

THRESHOLDS

A Publication of the North Dakota Housing Finance Agency

Conference to Focus on Housing Matters

The 19th Annual Statewide Housing Conference, "Housing Matters," will be held Feb. 23 - 24, 2010, at the Ramkota Hotel in Bismarck.

The conference will begin on Tuesday with a presentation by practiced storyteller Jack McCall. McCall will explore the critical areas of our lives: work, play, love and worship; and how each is directly linked to our mental, emotional, physical and spiritual well-being. Hang On! A sense of humor is required for this course.

At Tuesday's lunch, a panel of state legislators will offer insight on North Dakota's legislative process; the role they see the legislative body taking to positively impact housing; and how we can work together to make positive strides.



Jack McCall will explore the critical areas of our lives during the opening session of the Housing Conference

A popular presenter at the 2009 conference, Dr. Stephen Happel returns Wednesday morning to provide insight on the national economy, updating his message presented during last year's event.

Conference break-out sessions focus on new programs and updates from both the federal and state government. Topics include: an update on the state's efforts to comply with new mortgage originator licensing regulations; the pros and cons of establishing a local housing authority; rural housing development and rehabilitation resources; several property manager training sessions; new ways to prevent and address homelessness; match-based savings for low-

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Pilot Offers Incentive for Rural Investment

North Dakota's rural communities often lack the resources necessary to attract developers, make housing affordable, or to overcome a value gap that results when construction costs exceed the value of the property produced.

The Industrial Commission of North Dakota has approved a pilot program that it hopes will assist in overcoming these obstacles. The North Dakota Housing Finance Agency (NDHFA) will administer the Rural Housing Investment Incentive Pilot Program.

"North Dakota's economy is growing and there are numerous individuals and families that would

like to settle down in our small towns, unfortunately many of those communities are really struggling to meet housing demand," said Gov. John Hoeven.

"Without appropriate housing, it is nearly impossible to increase the local workforce or even retain population," said Agriculture Commissioner Doug Goehring. "And, every household lost to a small community negatively impacts its Main Street businesses."

"North Dakota Housing's aim is to demonstrate

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From the Desk of Mike Anderson:

I am going to assume you already read the headline article in this publication. It delineates the details on the 19th Annual Statewide Housing Conference taking place later this month in Bismarck. The conference theme is "Housing Matters."

Webster has many definitions for the word 'matter.' You'll need to differentiate them in order to understand why we selected it as the conference theme.

In this context, it is not something that occupies space, a substance or an organism. It is not intended to reflect printed materials. Nor is it synonymous with a subject, topic or theme. It is a reflection of importance. It's an expression of materiality.

Housing is universally important. It is material to the quality of life everyone aspires to. It matters towards achieving success in all walks of life.

A colleague of mine once wrote that housing is fundamental to our lives. It is shelter. It is security. It is part of who we are and who we want to be. It is clear that without enough safe, decent and



Executive Director Mike Anderson

affordable housing, thriving communities are not possible. Housing both drives our economy and determines our economic future. There can be no meaningful economic development in a place that neglects the housing of its people.

I have often said that housing needs to be part of the conversation on the necessary infrastructure for achieving quality of life in North Dakota. It is at least as important as quality education and health care. And, it is as essential as food and clothing.

If you agree and if you are a housing practitioner, a state or civic leader, then the place to be Feb. 23-24 will be the Ramkota Hotel in Bismarck.

We will likely not solve all of North Dakota's housing issues during these two days. However, with the sharing of information on best practices and success stories, as well as continuing the dialogue on elevating housing on the public policy importance scale, you can be assured that we will make progress as a result of the conference.

I hope you can join us.

North Dakota Housing Happenings

Three-Year Service Awards

Amber Schmalz, Communications Specialist

Deborah Schaeffer, Contract Administration Specialist

Sylvia Burgess, Housing Development Officer

Audited Financials Available Online

NDHFA's audited financial statements for the fiscal year ended June 30, 2009, are now available online at www.ndhfa.org, click on the Financial link.

Thresholds Moving to Electronic Format Only Beginning with the Spring 2010 issue, *Thresholds* will only be sent electronically to our readers. If you currently receive a paper copy of this newsletter and want to receive the electronic version, contact Amber Schmalz at 800-292-8621 or aschmalz@ndhfa.org. Provide the name and mailing address on this newsletter, and an email address where you can receive the new electronic only version.

The Industrial Commission of North Dakota oversees North Dakota Housing with advice from a citizen advisory board.

Industrial Commission

John Hoeven, Governor

Doug Goehring, Agriculture Commissioner

Wayne Stenehjem, Attorney General

Citizen Advisory Board

Gerald Eid, Chairman

Ron Jordan, Vice Chairman

Becky Knight

Michael Orness

Lisa Rotvold

Ninetta Wandler

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HFA and BND Team-up to Offer Support

The Bank of North Dakota (BND) and the North Dakota Housing Finance Agency (NDHFA) are jointly offering a \$10 million Rural Mortgage Loan Program, effective Jan. 1, 2010.

The Rural Mortgage Loan Program will temporarily allow rural financial institutions who do not have FHA approval, to access a pool of \$10 million in order to increase their likelihood of working with local residential home loan borrowers. Home locations that are not in Bismarck, Fargo, Grand Forks, Mandan or Minot are eligible.

"Financial institutions may choose to originate the loan or partner with another financial institution with residential lending experience in order to expedite the process," Mike Anderson, NDHFA executive director.

The program guidelines include:

- Rate equal to BND's Fannie Mae Conventional or NDHFA's FirstHome™ rate
- Maximum loan amount: BND - \$275,000 or NDHFA's FirstHome - \$237,000

- Up to a 30-year term
- 80 percent maximum loan-to-value ratio, rural banks may take a second mortgage up to the maximum combined loan-to-value of 95 percent
- Home must be occupied as primary residence
- FirstHome loans are subject to NDHFA loan terms
- BND or NDHFA will review loan packages prior to closing

"BND and the Housing Finance Agency worked with the North Dakota Bankers Association to bring financial institutions together as we sought input to structure a program that would truly benefit those willing to use it," said BND President Eric Hardmeyer.

More information about the Rural Mortgage Loan Program is available by contacting NDHFA's Homeownership Division Director Dave Flohr at 701/328-8080 or 800/292-8621.

Housing Counseling Programs Funded

Approximately 1,500 North Dakota households will be able to access homebuyer education and/or housing counseling services in 2010 thanks to support from the US Department of Housing and Urban Development (HUD) and the North Dakota Housing Finance Agency (NDHFA).

"Counseling agencies help families strengthen their money management skills and make informed choices when purchasing a home," said Janet Fischer, NDHFA servicing coordinator. "Current homeowners can receive services that assist them in restructuring debt, preventing delinquency and foreclosure."

The grants are awarded annually through a competitive process. The NDHFA and its nonprofit affiliates received \$136,881 from HUD. Because the funds awarded by HUD were less than expected, NDHFA will supplement the funding with \$45,000 provided through agency reserves.

Eight NDHFA affiliates will split the grant dollars. Agencies receiving funding include: Community

Action Opportunities, Inc. of Minot, \$20,135; Community Action Program Region VII of Bismarck, \$20,125; Community Action Partnership of Dickinson/Williston, \$16,100; Grand Forks Housing Authority of Grand Forks, \$60,771; CommunityWorks North Dakota of Bismarck, \$8,050; Family Life Credit Services of West Fargo, \$12,450; Lutheran Social Services of Fargo, \$40,250; and Red River Valley Community Action of Grand Forks, \$4,000.

"Through the allocation of these funds, North Dakota Housing is able to further its mission of providing financial support and information to ensure that affordable housing remains available for all North Dakotans," said Mike Anderson, NDHFA executive director.

The grant dollars support organizations that provide information and guidance to low- and moderate income families seeking to improve their housing conditions. The affiliates also provide financial literacy training to renters and homeless individuals and families.

Tax Credits Available for Development

The Industrial Commission has approved the 2010 Low Income Housing Tax Credit Qualified Allocation Plan (QAP), providing more than \$2.4 million worth of federal tax credits to support housing development statewide.

"Tax credit funds bolster North Dakota's affordable housing supply," said Gov. John Hoeven. "We're creating good-paying jobs, and at the same time, we are working aggressively to make affordable housing available to those who need it in communities around our state."

"New to this year's program is a set aside for energy-impacted communities. We hope that this new category will make the development of much needed housing more feasible in these high-growth areas," said Attorney General Wayne Stenehjem.

Property owners receive tax credits for up to 10 years based on capital investment and level of commitment to low-income tenancy. In return, property owners rent the units to low-income

households at rents generally lower than would be feasible without the credits.

"To ensure that North Dakota's greatest development issues are addressed, applications are ranked based on the priorities identified in the QAP," said Agriculture Commissioner Doug Goehring. "By targeting the tax credits, we seek to meet the greatest needs first."

The allocation plan and applications are available by contacting Sylvia Burgess at 701/328-8080, 800/292-8621 or 800/366-6888 (TTY). The documents are also available online at www.ndhfa.org. The deadline is Feb. 26, 2010. If insufficient applications are received, a second round may be held. The deadline for the second round would be April 30, 2010.

"The program has allocated \$26 million in tax credits for the production of more than 5,000 units for low-income households, since 1986," said North Dakota Housing's Executive Director Mike Anderson.

Pilot Offers Incentive for Rural Investment

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that private sector investment can spur housing development," said Attorney General Wayne Stenehjem. "They hope that the gap financing provided by this pilot will prove to be the missing piece of the rural development puzzle."

The NDHFA's program will support the development of single- or multi-family housing, or the substantial rehab of existing structures in difficult to develop areas of the state by offering a dollar for dollar match for private sector investment. Eligible contributions include financial investments, donated land or property, and infrastructure improvements that reduce the value gap.

"Applicants must demonstrate to North Dakota Housing's satisfaction that the community has an unmet housing need or shortage, and that the proposed activity will make a positive impact," said Mike Anderson, NDHFA executive director.

The match is limited to the combined total of the lesser of the gap between the cost of new construction and the appraised value of the completed property, or 20 percent of the cost of

new construction. Project costs for new single-family homes will be capped at \$190,000 and at \$125,000 per unit for new multi-family projects. For proposals involving substantial rehabilitation, the Agency will match the private investment up to a combined total of 50 percent of the hard construction cost of the rehab, and will cap project costs of rehabs at \$100,000 per either single- or multi-family unit.

The program incentive may only be used to support projects in what are considered to be difficult to develop areas of the state, communities with a population of 5,000 or less. No one proposal is eligible for more than \$100,000, and eligibility is limited to one award per community. The NDHFA has committed up to \$400,000 of its reserves for the pilot program.

Interested parties must submit a written proposal to be considered for the funding. The deadline for submission is Feb. 15, 2010. For more information about the Rural Housing Investment Incentive Pilot Program, contact Jolene Kline at (701) 328-8080, (800) 292-8621, (800) 366-6888 (TTY) or info@ndhfa.org.

Additional Stabilization Dollars Awarded

Neighborhood Stabilization Program (NSP) dollars recently allocated by the North Dakota Housing Finance Agency (NDHFA) during a fifth round of funding will go to:

- Lutheran Social Services Housing Inc. will receive \$400,000 for the construction of 12 rental units in the City of Parshall.
- An additional \$125,000 has been designated for Lutheran Social Services Housing, Inc. to aid in the completion of construction of 24 rental units in Watford City.
- CommunityWorks North Dakota will receive an additional \$46,800 to acquire and redevelop single-family housing in communities statewide.

NSP regulations require that at least 25 percent

of the allocated funds involve the purchase, rehabilitation and resale of foreclosed or abandoned property; or the redevelopment of foreclosed or abandoned property and that serve households at or below 50 percent of area median income.

Over the past year, NDHFA has awarded more than \$6 million to cities and non-profit organizations through the federal program.

"The grant dollars are providing much needed workforce housing particularly in energy impacted areas as well as safe and affordable housing for the elderly and homeless," said Jolene Kline, NDHFA planning and housing development division director.

Lender Training Sessions Scheduled

North Dakota Housing will host quarterly lender training sessions in 2010 that introduce the Agency's homeownership division programs.

"FirstHome Lender Training is geared to new staff of our participating lenders, new or pending participating lenders, and current lender staff that want a refresher on North Dakota Housing's programs," said Dave Flohr, homeownership division director.

All sessions begin at 9:00 am CST and are scheduled to be completed no later than 2:00 p.m. Lunch will be provided.

Training sessions will be held:

- Feb 10 at the Doublewood Inn in Bismarck (this session was rescheduled due to

weather, if you were already registered for the Jan. 7 training you do not need to register again). Registration deadline is Feb. 3.

- April 8 at the Expressway Suites in Fargo. Registration deadline is April 1.
- July 22 at the Doublewood Inn in Bismarck. Registration deadline is July 16.
- October 14 at the Expressway Suites in Fargo. Registration deadline is Oct 8.

There are no registration fees for the training, however pre-registration is required. Register online at www.ndhfa.org. If you have questions, contact Kim Becker at 701/328-8080, 800/292-8621 or kbecker@ndhfa.org.

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income households; and new lead-based paint regulations.

Champion of Affordable Housing awards, honoring individuals and organizations that have made exceptional contributions to affordable housing in North Dakota, will be presented at Wednesday's lunch. Lenders participating in the Agency's homeownership programs will also be recognized.

ND Real Estate Commission and ND Board of

Social Work Examiners continuing education program applications have been submitted. Credits will be offered upon approval of the program by the accrediting bodies. Information on the availability of credits will be posted on the Agency's website, www.ndhfa.org.

If postmarked by Feb. 16, registration is \$140 for the full two days. One-day only registration is \$75. If you have questions, call 701/328-8080 or 800/292-8621, or email: info@ndhfa.org.

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RETURN SERVICE REQUESTED

Calendar of Events

February

- 10 **FirstHome Lender Training, Bismarck**
- 12 **Advisory Board Meeting, Bismarck**
- 15 **Rural Housing Investment Incentive Program RFP deadline**
- 15 **NDHFA closed in observance of Presidents Day Holiday**
- 23-24 **Statewide Housing Conference, Bismarck**
- 24 **Access to Affordable Housing, FHLB Des Moines AHP Training Session, Bismarck. Contact Megan at 515/281-1159**
- 26 **LIHTC Application Round 1 Deadline**

March

- 12 **Advisory Board Meeting, Bismarck**

April

- 2 **NDHFA closed in observance of Good Friday Holiday**
- 8 **FirstHome Lender Training, Fargo**
- 16 **Advisory Board Meeting, Bismarck**
- 30 **LIHTC Application Round 2 Deadline**

May

- 14 **Advisory Board Meeting, Bismarck**
- 31 **NDHFA closed in observance of Memorial Day Holiday**

June

- 13-15 **Bankers Association Annual Conference, Fargo Contact NDBA at 701/223-5303**

North Dakota Housing's activities are in **BOLD** print. If you would like more information on these events, contact the Agency at 800/292-8621, 701/328-8080 or info@ndhfa.org.