



North Dakota
Housing Finance Agency

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Statement of Intent to Accept TCAP Funds

The North Dakota Housing Finance Agency (NDHFA or the Agency) herein wishes to indicate its intent to apply for Tax Credit Assistance Program (TCAP) funds in the amount of \$4,860,574.

The Agency currently is not the direct administrator of HOME or Community Development Block Grant (CDBG) funds, but does act as a sub-grantee of Neighborhood Stabilization Program (NSP) funds administering \$6,660,000 statewide. NDHFA is also a US Department of Housing and Urban Development (HUD) Section 8 Project-Based Contract Administrator, a sub-recipient of HOME funds, and a recipient of HUD Housing Counseling Program Grant funds.

Through its Low Income Housing Tax Credit program, the Agency has issued conditional commitments of \$2,301,430 in 2009 per capita credits. Sufficient requests were received for the entire available 2009 credit authority of \$2,726,524. However, due to a preservation set-aside and the lack of applications contemplating preservation activities, NDHFA is holding a second-round application cycle with a July 31, 2009, deadline for the remaining amount.

The Agency contact for TCAP is Planning and Housing Development Division Director Jolene Kline, jkline@ndhfa.org, phone: (701)-328-8080 and fax: (701) 328-8090.

Competitive Selection Criteria

Threshold requirements will include:

- The requirement that the Project must have received an award of Low Income Housing Tax Credits (credits) from the NDHFA pursuant to a Qualified Allocation Plan (QAP) between October 1, 2006, and September 30, 2009. An award of credits is defined as the date of execution by both parties of the binding formal reservation of credits.
- Project must demonstrate the capacity to meet all requirements of the American Recovery and Reinvestment Act of 2009 (ARRA) including but not limited to:
 - Fair Housing Act
 - Title VI of the Civil Rights Act of 1964
 - The Age Discrimination Act of 1975
 - Affirmatively Furthering Fair Housing
 - Section 504 of the Rehabilitation Act of 1973
 - National Environmental Policy Act and Related Laws
 - The Lead-Based Paint Poisoning Act and the Residential Lead-Based Paint Hazard Reduction Act of 1992
 - Davis-Bacon Prevailing Wages
 - “Anti-Lobbying” Restrictions
- Project timetable must show the expected completion date to be no later than February 16, 2012.



The Agency will use the following criteria for competitively scoring applications. In the event of a tie, priority will be given to projects with the earliest anticipated completion dates.

A. Serves Lowest Income Group Possible 0-20 points

Points will be awarded to properties with a minimum percentage of units having gross rents based upon 50 percent or less of area median income. The units set aside in this category must be occupied by households within the applicable income limits. Elections made in this category will be incorporated into the Land Use Restrictive Agreement (LURA) and will be binding for the 15-year compliance period (unless extended).

Note: This category awards points for gross rents that do not exceed these lower percentages of area median income. For purposes of this category, gross rent is defined to include the tenant portion, utility allowance and any project or tenant-based rental assistance (RHS rental assistance, HUD Section 8, etc.)

Percent of Median Income on which Gross Rent is Based

50%		40%		30% or less	
% of Total Units	Points	% of Total Units	Points	% of Total Units	Points
<=100%	6	<=100%	14	<=100%	20
<26%	5	<16%	10	<9%	15
<20%	4	<11%	6	<5%	10
<16%	3	<6%	2	<1%	0
<11%	0	<1%	0		

All fractions of units are rounded up (e.g., 9 percent of 24 units is 2.16 or 3 units). The maximum number of points that may be earned in this category is 20 points.

B. Extended Duration of Low-Income Use 3-9 points

Points will be awarded to properties that maintain units for low-income occupancy for a period of at least 5 years beyond the 15-year minimum compliance period. For each additional 5-year compliance period, an additional 3 points will be awarded. Properties will be bound by these terms through the use of a LURA. The maximum is 9 points.

C. Community Revitalization Project 5 points

A property located in a qualified census tract or city revitalization area and the development of which contributes to a concerted community revitalization plan will receive 5 points.

D. Special Needs 3-12 points

Properties in which units are set aside and rented to persons with special needs will receive up to 12 points. These special needs include:

- Chronic or persistent mental illness,
- Drug dependency,
- Developmental disabilities,
- Physical disabilities (accessible units),
- Homeless, or
- Frail elderly.

Points Awarded:

- 10 percent of the units 3 points

- 15 percent of the units 6 points
- More than 15 percent of the units 9 points

To earn points in the Special Needs category serving residents with mental illness, drug dependency, developmental disabilities, who are homeless or are frail elderly, a property must provide documentation that it meets the following requirements:

- A need for the special type of housing based on market demand, the applicable *Consolidated Plan*, and the findings of the local social service agency;
- Third-party verification of the services appropriate to the targeted population; and
- A commitment from a service agency to provide on-going services consistent with the needs of the targeted population.

To earn points in the Special Needs category serving residents with physical disabilities, a property must provide documentation that it meets the following requirements:

- A need for the special type of housing based on market demand, the applicable *Consolidated Plan*, and the findings of the local social service agency;
- Evidence that the unit/building configurations meet the specific needs of the targeted population; and
- Certification from an architect or Applicant that the accessible units and common areas meet or exceed Federal Fair Housing Accessibility Guidelines.

Compliance monitoring activities will include reviewing marketing efforts targeted at the specific special needs population.

Applicants who receive points under this category will receive 1 additional point for each physically accessible unit that is a two-bedroom unit or larger, up to a maximum of 3 points. As an example, an applicant who designates more than 15 percent of the total units to serve a special needs category, three of which are two-bedroom or larger and meet the definition of physically accessible will receive a total of 12 points.

E. Design Standards 5-20 points

1. Properties with an elevator will receive 10 points.
2. Properties with a building(s) design that does not exceed two stories and no more than four units per outside main entrance will receive 5 points.
3. Properties with a building design(s) that does not exceed two stories and includes a separate outside main entrance for each unit will receive 10 points. (Points given for this building design cannot be added to points given for design standard # 2.)
4. Properties consisting of single-family detached homes will receive 15 points. (Points given for this building design cannot be added to points given for design standards # 2 or 3.)
5. Properties that include a community room with kitchen facilities for the use of the tenants of the property at no charge will receive 10 points.

A maximum of 20 points may be earned in this category.

F. Green Communities 1-6 points

To be eligible to earn any points in this category, applicants must submit a written development plan outlining the integrated design approach taken for this development that demonstrates involvement of the entire development team. The plan should provide a statement of the overall green development goals, the expected outcomes from addressing those goals, and the rationale for choosing each of the green features. Any applicant meeting five of the Green Communities' criteria found in Exhibit E of the QAP will receive 1 point. Any applicant meeting ten of the listed criteria will receive 3 points. By meeting fifteen of the criteria, the applicant will be

eligible for a total of 5 points in this category. Applications involving rehabilitation must meet eight of the criteria to be eligible for 3 points, and must meet twelve of the criteria to be eligible for the maximum 5 points.

A project obtaining LEED, Green Communities or National Association of Homebuilders' National Green Building Standard Certification will receive the maximum of 6 points in this category. Evidence of certification is required prior to 8609 issuance.

G. Property Rehabilitation 5-12 points

Properties with rehabilitation expenditures of \$10,000 up to \$25,000 per unit will receive 5 points.

Properties with rehabilitation expenditures of \$25,000 or more per unit will receive 10 points.

Properties that are historic in nature (i.e., on the National Register of Historic Places or approved for the State Historic Preservation Office's review list) will receive an additional 2 points.

H. Rent Rebate for Homeownership 5 points

Applications that contain a commitment to set aside at least five percent of the tenant paid rent, for homeownership, will receive 5 points. The owner will enter into a binding contract with tenants of set-aside units at move-in agreeing to a rebate of the rent, payable to a lender, for a home selected by the tenant as a credit toward down payment, closing costs, etc. The accrual of rent to be rebated must be for the tenant's entire term of occupancy within a property (unit transfers should not void the rebate) and the vesting period can be no longer than three years of continuous occupancy within the property. It is intended that the rebate be paid only if the household moves directly into homeownership upon termination of the rental agreement.

I. Tenant Ownership 2 points

Properties intended for eventual tenant ownership will receive 2 points. Applicants must include a) a feasible plan that sets forth a plan for transferring the property in whole; b) the future purchase price; c) homebuyer counseling efforts; and d) any other information requested by the Agency. Information will be reviewed for conformance with Section 42(h)(6) and IRS Revenue Ruling 95-49. Applicants will not qualify for points under the extended low-income use category if the property is intended for eventual homeownership unless the applicant can demonstrate a plan for maintaining affordability for the extended use period.

J. Housing for Individuals with Children 2 points

Properties in which 20 percent or more of the total units are three bedroom or larger will receive 2 points.

K. Housing for People 55 and Over 10-15 points

Properties that are designed for and marketed to households consisting of individuals 55 years of age and over will receive 10 points. The marketing plan must be consistent with Fair Housing requirements for 55 and over housing. If the applicant can demonstrate that long-term supportive services will be provided to the residents, the application will receive 15 points.

L. Internet Connection Provided to Tenants 1 point

Properties that agree to construct all Low Income Housing Tax Credit units and any community rooms with high-speed internet wiring will receive 1 point.

M. Preserve Existing Properties 5-10 points

Federally assisted properties in danger of prepayment, such as Rural Development 515 financed or those with project-based rental assistance for 50 percent or more of the units, which are "at-

risk" of being lost from the state's affordable housing inventory were not tax credits allocated, will receive 10 points.

Existing LIHTC properties that are near the end of the initial 15-year compliance period and did not waive the ability to opt out will receive 10 points. The properties that waived their ability to opt out of the extended use period for points in the scoring process will receive 5 points.

N. Rural Properties 15 points

Developments located in rural North Dakota (cities with populations of 20,000 or less) will receive 15 points.

All areas of the state are eligible for this rural designation except Bismarck/Mandan, Fargo/West Fargo, Grand Forks and Minot, and any location within 10 miles of the city limits of these cities.

O. Non-Profit Sponsorship 5 points

Applicant is a tax-exempt organization as defined by Section 42 of the Internal Revenue Code, is organized under the laws of North Dakota, and maintains its principal office in North Dakota or provides satisfactory evidence to NDHFA that it meets the definition of non-profit as described in Section VIII at the time of the application.

Commitment and Expenditure Deadlines

Projects will be required to submit quarterly progress reports showing progress consistent with the timetable identified in the competitive application. A failure to meet the pre-identified timetable will result in forfeiture of the award of TCAP funds and the funds will be awarded on a competitive basis to other projects expected to meet the required timeframes established in the Recovery Act.

Recovery Act Accountability and Transparency

The project selection process and criteria was made available to all holders of LIHTC awards made from October 2006 through the present as well as direct mailing to over 1,200 parties on the NDHFA mailing list and placement on our website at www.ndhfa.org for the period of May 19 to 26, 2009. This information will remain on our website, along with a listing of all recipients of TCAP funds and the amount of the awards for each project. NDHFA will track and report to HUD on a regular basis its progress in committing and expending the grant funds.