

**Housing Finance Agency
Budget No. 473
Senate Bill No. 2014**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriation	59.00	\$9,850,000 ¹	\$70,186,943 ¹	\$80,036,943
2023-25 legislative appropriation	<u>54.00</u>	<u>16,250,000²</u>	<u>68,742,347²</u>	<u>84,992,347</u>
2025-27 appropriation increase (decrease) to 2023-25 appropriation	5.00	(\$6,400,000)	\$1,444,596	(\$4,955,404)

¹The entire amount shown for the General Fund is one-time funding. The amount shown for other funds does not include a transfer of \$25 million from the Strategic Investment and Improvements Fund to the Housing Incentive Fund.

²The amount shown for the General Fund includes \$13,750,000 of one-time funding. Excluding this amount, the agency's ongoing General Fund appropriation is \$2,500,000. The amount shown for other funds includes \$35,000 of one-time funding. Excluding this amount, the agency's ongoing other funds appropriation is \$68,707,347.

Item Description

FTE position changes - The Legislative Assembly approved 59 FTE positions for the North Dakota Housing Finance Agency for the 2025-27 biennium, an increase of 5 FTE positions from the 2023-25 biennium authorized level of 54 FTE positions. The Legislative Assembly added 2 FTE homeownership and loan specialist positions, 1 FTE accountant position, 1 FTE homeless program manager position, and 1 FTE business analyst position.

New and vacant FTE pool - The Legislative Assembly transferred \$1,422,760 for the new and vacant FTE pool line item, of which \$988,463 is for new FTE positions and \$434,297 is for estimated savings from vacant positions.

Housing Incentive Fund - Housing projects - North Dakota Century Code Section 54-17-40, as enacted in 2011, establishes the Housing Incentive Fund and provides a continuing appropriation to the North Dakota Housing Finance Agency for distributions from the fund for housing and homeless programs. For the 2025-27 biennium, the Legislative Assembly transferred \$25 million from the Strategic Investment and Improvements Fund to the Housing Incentive Fund for housing projects.

Homeless grants - The agency administers the federal Emergency Solutions Grant Program and North Dakota Homeless Grant Program, which provide financial assistance and services to individuals who are homeless or at risk of becoming homeless. The 2025-27 biennium funding includes \$1,076,343 from federal funds and \$9,850,000 transferred from the General Fund to the Housing Incentive Fund.

Status/Result

Of the 5 new FTE positions, the agency has filled 4 FTE positions, including 1 FTE loan specialist position in July 2025, 1 FTE homeownership specialist position in August 2025, 1 FTE accountant position in December 2025, and 1 FTE business analyst position in January 2026. The agency anticipates filling 1 FTE homeless program manager position as 1 FTE accounting position by the end of calendar year 2026.

The agency transferred \$728,725 from the new and vacant FTE pool line item to the salaries and wages line item for the cost of the 3 FTE positions filled in 2025.

Through January 2026, the agency had estimated vacant FTE position savings of \$226,383 and used \$42,613 of the savings for salary increases and position reclassifications. The number of vacancies ranged from 2 to 5 with an average monthly vacancy rate of 3.29 FTE positions.

Pursuant to continuing appropriation authority for the Housing Incentive Fund, the agency continued \$8,098,551 into the 2025-27 biennium, all of which was awarded for grants but not yet paid.

Of the \$25,000,000 of new funding for housing projects, \$19,583,292 has been awarded for grants through March 2026, and the agency anticipates the remaining \$5,416,708 will be awarded by the end of the 2025-27 biennium.

Through March 2026, the agency has awarded \$502,542 from federal funds and \$4,645,860 from the Housing Incentive Fund. Of the funding awarded, \$225,499 from federal funds and \$2,079,485 from the Housing Incentive Fund has been distributed. The agency anticipates all funding will be awarded and distributed by the end of the 2025-27 biennium.

Federal Housing Trust Fund allocation - The Housing Trust Fund was created in 2008 as a funding source for affordable housing. The fund receives contributions from the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. The United States Department of Housing and Urban Development allocates the funds to states to improve the supply of affordable housing for extremely low- and very low-income households. The department began allocating funds on an annual basis to states starting in calendar year 2016. The allocations are based on a formula which includes a minimum dollar amount for each state. The funds may be used to develop, rehabilitate, and operate rental units for extremely low- and very low-income households. The 2025-27 biennium appropriation for the agency includes \$6 million from federal funds for the program, the same as the 2023-25 biennium.

Contingency funding - Section 1 of Senate Bill No. 2014 includes \$100,000 for contingency funding.

Additional appropriation authority - Section 6 of Senate Bill No. 2014 provides additional appropriation authority to the agency for the 2025-27 biennium if the agency receives additional or unanticipated income from federal or other funds.

The agency anticipates receiving approximately \$6 million during the 2025-27 biennium, including \$600,000 for administrative expenses associated with compliance monitoring. Through March 2026, \$393,836 has been received and spent by the agency.

Through March 2026, the agency spent \$74,027 to reconfigure office space for the new FTE positions.

The agency receives a portion of the interest payments from mortgages financed through the agency's programs. The portion of the interest payments received by the agency are used for the agency's operations and programs and to pay mortgage servicing premiums to banks that originate the loans. The agency continues to monitor mortgage volume for the 2025-27 biennium, and the agency may rely on the additional appropriation authority if the agency receives additional income and has an increase in related expenditures.