

- Purpose:** To assist multifamily housing development for essential service workers and low- and moderate-income households throughout North Dakota.
- Eligible Applicant:** Units of local, state or tribal government; local or tribal housing authorities; community action agencies; regional planning councils; non-profit or for-profit developers.
- Eligible Projects:** **New construction** of multi-family housing. **Substantial rehab** of uninhabitable residential structures or habitable structures at risk of becoming uninhabitable due to deterioration. **Substantial rehab** of existing uninhabitable units when a minimum of 50 percent of the units in a building are uninhabitable due to flooding or other natural disaster. **Adaptive reuse** of existing non-residential buildings that create additional housing units. **Retirement of market rate debt** to convert market rate units to affordable units. **Acquisition rehab** of projects opting out of a HUD or USDA-RD contract. **Acquisition** of publicly-owned essential service worker housing by a private entity with the commitment of continued affordability.
- Maximum Allocation:** **For projects receiving 9 percent federal tax credits under the Low Income Housing Tax Credit program or the Historic Preservation Tax Credit program:** No more than \$600,000 per project.
- For non-federally subsidized projects:** No more than \$3,000,000.
- Assistance, in the form of a loan with terms determined on a case by case basis, will be limited to not more than 30 percent of total development costs (50 percent for projects providing special needs permanent supportive housing).
- Eligible Costs:** Total development cost is defined as site acquisition and improvements, hard construction costs, associated soft costs including financing costs and acceptable profit margins. Recognizable total development costs under this program will be capped at \$180,000 per unit. Profit margins of 14 percent or less of hard construction costs for combined builder profit, overhead and general requirements and developer fees of 15 percent or less of total development costs, net of the developer fee, will be considered reasonable.
- Project Award:** Successful applicants will be issued a 60-day conditional commitment of funds (86 percent state tax credits, 14 percent cash allocation) during which time applicants will be required to reach certain benchmarks including obtaining commitments of contributions to the Housing Incentive Fund. Upon satisfactory review of these items, a financial award will be issued.
- Available Funds:** \$35,000,000 is available for development assistance, of which a maximum of \$30,000,000 in state tax credits will be issued for contributions to the fund.
- Recapture:** Determined on a project specific basis to achieve project feasibility.
- Fees:** \$500 nonrefundable application fee. Successful applicants will be charged a 5 percent origination fee due prior to first draw, plus an annual compliance monitoring fee: currently \$50 per development plus \$35 per restricted unit.