

# Housing Resource Guide



North Dakota  
Supportive Housing  
Collaborative

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## INTRODUCTION

Safe, decent and affordable housing is a key component to individual success and quality of life. Likewise, supportive services are vital to keeping people stably housed. It was in that spirit the North Dakota Housing Finance Agency (NDHFA), the North Dakota Department of Human Services and a number of housing and supportive service partners began interagency discussions in 2013 about the unique needs of persons with disabilities, seniors and low-income households. The discussions led to an ongoing Supportive Housing Collaborative that is aimed at providing a comprehensive approach to addressing those needs.

While housing and service providers both have something equally beneficial to offer individuals and families, there is an inherent information and communication gap that can lead to frustration for both the resident/client and the providers. The purpose of this reference guide is to help bridge that gap by providing information about housing to the service provider community. It will guide you through some of the resources available to eligible applicants, provide an overview of a common income calculation method used by project managers to determine eligibility to rent, provide you with contact resources and help you better understand the language and culture of the housing industry.

Often the discussion of housing begins with the question of what affordable housing is. The commonly-accepted standard is that housing is affordable when a household spends no more than 30 percent of their income on housing costs. For example, an individual whose annual income is \$30,000 should be able to afford housing costs of \$750 per month ( $\$30,000/12 * 30\%$ ). Any more than that and the household would be cost burdened.



## OVERVIEW OF HOUSING RESOURCES

Local, state and federal programs have been developed to assist lower-income households in affording housing costs. Generally, this is done by either bringing down costs during upfront development or subsidizing rents after a project is complete.

Affordable housing is largely a public-private partnership. The vast majority of affordable housing units are owned by private individuals, non-profit organizations or businesses that offer affordable rates in exchange for the funding they receive from government housing agencies, like NDHFA or the U.S. Department of Housing and Urban Development (HUD). Some public entities, like Public Housing Authorities, also own affordable housing projects themselves.

Encouraging the development of affordable housing is challenging because the costs of construction are the same whether you are building market rate or affordable units. Oftentimes it takes several layers of incentive and creative collaboration of financing to achieve the end goal of creating quality affordable housing. Projects that are developed using federal, state and local financial assistance typically have restrictions and regulations to which they must adhere. These restrictions can be in the form of reserving units for households at or below certain income levels, setting aside apartments for special populations like seniors and people with a disability, or capping rents. Restrictions vary depending on which funding programs were utilized and some projects may be subject to multiple regulations.

Affordable housing is usually provided in one of two ways – through a project-based subsidy or tenant-based rent assistance.

Project-based assistance is tied to a specific housing unit. Regardless of who the tenant is, provided that they meet eligibility thresholds, the unit:

- Has rent based on what is affordable for households at different income levels (this happens when the project receives the subsidy upfront during development); or
- The owner is paid the difference between the unit's contract rent and what the tenant is required to pay - typically 30 percent of their household income. The rental assistance is provided directly to the property owner on behalf of the tenant.

Tenant-based assistance is tied to a specific household and, in some cases, the tenant is able to take the subsidy with them if they move. Different programs provide different levels of support and have varying parameters on the assistance. In most cases, though, the assistance will be paid directly to the property owner and the tenant will have to pay at least a minimum amount toward their housing costs.

Homeownership resources are also available to new or existing homeowners to help purchase, refinance or rehabilitate homes.



## WHO ARE HOUSING PROVIDERS?

Funding for affordable housing is provided by several different agencies in North Dakota. Here is a brief introduction to the main public housing resources:



### **NORTH DAKOTA HOUSING FINANCE AGENCY (NDHFA)**

NDHFA is a self-supporting state agency that is overseen by the North Dakota Industrial Commission with guidance provided by a six-member citizen advisory board. The agency's programs cater to all aspects of housing including homeownership, rental assistance, and housing development.



### **U.S. DEPARTMENT OF AGRICULTURE RURAL DEVELOPMENT (RD)**

RD offers a variety of programs to assist rural areas and communities through its state offices. All RD housing must be located in communities with a population of 35,000 or less. RD provides homeownership as well as rental housing programs and assistance.



### **NORTH DAKOTA DEPARTMENT OF COMMERCE**

The Division of Community Services within the Department of Commerce administers a number of housing and community development programs and is responsible for developing the state's Consolidated Plan for federal development programs including homelessness programs. It is also the administrator of a number of low-income service programs. It works through partners across the state to deliver its programs.



### **COMMUNITY ACTION AGENCIES**

North Dakota has seven Community Action Agencies that cover every county in the state. Each agency offers a wide variety of programs to support underserved populations in the community.



### **PUBLIC HOUSING AUTHORITIES (PHA)**

A PHA is a public entity created to provide safe, decent and affordable housing within their jurisdiction. There are thirty-four PHAs operating in North Dakota covering every county. PHAs provide affordable housing through various programs which are generally funded with federal dollars.

## PROJECT-BASED HOUSING

### Housing Incentive Fund (HIF)

Housing projects developed under NDHFA's Housing Incentive Fund program receive an upfront zero-interest forgivable loan provided that a portion of the units remain affordable for households at certain income levels for the entire term of the permanent debt but never less than 15 years. Households must meet income and other eligibility requirements for tenancy. Their rent will be restricted to maximum levels based on the income bracket in which they fall. Rental application must be made to the property manager.

### Low Income Housing Tax Credit (LIHTC)

The LIHTC program utilizes federal income tax credits to bring equity to a project. The developer of the property is granted the credits by NDHFA which often are, in turn, sold to an investor to raise the capital for the project. Rents may not exceed limits published annually and tenants must have incomes below 60 percent of Area Median Income (AMI). Units must remain affordable for at least

15 years and most are restricted for 30 years. Applications to rent LIHTC units are made through the project's property manager. In some projects, tenants may opt to participate in a Rent Rebate for Homeownership program in which a portion of the rent is set aside to be paid to a lender on behalf of a household moving directly from the property into homeownership.

### Housing Trust Fund (HTF)

Housing built with a grant from the Housing Trust Fund by NDHFA must serve people with incomes below 30 percent of AMI for at least 30 years. Rents are capped at 30 percent of the greater of 30 percent AMI or federal poverty level. Renter applications are made to the property manager.

### Moderate Rehabilitation (Mod Rehab)

Mod Rehab is a rental assistance program administered directly by NDHFA. This program is available to qualified tenants who agree to live in a specified housing unit located in Bismarck, Fargo, Jamestown, Valley City, Devils Lake, Grand Forks, or Mandan. Tenants of this program typically pay 30 percent of their adjusted monthly gross income towards rent. If the tenant does not have an income, a minimum rent may be required. Applications for this program can be submitted directly to NDHFA.



### HUD Section 8

NDHFA administers contracts for HUD project-based Section 8 housing developments. Applications for residence in a Section 8 project are made directly to the property management offices. Applicants must complete a background check and provide income verification to qualify. Rent is generally calculated at 30 percent of the tenant household's adjusted gross income.

### RD Rental Housing

USDA Rural Development has two programs to help develop affordable housing properties – the Section 538 Multi-Family Housing Loan Guarantee Program and the Section 515 Rural Rental Housing Program. Each has its





own income qualifications. Incomes at initial occupancy of Section 538 cannot exceed 115 percent of AMI and rent cannot exceed 30 percent of 115 percent of AMI. If a tenant's income changes after they are initially qualified, they are allowed to continue living in the unit. Income limits for Section 515 projects vary slightly with the cap being at \$5,500 above 80 percent of AMI. People over the age of 62 and those with a disability also qualify to live in Section 515 properties. Rental assistance for very low- and low-income households (at or below 50 percent and 80 percent AMI respectively) is available in Section 515 housing. Residents will pay no more than 30 percent of their adjusted income for rent. Income calculations include gross annual income from all those living in the unit. Once income exceeds moderate level, they are no longer eligible to live in the project.

### **Public Housing**

Public housing was established to provide decent, safe and affordable rental housing for eligible low-income families, the elderly, and persons with disabilities. Public housing

comes in all sizes and types, from scattered single family houses to high-rise apartments for elderly families. HUD administers federal aid to local PHAs that manage the housing. Residents pay 30 percent of their income towards rent. A PHA determines eligibility based on annual gross income; whether the applicant qualifies as elderly, a person with a disability, or as a family; and U.S. citizenship or eligible immigration status. Applicants are subject to background checks and PHAs will deny tenancy to any applicant whose habits and practices may be expected to have a detrimental effect on other tenants or on the project's environment. PHAs use income limits developed by HUD.

### **HOME Investment Partnership Program (HOME)**

Housing developed using HOME funds, administered by the Department of Commerce, must comply with rent limitations set annually by HUD and households must have incomes at or below 80 percent of Area Median Income. Application for HOME-assisted housing is made directly to the property manager.

## TENANT-BASED ASSISTANCE

### Housing Choice Voucher Program

The Housing Choice Voucher program is one of the federal government's major programs for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments. The participant is free to choose any housing that meets the requirements of the program and is not limited to units located in subsidized housing projects. Housing choice vouchers are administered locally by PHAs.

A family that is issued a housing voucher is responsible for finding a suitable housing unit of the family's choice where the owner agrees to rent under the program. This unit may include the family's present residence. Rental units must meet minimum standards of health and safety, as determined by the PHA. A housing subsidy is paid to the landlord directly by the PHA on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program. Under certain circumstances, if authorized by the PHA, a family may use its voucher to purchase a modest home.

Eligibility for a housing voucher is determined by the PHA based on the total annual gross income and family size and is limited to U.S. citizens and specified categories of non-citizens who have eligible immigration status. In general,

the family's income may not exceed 50 percent of the median income for the county or metropolitan area in which the family chooses to live. By law, a PHA must provide 75 percent of its vouchers to applicants whose incomes do not exceed 30 percent of AMI. Median income levels are published by HUD and vary by location. The PHA serving the community can provide the income limits for the area and family size.

During the application process, the PHA will collect information on family income, assets, and family composition. The PHA will verify this information with other local agencies, employers and banks, and will use the information to determine program eligibility and the amount of the housing assistance payment.

APPLICATION FOR Section 8 HOUSING ASSISTANCE  
DICKET, FOSTER, LOGAN, SARGENT, AND STUTSMAN COUNTIES

**APPLICATION INFORMATION**

This form must be completed in your own handwriting. You must use the correct legal name for each member of your household as it appears on your social security card. Contact the Housing Authority with any change of address. If housing authority correspondence is returned because of an incorrect address, your name will be removed from the waiting list.

Name: \_\_\_\_\_  
First Middle Last

Address: \_\_\_\_\_  
City State Zip Code

Telephone: (Home) \_\_\_\_\_ (Work/ Cell Phone) \_\_\_\_\_

Email: \_\_\_\_\_

Do you need any special accommodations to receive our assistance? ☐ Yes ☐ No  
(Example: interpreter, visual aid, etc.) \*\*\* Interpreters and other assistance are free and provided by the housing authority. \*\*\*

If yes, indicate accommodations needed \_\_\_\_\_

If a language interpreter is required, indicate what language is needed \_\_\_\_\_

**WAITING LIST PREFERENCES**

Applicants must choose a waiting list preference by checking a box, and provide the requested documentation. Please read the required documents list, and provide the documents when submitting an application. *The applicant's waiting list preference is set at the time of application, and can be changed if the applicant submits the proper materials.*

**CHECK THE BOX FOR THE AREA IN WHICH YOU ARE APPLYING FOR ASSISTANCE (ONLY CHECK ONE).**

Applicants must provide documentation demonstrating a residence in the selected area. Documents must show a current address within the selected area (PO Box addresses not accepted). Acceptable documents include pay stubs, utility bills, lease, or a notarized letter demonstrating established residence.

☐ Dickey County ☐ Foster County ☐ Logan County  
☐ Sargent County ☐ Stutsman County

☐ **Victims of Domestic Violence**  
Documentation required: Victims must sign a confidentiality release and/or provide a letter from a domestic violence center stating the center worked with the applicant.

☐ **Rural Preference**  
Households must currently live in and plan to reside in a community with a population of less than 2,500 residents.

☐ **Individuals or families residing WITHIN THE AREA SELECTED (processed in the following order)**  
☐ Elderly and disabled households ☐ Families with minor children ☐ Singles

☐ **Individuals or families residing OUTSIDE THE AREA SELECTED LISTED (processed in the following order)**  
☐ Elderly and disabled households ☐ Families with minor children ☐ Singles

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If the PHA determines that a family is eligible, the PHA will put the family on a waiting list, unless it is able to provide immediate assistance. Once the family reaches the top of the waiting list the PHA will contact the family and issue a housing voucher.

### Shelter Plus Care Voucher Program

The Shelter Plus Care Voucher Program provides housing assistance for families in the private rental market who are homeless, have at least one adult family member with a disability, have a current Supportive Services Care Plan with a service provider agency, and are low-income. Rental assistance is paid directly to the property owner by the PHA on behalf of the qualified tenant. Tenants must meet certain screening criteria and the unit must pass housing quality standards. Application is made through the local PHA.





## HOME

HOME funds are provided by the Department of Commerce to certain PHAs and Community Action Agencies for Tenant-Based Rental Assistance (TBRA) and security/utility deposit programs. This funding is for emergency situations to prevent homelessness, to assist people moving from transitional housing to permanent rental housing or to assist low-income families in securing a more affordable rental property. The security deposit assistance is paid directly to the landlord on behalf of the tenant and cannot exceed the equivalent of one month's rent. TBRA funds must be tied to an existing self-sufficiency program.

### **Emergency Solutions Grant (ESG) and North Dakota Homeless Grant (NDHG)**

The ESG and NDHG programs are administered by the Department of Commerce and offered through homeless service providers across North Dakota. Both programs include funding for homelessness prevention including

housing relocation/stabilization and rental assistance. Participating households must have incomes below 30 percent AMI for ESG and below 50 percent AMI for NDHG. Rental assistance under ESG can be short-term (up to three months of rent) or medium-term (not more than 24 months) or payment of rental arrears for up to six months. Under NDHG, rental assistance is only available on a short-term basis or to pay six months of rental arrears.

### **Supportive Services for Veteran Families (SSVF)**

SSVF provides support and services to low-income Veterans and families living in or transitioning to permanent housing through the Community Action Agencies. Veteran families may qualify for assistance with time-limited payments to third parties for rent, utilities, moving expenses, and licensed child care. Other services provided include outreach, case management, and assistance in obtaining VA and other benefits.

## HOUSING REHAB

### **Rural Housing Rehabilitation Loan Program**

NDHFA offers low-interest Rural Rehab loans to qualified homeowners or multi-family property owners for making improvements to a property. These improvements must be more than routine or minor repairs. Eligible properties must be located in a community with a population of 35,000 or less.

### **Rehab Accessibility Program (RAP)**

RAP offers grant dollars for the renovation of properties occupied by lower-income residents with physical disabilities.

The grant funds can be used to make improvements to address the accessibility needs of the tenant or homeowner. A maximum of \$4,000 may be awarded and the program requires a 25 percent match. Application is made to NDHFA.

### **Helping Housing Across North Dakota (Helping HAND)**

NDHFA provides Helping HAND grant funds to local Community Action Agencies, Habitat for Humanity affiliates, tribal entities and other select organizations to support new or existing single- or multi-family rehabilitation



programs. Application for assistance is made through the various agencies receiving the grants.

### **Home Repair Loan/Grant Program**

This RD program provides loans and grants to very low-income homeowners to repair, improve, or modernize their dwellings, to remove health and safety hazards, or to add accessibility features in rural areas or communities. Grants are available to those 62 years of age or older who cannot show ability to repay a loan. Loans are at 1 percent interest with up to a 20 year repayment term.

### **HOME**

Community Action Agencies receive HOME funds from the

Department of Commerce to preserve existing housing stock by providing assistance to low- and moderate-income homeowners. HOME Rehab helps homeowners maintain their residences as safe, sanitary dwellings that meet local housing codes and helps prevent houses from becoming dilapidated. HOME Rehab assistance is available as a no interest deferred payment loan, which means that the assistance must be repaid only if the property is sold within 10 years of completing the rehabilitation work.



## HOUSING-RELATED PROGRAMS

### **Housing Counseling and Homebuyer Education**

Housing counseling and homebuyer education courses are available through a number of providers including an online course offered by NDHFA. Community Action Agencies also offer both housing counseling and homebuyer education. Housing counseling provides information about low-income housing programs and counseling services for mortgage default, rental delinquency, pre-purchase and pre-rental agreements. It is available to all income categories. Homebuyer education courses generally cover information about the process of home buying and the responsibilities of homeownership.

### **Self-Reliance Program**

The self-reliance program is administered through the Community Action Agencies. The goal of the program is to help low-income individuals and families become as self-sufficient as possible. Each client enrolled in the program is assigned a case manager who helps assess the client's situation and helps them to identify their personal needs to work towards the goal of self-sufficiency. For more information regarding the program, contact the community action agency in your area.

### **Individual Development Account Program (IDA)**

The North Dakota Community Action Partnership manages the IDA Program, which allows participants an opportunity to a lasting asset after saving for an extended period of time. The three eligible assets are college tuition, a first home, or small business capitalization. Participants are required to save for at least six months and at the end of the program every dollar contributed to the IDA by the participant is matched by a combination of federal and nonfederal funds at a rate of two to one.

### **Family Self Sufficiency Program (FSS)**

The FSS program enables families assisted through the Housing Choice Voucher program and Public Housing residents to increase their earned income and reduce their dependency on welfare assistance and rental subsidies. Under the FSS program, low-income families are provided opportunities for education, job training, counseling and other forms of social service assistance, while living in assisted housing, so they can obtain skills necessary to

achieve self-sufficiency.

The FSS program is administered by PHAs with the help of Program Coordinating Committees (PCCs). The PCC usually consists of representatives of local government, employment and job training agencies, welfare agencies, nonprofit providers, local businesses, and assisted families.

Services for FSS program participants are provided through local partnerships with employers and service providers in the community. Services are not funded by HUD. HUD funding is provided for the salary of FSS coordinators, and is awarded through annual Notices of Funding Availability.

Public Housing residents and HCV participants who are interested in participating in the FSS program may contact a PHA in their area that administers an FSS program. Please note that not all PHAs administer the FSS program.

### **Weatherization Assistance Program**

The program, offered by Community Action Agencies, provides energy conservation services to low-income households to make their homes more energy efficient. Services include insulation, caulking, water heater jackets, pipe insulation, replacing broken windows and doors, and other measures to reduce energy consumption. Individuals are provided with information, techniques and materials on decreasing energy use, lowering energy bills, and increasing the level of comfort in their homes.







## HOMEOWNERSHIP

### **FirstHome™ Program**

NDHFA provides a low-interest rate mortgage loan through a participating lender to first-time homebuyers or those who have not owned a home within the past three years. The borrower must meet certain qualifying restrictions.

### **North Dakota Roots**

Through the North Dakota Roots program, NDHFA provides affordable mortgage loans to moderate-income buyers who may have previously owned a home. The borrower must meet certain qualifying restrictions.

### **HomeAccess Program**

The HomeAccess program provides low-interest rate mortgage loans from NDHFA through a participating lender to single-parent, veteran, disabled or elderly households who may have previously owned a home. The applicant must meet certain qualifying guidelines.

### **Major Home Improvement Program**

NDHFA's Major Home Improvement program offers reduced interest rate mortgage loans to eligible borrowers to buy and rehabilitate a single-family home or to refinance

and rehabilitate their present single-family home.

### **Down Payment Assistance**

NDHFA has two programs to assist homebuyers with out-of-pocket expenses. The Start Program provides down payment and close cost assistance to borrowers receiving their mortgage through one of its programs and cannot be used in conjunction with other down payment assistance programs. The DCA program provides low-income buyers with assistance in conjunction with an NDHFA loan. Borrowers must meet income limits based on location and family size. The home being purchased can't be in a 100-year floodplain and the borrowers must successfully complete a homebuyer education course.

### **RD Direct Home Loan Program (Section 502)**

USDA Rural Development's Section 502 loan is designed to assist lower-income households obtain quality, safe housing at favorable rates and terms in rural areas or communities. Home repairs may also be financed through the program. Income limits apply. No down payment is required but there are limits on how much can be borrowed.

## **RD Guaranteed Home Loan Program**

This program provides a 90 percent guarantee to banks who provide 100 percent financing with no down payment to eligible applicants in rural areas or communities. Applicants must be within the low- to moderate-income levels.

## **Housing Choice Voucher Home Ownership Program**

PHAs may choose to administer a homeownership program. The PHA may impose limits on the size of this program, or limit use of the option to certain purposes. However, PHAs must provide homeownership assistance when required as a reasonable accommodation to a family with a disabled person.

Families must meet these requirements:

- First-time homeowner or cooperative member.
  - No family member has owned or had ownership interest in their residence for at least three years.
  - Except for cooperative members, no member of the family has any ownership interest in any residential property.
  - Minimum income requirement. Except in the case of disabled families, the qualified annual income of the adult family members who will own the home must not be less than the federal minimum hourly wage multiplied by 2,000 hours. For disabled families, the qualified annual income of the adult family members who will own the home must not be less than
- the monthly federal Supplemental Security Income (SSI) benefit for an individual living alone multiplied by 12. The PHA may also establish a higher minimum income requirement for either or both types of families. Except in the case of an elderly or disabled family, welfare assistance is not counted in determining whether the family meets the minimum income requirement.
  - Employment requirement. Except in the case of elderly and disabled families, one or more adults in the family who will own the home is currently employed on a full-time basis and has been continuously employed on a full-time basis for at least one year before commencement of homeownership assistance.
  - Additional PHA eligibility requirements. The family meets any other initial eligibility requirements set by the PHA.
  - Homeownership counseling. The family must attend and satisfactorily complete the PHA's pre-assistance homeownership and housing counseling program.

The PHA uses its normal voucher program payment standard schedule to determine the amount of subsidy. The housing assistance payment (HAP) is the lesser of either the payment standard minus the total tenant payment or the family's monthly homeownership expenses minus the total tenant payment. The PHA may make the HAP payment directly to the family or to the lender.



## THE ROLE OF A PROPERTY MANAGER

Once a project has been constructed it enters its operating phase. Good property management is vital to the longevity of available housing.

Property managers or landlords have three main duties:

- Financial – keep rent coming in.
- Physical – keep the property safe and functional.
- Reporting – keep the project in compliance with program regulations.

They are there to make sure that the housing units are safe and decent and to keep the project running financially.

### Financial

Property managers are not case managers. They do not have the training, nor usually the inclination, to tackle the social or psychological needs of tenants. What they do have influence over is the physical shelter. That's not to say they don't care about the other needs of their tenants. Oftentimes, they will do whatever they can to help, but at the end of the day, their main priority is the rent check. It may seem cold, but it boils down to: keep the units occupied so that the rent payments keep coming in so that the mortgage gets paid so that the housing remains an option in the community.

Services and amenities are included, when necessary, to make the project competitive in the housing marketplace. They are there to attract potential tenants and keep existing

tenants happy and paying the rent.

Housing developers want tenants to be fulfilled in their housing experience, but those costs must be paid for somehow.

It is important to understand the business-person mentality most property managers hold. A lease is a business transaction and a legal document outlining the obligations of both parties. As long as the terms of the lease contract are met, everybody will be happy. When the lease gets broken, that's when other legal strategies like evictions kick in.

Property managers don't like to evict tenants – it is costly, time consuming and stressful – but they have an important and valuable asset to protect.

### Physical

Probably most time consuming for property managers are the maintenance needs of a project both incidental (broken window, clogged toilet, blown out pilot light, etc.) and ongoing (snow removal, mowing, replacing furnace filters, etc.). Projects should have a plan and resource materials to know how both the property manager and the tenants should respond to maintenance issues. Tenants should understand when they sign the lease who is responsible for what and be given information on how to seek a maintenance issue remedy.

If a project is funded by a public program, the property managers have a duty to ensure that the units meet housing quality standards. This covers



things like properly working door locks, sufficient lighting, floor coverings that are in decent condition, fully functioning electrical and plumbing fixtures, and working fire alarms.

Both property managers and tenants have obligations when it comes to maintaining a safe and decent dwelling – not just a single unit, but the project overall.

### Reporting

Along with the housing quality standards, properties funded by government programs also are required to follow a stringent reporting schedule. Income certifications, disabilities certifications and financial audits are just part of their reporting requirements to stay compliant. Programs can each have a little different requirement which is why applications and ongoing tenant files must be so in-depth. It is important for tenants to keep property managers informed in a timely manner of any changes to their situation like employment, income, marital status, household members, etc.



## CALCULATING INCOME

Property managers are responsible for certifying income. These income certifications ensure the project is serving the tenant base as intended.

Income calculations can vary depending on the type of unit the tenant intends to occupy or the type of assistance they use. HUD and many programs administered by other agencies use what is known as the “Part 5” annual income method. The term “Part 5” refers to annual income as defined in federal regulation at 24 CFR 5.609. Income is calculated for all adult household members and is projected for the upcoming 12-month period, factoring in historical data and any other information obtained in the income review process.

Understanding Part 5 will give you an idea of what a tenant needs to know and will have to provide in order to qualify for an apartment unit. Property managers should provide the applicant with the qualifications necessary for the unit they interested in renting.

Once the annual income is calculated, the next step is to determine the adjusted income, which is used in rental assistance (voucher) programs in order to determine the amount that an eligible tenant household will pay each month toward their rent. Adjusted income is annual income

HUD created a “Fact Sheet for HUD Assisted Residents” which outlines the basic guidelines and requirements property managers and owners use to calculate income.

*Part 5 annual income is the household's gross income minus any income exclusions, and is used to determine a household's eligibility for housing units or rent subsidies administered under a number of affordable housing programs. Part 5 annual income includes income from all sources including from certain assets. Examples of income-producing assets include stocks, bonds, certificate of deposits, bank accounts, and rental property. Excluded assets include necessary personal property such as clothing, furniture, cars, wedding ring, and vehicles specially equipped for persons with disabilities. The income from assets does not need to be included when the cash value of all assets is under \$5,000.*

minus standard deductions. These deductions include \$480 for each dependent, \$400 for any elderly or disabled family, certain unreimbursed medical expenses, and reasonable child care expenses for children under the age of 13.

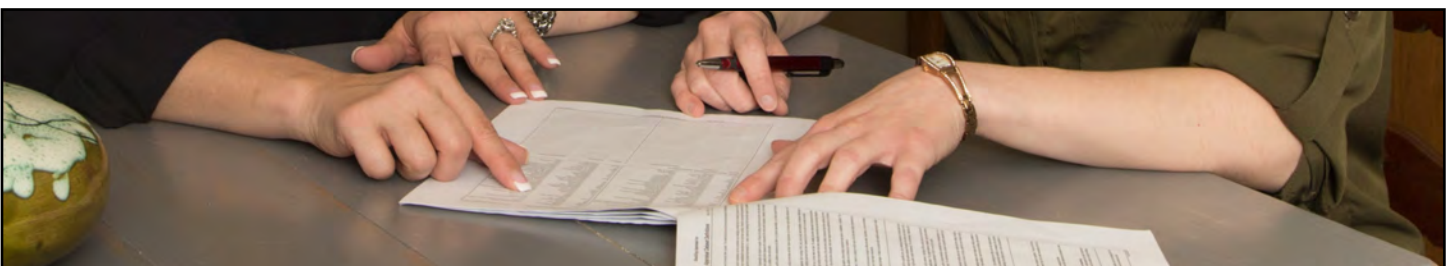
Potential residents must provide income information in order for the property owner/manager to determine eligibility and sometimes the amount of rent to charge. Applicants should be prepared to provide the following items during the application process:

- Accurate details of family composition- who is going to reside in the unit?
- Employment verification or check stubs and

earnings statements;

- Social Security verification or award/benefit notification;
- Proof of benefits (retirement, veterans, workers compensation, unemployment);
- Public assistance verification;
- Investment, pension or annuity verification;
- Bank statements.

When working with clients, it may be helpful to organize qualifying documents into a central file. This makes applying for available housing a quicker and smoother process for everyone.



## FINDING AVAILABLE HOUSING

Searching for available housing can be difficult especially given the low vacancy rate in North Dakota. There are several online resources available to provide information on available rental units.

### Money Follows the Person Housing Database

The Money Follows the Person (MFP) Housing Program helps people who are elderly or disabled access decent, safe and affordable housing. The MFP housing database is an online registry of rental housing options throughout the state. The database is continually being updated with available options. The online database can be found at <http://www.ndcpd.org/mfp/database.shtml>



### Rural Development Multi-Family Housing Rentals

USDA Rural Development multi-family housing rental database is an online portal to Rural Development assisted rentals. The online database can be found at [http://rdmfhrentals.sc.egov.usda.gov/RDMFHRentals/select\\_state.jsp](http://rdmfhrentals.sc.egov.usda.gov/RDMFHRentals/select_state.jsp)

### North Dakota Apartment Association Apartment Finder

The North Dakota Apartment Association (NDAA) is a non-profit trade association representing owners, developers, investors, managers and employees of apartment communities in the state. NDAA's website has a property search tool in which its members can post available rental units. The online search can be found at <http://www.ndaa.rentlinx.com/Search.aspx>

### NDHFA Rental Housing Finder

NDHFA provides a listing by city of rental housing projects developed under its programs. The online search can be found at <https://www.ndhfa.org/Finance/DevProp.aspx>

### HUD Resource Finder

HUD provides a map showing locations and contact information for federally-funded affordable housing resources anywhere in the country. It can be found at <https://resources.hud.gov/#>

## SUPPORTIVE HOUSING RESOURCES

Additional resources can be found at <https://www.ndhfa.org/RentalAssistance/SupportiveHousing.aspx>

## CONTACT INFORMATION

### **North Dakota Housing Finance Agency**

2624 Vermont Ave

PO Box 1535

Bismarck ND 58502

701-328-8080

<https://www.ndhfa.org/>

### **USDA Rural Development**

220 E Rosser Ave, Room 208

Bismarck, ND 58502

701-530-2037

<https://www.rd.usda.gov/nd>

### **Public Housing Authorities**

[https://portal.hud.gov/hudportal/HUD?src=/](https://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/pha/contacts/nd)

[program\\_offices/public\\_indian\\_housing/pha/contacts/nd](https://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/pha/contacts/nd)

### **Department of Commerce**

ND Division of Community Services

1600 East Century Ave, Suite 2

PO Box 2057

Bismarck, ND 58502

701-328-5300

<https://www.communityservices.nd.gov/>

### **North Dakota Community Action Partnership**

3233 S University Dr

Fargo, ND 58104

701-232-2452

<http://www.capnd.org/>

## GLOSSARY

**Adjusted Income:** Annual income of household members after making allowed deductions.

**Area Median Income (AMI):** Average household income in a defined area as calculated by HUD. Calculations are completed annually.

**Eligibility:** When a household meets the qualification thresholds for housing programs or assistance. Determination of eligibility does not necessarily guarantee that assistance will be provided—just that the household is qualified.

**Extremely Low Income (ELI):** Households with incomes at 30 percent of AMI.

**Gross Income:** Total income before any taxes or deductions.

**Housing Assistance Payment (HAP):** The payment made by HUD or the Contract Administrator to the owner of an assisted unit. Where the unit is leased to an eligible family, the payment is the difference between the contract rent and the tenant rent. An additional payment is made to the family when the utility allowance is greater than the total tenant payment.

**Low Income:** Households with incomes at 80 percent of AMI.

**Utility Allowance:** HUD's or the Contract Administrator's estimate of the average monthly utility bills (except telephone) for an energy-conscious household. This estimate considers only utilities paid directly by the tenant. If all utilities are included in the rent, there is not a utility allowance. Utility allowances vary by unit type and are listed on the project's rent schedule or HAP contract.

**Very Low Income (VLI):** Households with incomes at 50 percent of AMI.





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