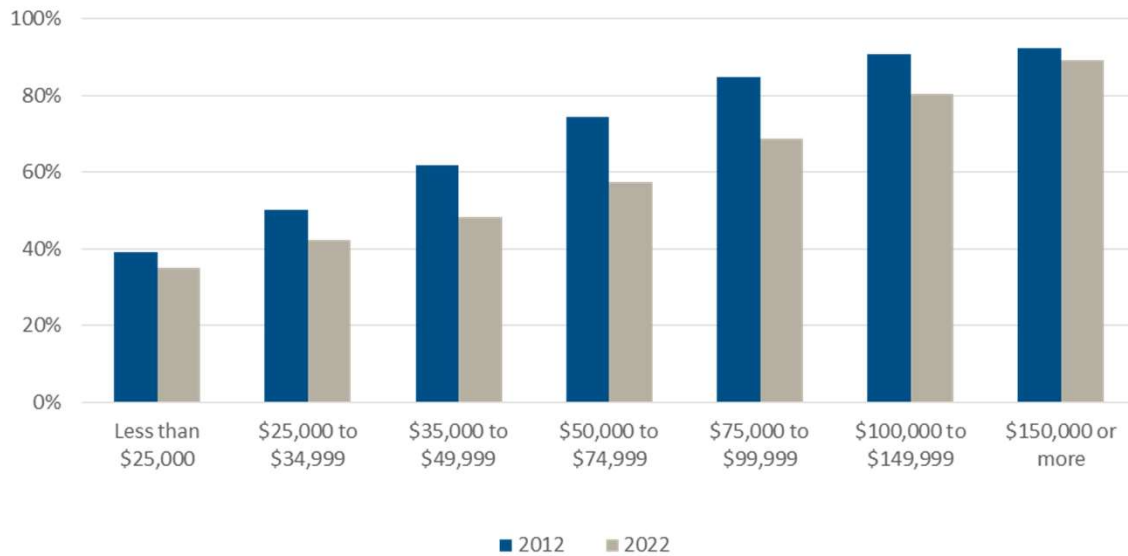
2022 and 2027 Projections



Household Income % Change 2022-2027



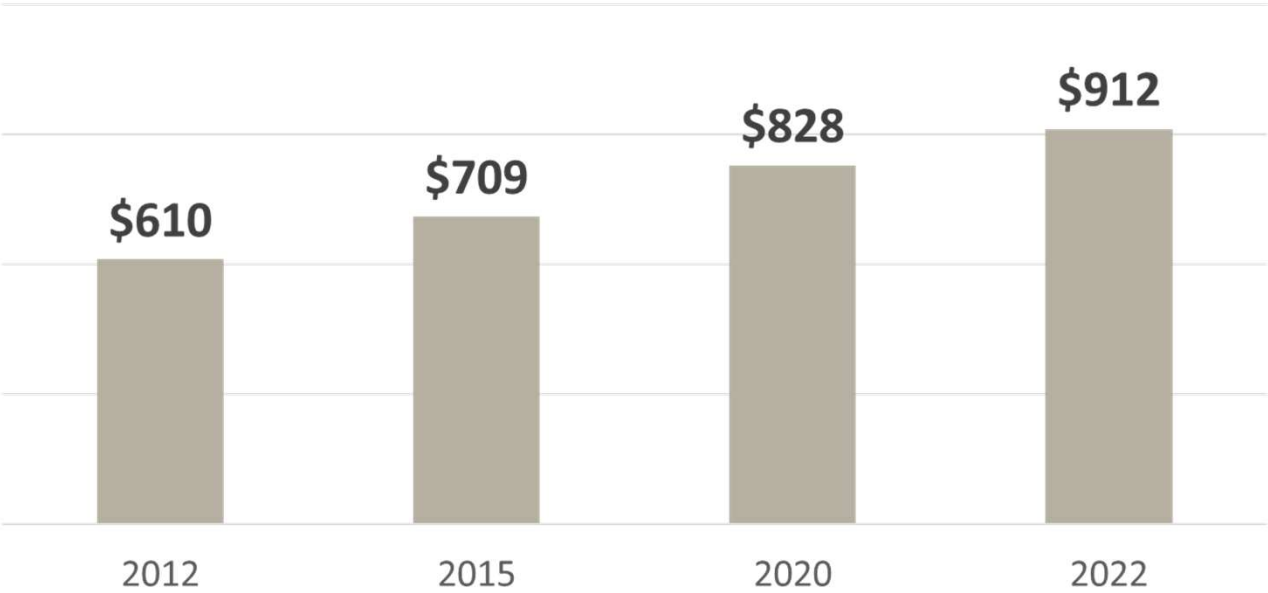
Trend in Homeownership Rates by Income



Household Income	% Change 2012 - 2022
Less than \$25,000	-4%
\$25,000 to \$34,999	-8%
\$35,000 to \$49,999	-14%
\$50,000 to \$74,999	-17%
\$75,000 to \$99,999	-16%
\$100,000 to \$149,999	-10%
\$150,000 or more	-3%

Statewide Change in Median Rent

Median Monthly Gross Rent in North Dakota



Median rent in North Dakota was \$610 just 10 years ago - that's almost a 50% increase in 10 years.

2022 ACS Data

- Efficiency: \$722
- 1-bedroom: \$764
- 2-bedroom: \$908
- 3-bedroom: \$1,210
- 4-bedroom: \$1,447

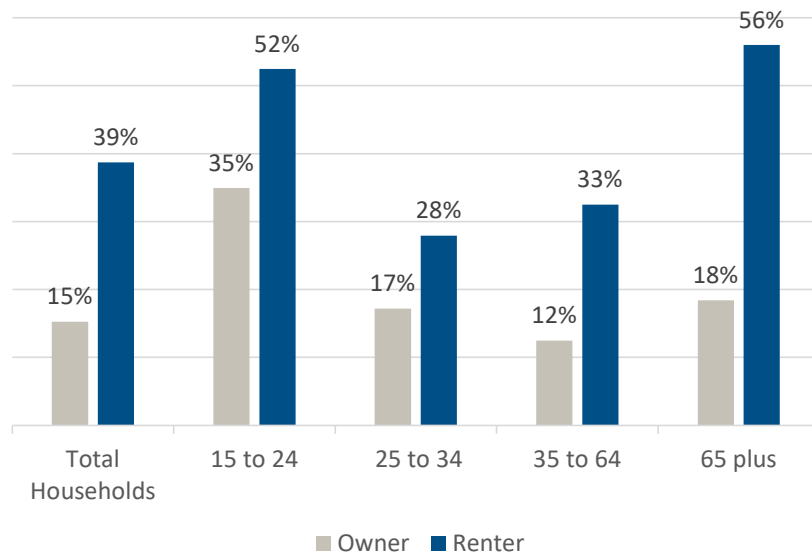
Source: U.S. Census Bureau (2023a)

Rental Affordability by Household Income, 2022

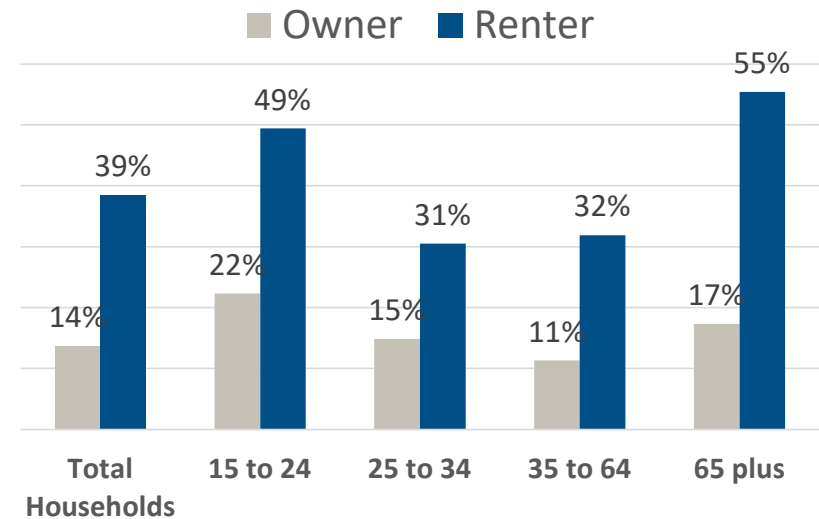
Household Income Category	Income Limits based on the 2022 MFI of \$96,800 in North Dakota defined by HUD	Total Households that Meet the HUD Income Limit Thresholds	Affordable Monthly Housing Costs
Extremely Low	Less than \$29,041	61,024	\$726
Very Low	\$29,041-\$48,400	45,624	\$726-\$1,210
Low	\$48,401-\$77,440	55,097	\$1,210-\$1,936
Lower Moderate	\$77,441-\$111,320	44,389	\$1,936-\$2,783
Moderate	\$111,321-\$135,520	34,919	\$3,388
Upper	\$135,521 or more	78,985	\$4,066

Housing-Cost Burdened Households in North Dakota, by Age of Household

2022



2020



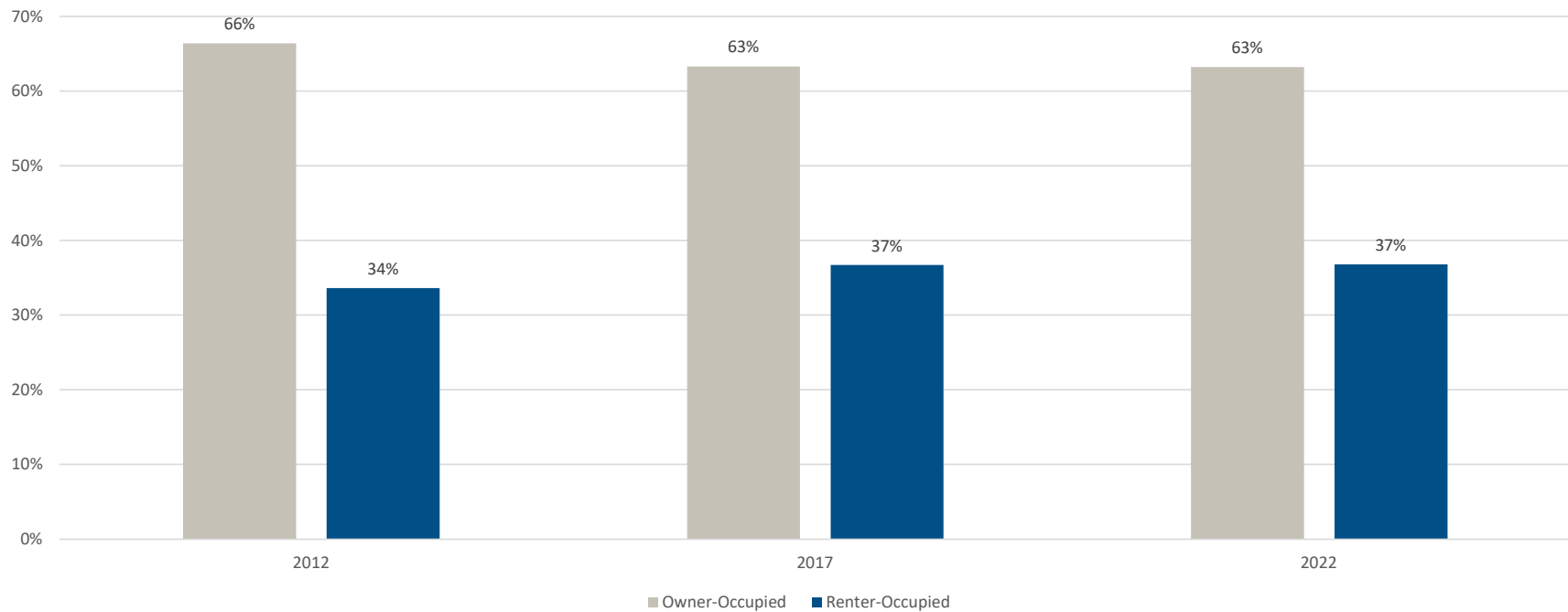
Source: U.S. Census Bureau (2023a)

Source: U.S. Census Bureau (2021c)

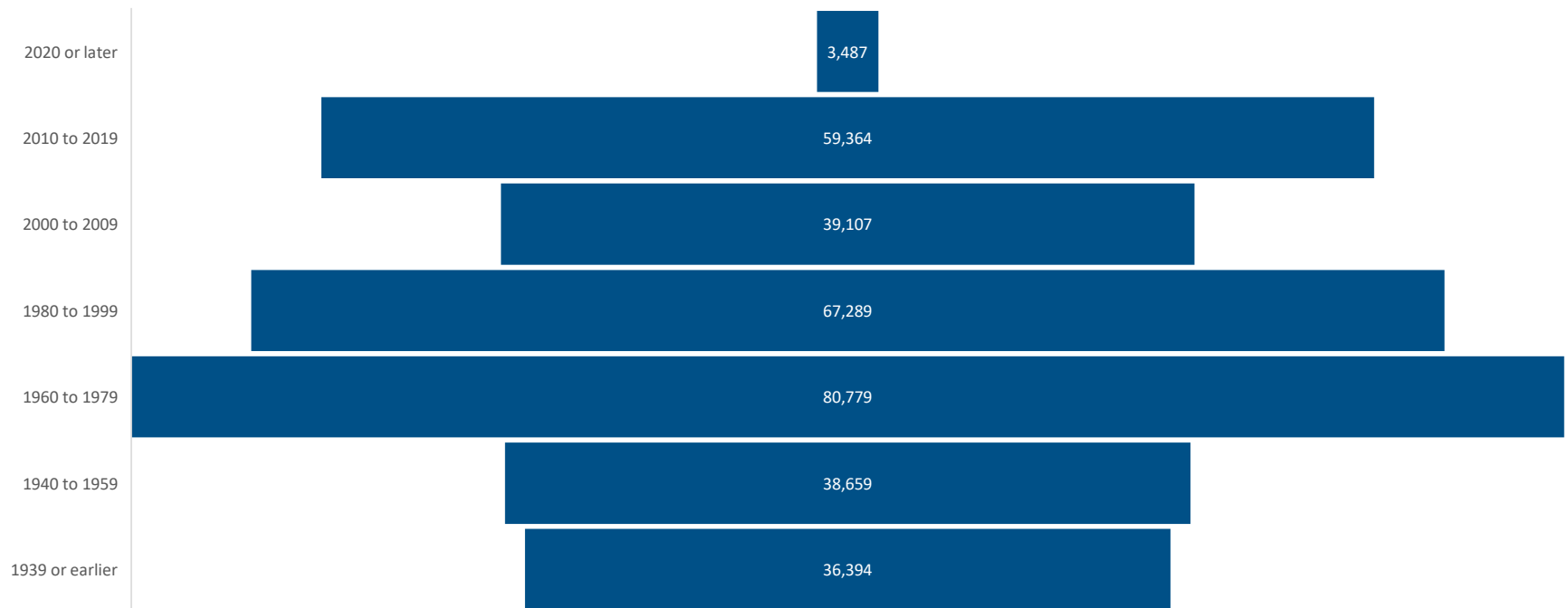
Housing Units

Housing Units by Type State of North Dakota 2010, 2018, 2023 Five-Year ACS Data						
Unit Type	2010 Five-Year ACS		2018 Five-Year ACS		2023 Five-Year ACS	
	Units	% of Total	Units	% of Total	Units	% of Total
Single-Family	208,028	66.50%	205,787	65.40%	211,700	65.20%
Duplex	7,192	2.30%	6,053	1.90%	5,680	1.70%
Tri- or Four-Plex	12,538	4.00%	11,394	3.60%	10,280	3.20%
Apartment	61,360	19.60%	72,165	22.90%	78,112	24.00%
Mobile Home	23,719	7.60%	19,507	6.20%	19,307	5.90%
Total	312,861	100.00%	314,903	100.00%	325,079	100.00%

Housing Units by Occupancy and Tenure in North Dakota, 2012, 2017, 2022

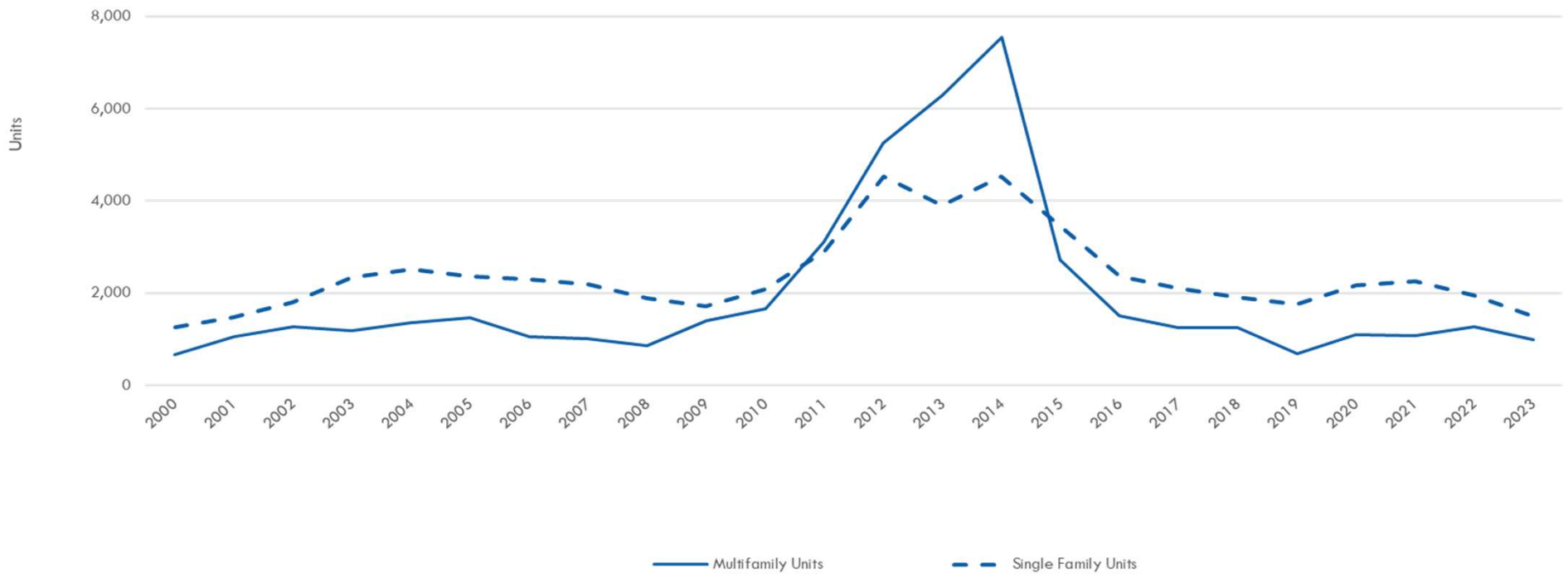


Housing Units by Year Built



Source: U.S. Census Bureau, 5-year ACS

Housing Units Authorized for Construction by Building Permits in North Dakota, 2000 to 2023



Source: U.S. Census Bureau (2024)

Key Findings: Housing Affordability

Decrease in owner occupied housing and increase in rental occupied housing.

Declining homeownership rates across income categories.

There is a large population of young people entering the homebuying stage over the next decade.

Substantial increase in median rents over the past decade.

While most North Dakotans can afford housing, lower income households are especially cost constrained.

A substantial portion of renters are cost burdened, especially younger and senior householders.

Estimated shortage of 13,000 affordable rental units for extremely-low income households.

Overall Takeaways

Housing priorities may need to focus on lower income households.

Development of new housing and rehabilitation of existing housing should consider needs of aging populations and lower-income working households.

Rehabilitation and preservation of existing affordable housing is as important as new construction where needed.

Projections suggest a need for up to 20,000 housing units (single- and multifamily) are needed by 2027.

Housing Incentive Fund



Real housing solutions require legislative action, community investments and private industry commitment.



Economic development can occur when housing is affordable to the workforce.



Rehabilitation of existing housing reduces costs and provides tenants with ready access to established services.

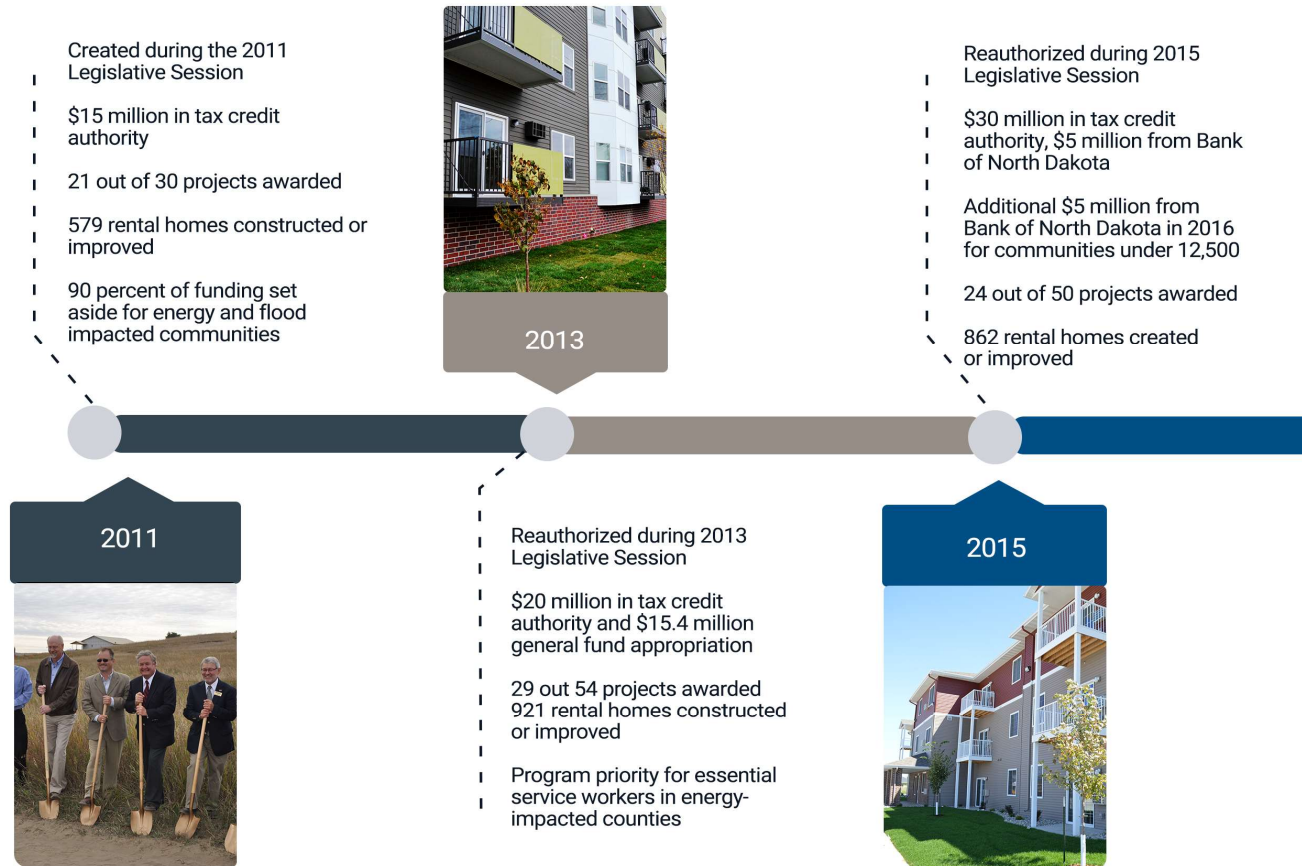


Low-income and 65+ households are the largest growing populations across the state.



Housing stability affects bottom line of multiple state agencies.

HIF Timeline





2017

- \$7.5 million general fund appropriation
- 6 out of 11 projects awarded
- 378 rental homes created or improved



2021

- Legislature approved \$13.75 million in funding.
- Single-family activities became eligible.
- 7 out of 16 multifamily projects awarded.
- 307 rental homes created or improved.

- Legislature removed a two-year sunset making the Housing Incentive Fund permanent in the ND Century Code
- No new funding was authorized
- NDHFA reallocated \$3.7 million from the 2015-17 biennium.
- 6 out of 10 projects awarded
- 239 rental homes created or improved

2019



- Legislature approved \$9.5 million in funding
- 341 rental homes created or improved
- 6 out of 12 projects awarded
- 10 percent set aside to prevent and end homelessness

2023





Courtyard Apartments, Rugby
Rehabilitation, rural

Type: housing for seniors

Number of Units: 20

Total Cost: \$2 million

HIF Investment: \$625,000

HIF Return on Investment \$2.20



Century Cottages, Bismarck
New construction urban

Type: housing for seniors

Number of Units: 34

Total Cost: \$8.5 million

HIF Investment: \$408,000

HIF Return on Investment: \$19.83



Meadowlark Homes, New Rockford

New construction, rural

Type: general occupancy

Number of Units: 10

Total Cost \$1.4 million

HIF Investment: \$430,000

HIF Return on Investment: \$2.26



Grace Garden, West Fargo

New construction, urban

Type: housing for domestic violence survivors

Number of Units: 30

Total Cost \$6.9 million

HIF Investment: \$500,000

HIF Return on Investment: \$12.80



Pioneer Homes, Hazen

Adaptive reuse/new construction, rural

Type: housing for seniors

Number of Units: 18

Total Cost: \$4.1 million

HIF Investment: \$2.1 million

HIF Return on Investment \$0.95



Pure Development, Grand Forks

New construction, urban

Type: general occupancy

Number of Units: 68

Total Cost: \$11.2 million

HIF Investment: \$1.1 million

HIF Return on Investment \$9.18

Single-Family Activities

Supports local community and non-profit organizations to develop for sale single-family housing in rural communities with populations under 5,000.

Supports ND Community Land Trust (CLT) organizations that provide perpetual homeownership opportunities for lower income households.

Accomplishments Since February 2024

Committed \$1.4 million for 17 new single-family homes.

CLT- 2 new homes acquired.

2023-2025 Biennium Multifamily Activities

Accomplishments

- 14 projects selected for funding
 - 614 total units (129 new construction/541 rehabilitated)

Funding Demand

Program	# of apps	Request	Available	Unfunded
Low Income Housing Tax Credit (federal)	22	\$20,727,710	\$7,358,172	\$13,369,538
HOME (federal)	17	\$17,027,069	\$4,690,866	\$12,336,203
National Housing Trust Fund (federal)	12	\$18,432,666	\$5,925,166	\$12,507,488
Housing Incentive Fund (state funded)	18	\$20,567,605	\$12,097,994	\$8,469,611

Unfunded Applications \$46,682,840 Total Requests for 14 Projects/ 522 Units

Possible Production- \$50 Million Per Year

Housing Type	Amount	Purpose
Single-family	\$10 million	70-80 homes, create 1-2 homes in each of 30 to 70 communities, addresses appraisal gaps and supply, revolving funds.
Multifamily	\$40 million	Rehab and new construction of MF, create or preserve approximately 270 units – used to leverage other funds.

Homeless System – 3 Stages

Inflow

Crisis
Response

Outflow

HOUSING COST BURDEN.

UNEXPECTED EMERGENCY EXPENSES.

LACK OF FINANCIAL RESOURCES TO COVER BASIC NEEDS.

PHYSICAL OR MENTAL HEALTH CONDITIONS, SUBSTANCE USE DISORDERS, OR
DISABILITIES WITHOUT ADEQUATE SUPPORT.

DISCHARGES FROM INSTITUTIONS WITHOUT HOUSING PLANS.

Inflow

ND Continuum of Care (ND CoC) Crisis Response - Outflow

ND CoC Public/Private organizations that plan and provide a homeless response system dedicated to preventing and ending homelessness in ND.



CoC organizations utilize state, federal, local and charitable funds to support operations including, emergency shelter, street outreach, transitional housing, supportive housing, short term rental assistance, housing supports and case management services.

Annual Homeless Funding – HUD/ND

\$5,159,583

CoC

- Federal
- \$3.4 million
- 25% match required

ESG

- Federal funding
- \$486,494* annually
- Requires match
- State match \$384,000

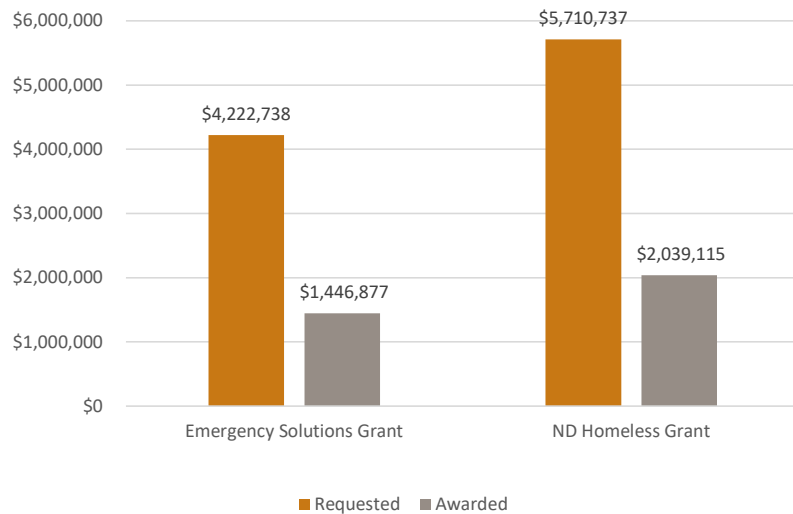
NDHG

- State appropriation
- \$1.25 million annually
- \$2.5 million for the 2023 biennium

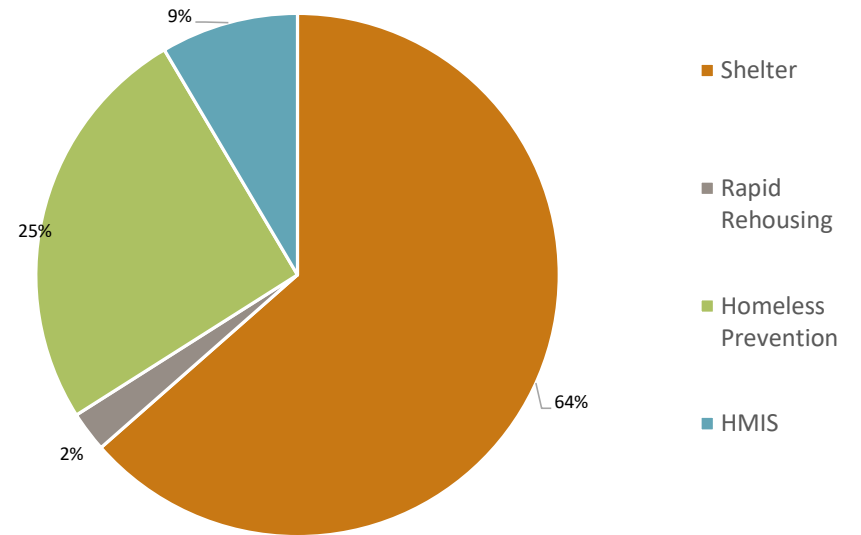
ESG/NDHG Funding

Emergency Solutions Grant (ESG) and North Dakota Homeless Grant (NDHG) provide funding to local non-profit organizations to support individuals and families experiencing homelessness and those who are at-risk of homelessness by funding emergency shelter operations, housing stabilization and case management services, including short term rental assistance.

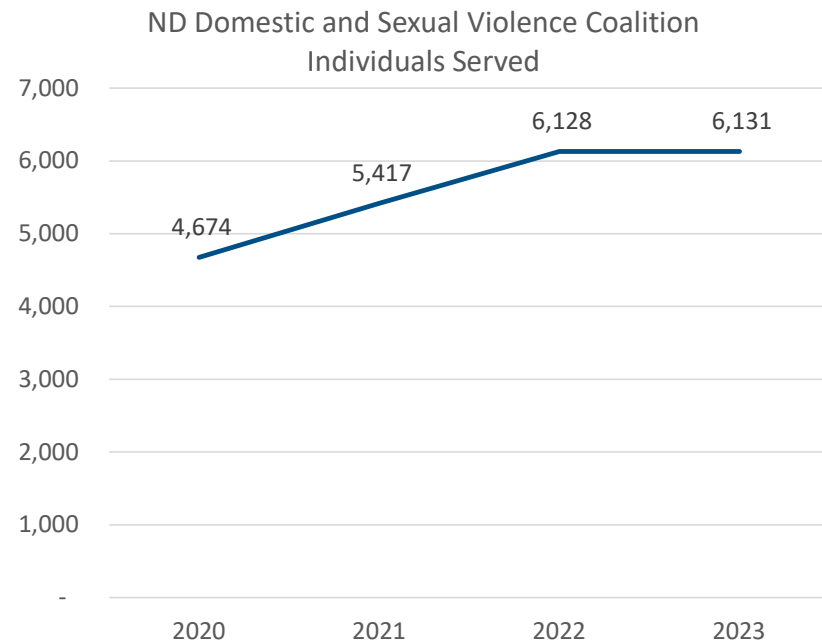
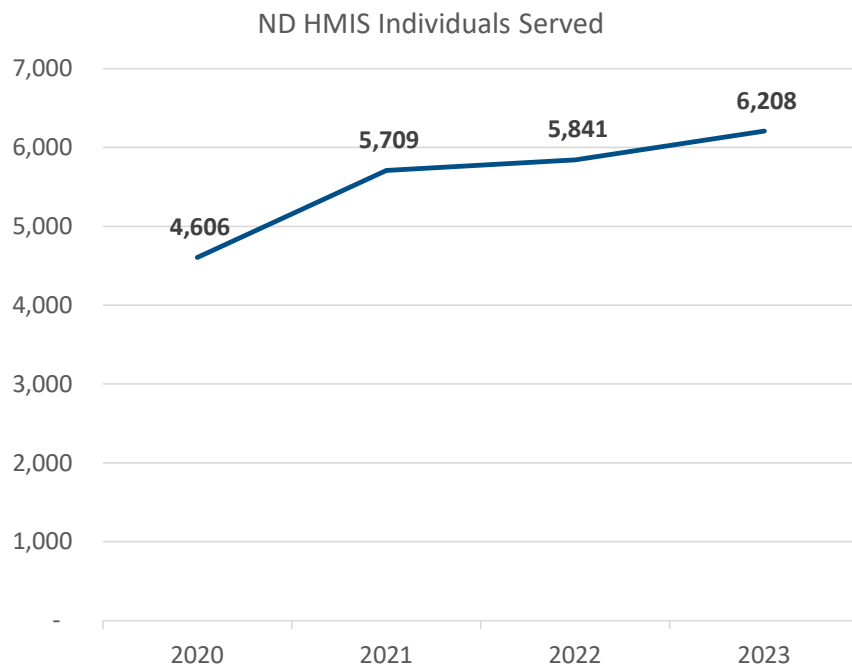
ND Homeless Grant/ESG Demand 2023-2025 Biennium



Activities Funded 2023-2025 Biennium



By the Numbers- Individuals Served



Source: ND HMIS Dashboard

Source: Domestic Violence Fact Sheets, ND Domestic and Sexual Violence Coalition

Program Investment

Continued support for the state's HIF and NDHG programs can help to address North Dakota's housing stock and ensure accessibility for vulnerable groups; mitigating the risk of housing instability.

The state's \$117 million investment in HIF has resulted in 98 unique projects, 3,331 affordable rental homes and 19 single-family homes.

HIF is a source of **gap financing** leveraged when an income restricted rental housing project will not cash flow with traditional bank financing. Minimal debt after construction or rehabilitation results in **lower monthly rents** and reduces the need for housing vouchers.

As a state-funded program, HIF can address changing housing market demands in **both urban and rural communities**. Federal programs are more restrictive. The program supports community land trusts and rural speculative building.

Consistent funding can help support emergency shelters, operational expenses, homeless prevention and rapid-rehousing. In a survey sent to emergency shelter operators, 64% responded as being understaffed, 42% rely heavily on donations for shelter operations.

Learn More About HIF



www.ndhfa.org/index.php/ndhif/

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