

2025 Legislature

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HOUSE APPROPRIATIONS – SB 2014

GOVERNMENT OPERATIONS DIVISION



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Community Housing and Grants Management

Multifamily
Development and
Rehabilitation

Multifamily
Compliance

HUD Project Based
Rental Assistance
Contracts

Single-Family
Development

Homeowner
Rehabilitation and
Accessibility

Homeless
Response

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Community Housing and Grants Management Process



Develop allocation plans that address the state's housing priorities.

Execute award contracts with top scoring applications.

Reimburse contracts for eligible expenses, construction monitoring and project completion.

Ongoing monitoring for program compliance.

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Multifamily Development and Rehabilitation Programs

Low Income Housing Tax Credit

- Federal
- \$3 million

HOME

- Federal
- \$3 million

Housing Trust Fund

- Federal
- \$3 million

Housing Incentive Fund

- State
- Varies



Annually receive 8-20 applications representing (500-1000 units)



Projects are selected competitively based on ability to best address housing priorities and financial feasibility.



Annually 4-6 projects are selected for approval. (250-500 units)



23 projects under various phases of construction (1046 units)

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Multifamily Pipeline 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

2023-2025 Unfunded Applications = 14 Projects/ 522 Units
\$46,682,840

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23-25 Multifamily Awards

\$11 Million supporting \$84 Million Total Development Costs

- Every \$1 of HIF = \$7.30 private investment.

323 Total Units

- 281 Rehab/42 New Construction



Prairie Ridge Residences, Fargo ND 120-unit Senior property

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Lakota Spark Build Project

Single-Family Development

Two objectives: Fund single-family development in rural community or expand local community land trust portfolio.

Single Family Rural Development

- \$3.22 ROI
- \$1.8 million will support construction of 21 new homes = \$5.9 million development costs
- Lakota (2), Larimore (2), Hillsboro (5), Hatton (1), Devils Lake (5), Park River (2), Mayville (2), Minto (2)

Community Land Trust (Grand Forks, Fargo, Minot)

- Revolving line to acquire homes to make available for sale to lower income household.
- \$1.15 million

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Multifamily Compliance

11,000 Affordable Housing Units

- 1,044 Projects (9,500 Units) Multifamily Development Programs
- 83 Projects (2,400 Units) Project-Based Rental Assistance Contracts

Conduct Onsite Physical Inspections

Review Tenant Eligibility

Ensure Owners/Managers are meeting program obligations and commitments made.

Tenant/Landlord Rights

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Homeowner Rehabilitation/Accessibility

Homeowner Rehabilitation Programs

- Funding to support Community Action Agency programs.
- Provide assistance to low-income homeowners.
- Roof replacement, building system replacement.
- Assist on average 100 households per year.

Rehab Accessibility Program

- Provides grant assistance to homeowners or renters for accessibility upgrades to home.
- 50% of funding goes towards bathroom accessibility.
- Average 25 households served per year.
- FY 2025 increased funding level to serve more households.

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ND Continuum of Care (ND CoC)

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

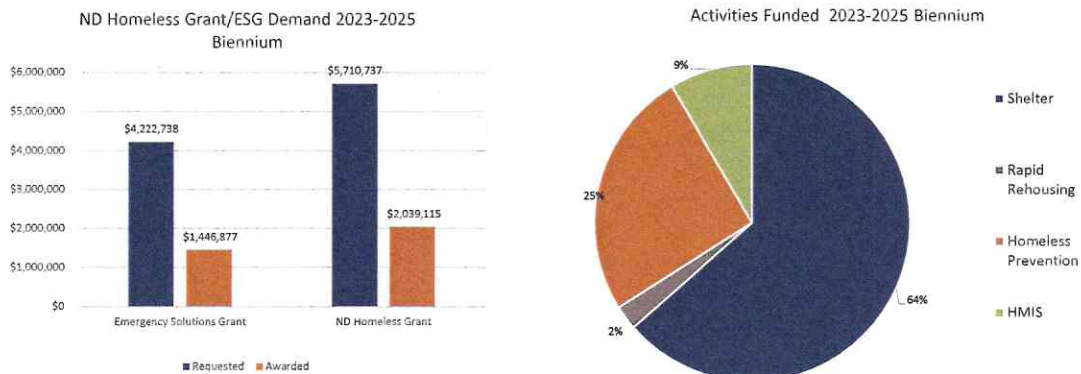


CoC organizations utilize state, federal, local and charitable funds to support operations including, emergency shelter, street outreach, transitional housing, supportive housing, short term rental assistance, housing supports and case management services.

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ESG/NDHG Funding

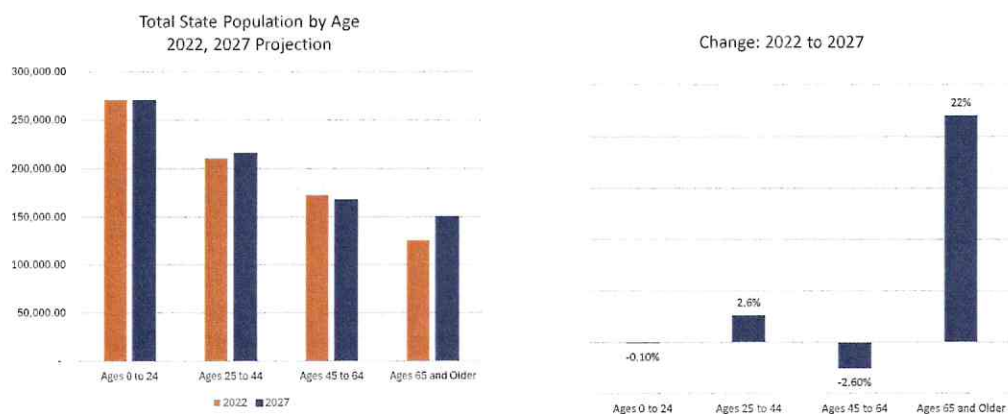
Emergency Solutions Grant (ESG) and North Dakota Homeless Grant (NDHG) provide funding to local non-profit organizations to support individuals and families experiencing homelessness and those who are at-risk of homelessness by funding emergency shelter operations, housing stabilization and case management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



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Total State Population by Age

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

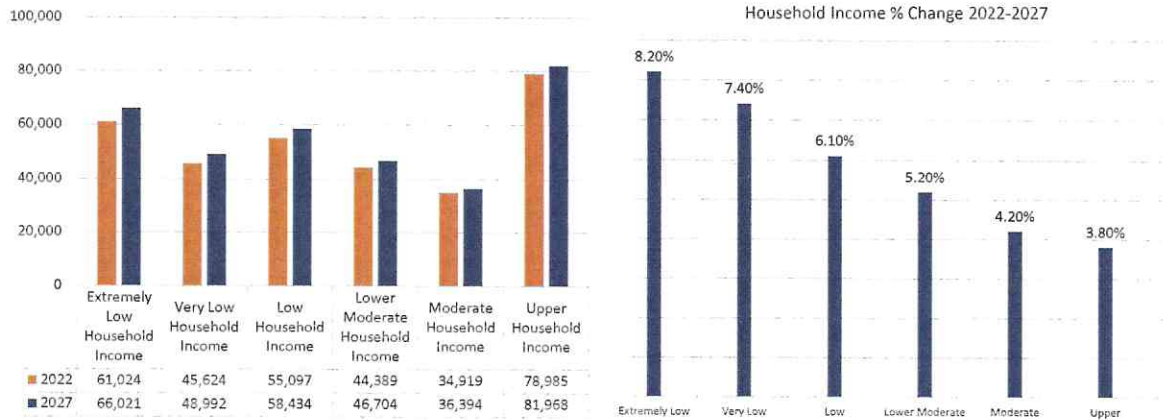


Source: U.S. Census Bureau (2023a) and the NDSU Center for Social Research (2024)

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Household Income Levels in ND

2022 and 2027 Projections



Source: U.S. Census Bureau (2023a) and the NDSU Center for Social Research (2024)

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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 Housing Costs Monthly Payment/Mortgage
Extremely Low	Less than \$29,041	61,024	\$726/ \$81,101
Very Low	\$29,041-\$48,400	45,624	\$726-\$1,210/ \$135,168
Low	\$48,401-\$77,440	55,097	\$1,210-\$1,936 / \$216,269
Lower Moderate	\$77,441-\$111,320	44,389	\$1,936-\$2,783 / \$310,887
Moderate	\$111,321-\$135,520	34,919	\$3,388/ \$378,471
Upper	\$135,521 or more	78,985	\$4,066 / \$454,165

Source U.S. Census Bureau (2023a) and Center for Social Research 2024

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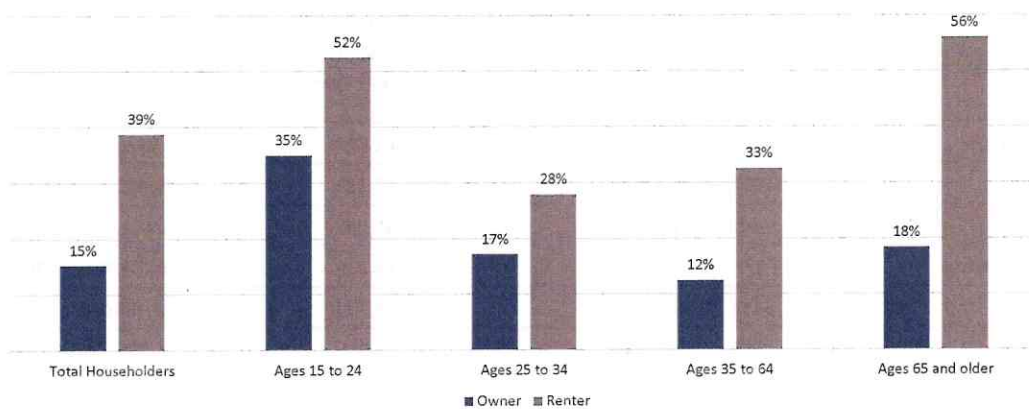
Current Job Market

JOB OPENINGS BY ESTIMATED HIRING WAGE			
Wage	% of Jobs	AMI	Housing Costs
\$30.00+ per hour	16%	120%+	\$1,660
\$25.00-\$29.99 per hour	9%	80%	\$1,299-\$1,599
\$20.00-\$24.99 per hour	23%	80%	\$1,040-\$1,599
\$15.00-\$19.99 per hour	35%	50%	\$780-\$1,040
\$10.00-\$14.99 per hour	17%	30%	\$520-\$780

Source: Job Service Online Job Openings Statistics, Feb, 2025

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Cost-Burdened Households by Age of Household, 2022



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

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Community Housing and Grants Management Division Requests

HIF appropriation \$40 million

North Dakota Homeless Grant \$10 million

Transfer of Homeless Grant to HIF

1 FTE- Homeless Programs

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Contact Information

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NORTH DAKOTA
housing
FINANCE AGENCY

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Housing Incentive Fund (HIF)



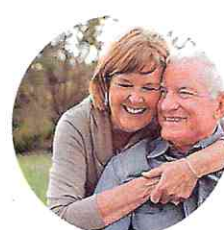
Real housing solutions require legislative action, community investments and private industry commitment.



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.



Background: State Gap Financing

HIF is a state-funded gap financing program used with federal and private dollars to create affordable multifamily housing in urban and rural communities. North Dakota Housing Finance Agency administers the program on behalf of the state. Leveraged as an upfront, one-time investment, HIF ensures rental homes will be affordable for a minimum of 15 years. On average, HIF covers 20% of the gap financing needed to move a project forward.

The North Dakota Legislative Assembly created HIF in 2011. Legislators approved \$13.75 million in funding during the 68th legislative session and single-family activities became eligible under HIF. The state's \$105 million investment in HIF has resulted in 88 unique projects, 3,034 affordable rental homes and 5 single-family homes.

People: Everyone Deserves a Safe and Affordable Place to Call Home

A home is considered to be affordable when 30% or less of earned income is spent on housing expenses. Households paying more than 30% are considered housing cost burdened. For some North Dakotans, a strong work ethic is not enough to be able to secure safe and affordable housing.

49%

gross rent increase during the past decade—twice the rate of inflation

39%

of all renter households are burdened by housing costs

56%

of renters age 65 and older are burdened by housing costs

33%

of all rental units are affordable to extremely low-income households

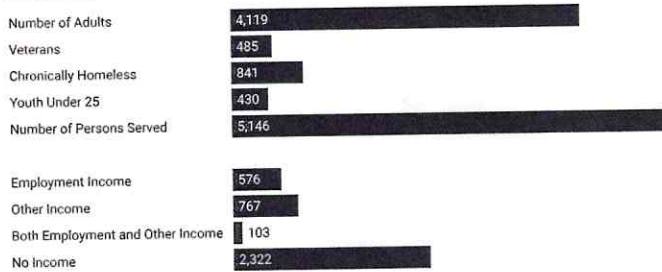
2022-2032 Top 5 Industry Employment Projections

Industry ranked by total employees	2032 Projected Employment	2023 Avg. Hourly Wage	Affordable Monthly Housing (30% of Income)	Can they afford an efficiency apt? \$719*	Can they afford a 1 bedroom apt? \$814*	Can they afford a 2 bedroom apt? \$928*	Can they afford a 3 bedroom apt? \$1,319*
Health Care and Social Assistance	69,844	\$30.90	\$1606.98	x	x	x	x
Retail Trade	46,244	\$18.52	\$963.48	x	x	x	No
Educational Services	40,725	\$24.97	\$1298.33	x	x	x	No
Government	38,990	\$27.52	\$1431.90	x	x	x	x
Accommodation and Food Service	35,678	\$11.22	\$584.30	No	No	No	No

Source: Job Service North Dakota • Created with Datawrapper

*2023 North Dakota Fair Market Rent

Number of Homeless Served and Income Sources



Individuals have the right to refuse to provide income information.

North Dakota Social Security Beneficiaries 2023

	Number of Recipients	Average Monthly Payment	Affordable Monthly Housing (30% of Income)	Can they afford an efficiency apt? \$719*	Can they afford a 1 bedroom apt? \$814*	Can they afford a 2 bedroom apt? \$928*
Male 65+	55,383	\$2,110.00	\$633	No	No	No
Female 65+	64,744	\$1,614.56	\$484	No	No	No
Disabled	13,393	\$1,440.41	\$432	No	No	No

Source: OASDI Beneficiaries by State and County, 2023 - Created with Datawrapper

Need for Rehabilitation: Risk of Losing Affordable Housing

Currently, there are only 951 income- and rent-restricted housing units affordable to extremely low-income households. Many of the properties in these housing programs have been in service for decades and are in need of repair and/or rehabilitation. HIF provides a means of rehabilitating and preserving older, affordable housing units to ensure affordable rents for an additional 15 years.

Total Households by Income and Tenure Compared with Total Rent and Income Restricted Multifamily Housing Units in North Dakota

Household Income Category	Total Householders, 2022	Approximation of Householders that Rent, 2022	Lower-Income Housing Units Available in ND, 2024
Extremely Low	61,024	38,118 (63%)	877
Very Low	45,624	23,655 (52%)	2,697
Low	55,097	23,447 (43%)	
Lower Moderate	44,389	13,862 (31%)	7,642
Moderate	34,919	6,810 (20%)	

Source: 2024 Statewide Housing Needs Assessment - Created with Datawrapper

Of the units listed above, 44% were placed in service prior to 2000. The oldest units that have not been rehabbed were built in the 1960s. HIF is a critical gap financing tool to ensure the preservation of this type of housing in urban and rural communities.

For more information contact:

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We Need All Forms of Housing: Types of Housing

North Dakota communities have unique housing needs that vary based on economic growth, job openings and unemployment rates, demographic trends, and availability of existing housing. Housing at different price points creates a healthy community environment.



Naturally Occurring Housing: Housing that is priced by market forces at levels that are affordable to low-income residents.



***Subsidized Housing:** Rental and ownership housing developed and/or operated by non-profit and for-profit developers using public subsidies.



***Public Housing:** Housing managed by public housing agencies with operating and capital funds provided by Housing and Urban Development.



***Permanent Supportive Housing:** A model that combines housing, health care, and supportive services to help individuals and families lead more stable lives.

Lowest level of subsidy

Highest level of subsidy

*HIF can be used to support the development or preservation.