



2021 ANNUAL ACTION PLAN FOR NORTH DAKOTA

MARCH 31, 2021

Prepared By:

**ND Department of Commerce Division of Community Services
1600 East Century Avenue, Suite 2**

PO Box 2057

Bismarck, ND 58502-2057

Phone: (701) 328-5300

Fax: (701) 328-5320

TTY: 800-366-6888

ND Relay Voice: 800-366-6889 ND Relay Spanish: 800-435-8590

Contact Person: Bonnie Malo



ALTERNATIVE FORMATS ARE AVAILABLE UPON REQUEST

1600 East Century Ave. Ste. 2 | P.O. Box 2057 | Bismarck, ND 58502 | PHONE: 701-328-6000

TOLL-FREE: 1-866-4DAKOTA | ND RELAY TTY: 1-800-366-6888 | VOICE: 1-800-366-6889 | ND.gov

Table of Contents

Executive Summary.....	4
AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)	4
PR-05 Lead & Responsible Agencies - 91.300(b)	9
AP-10 Consultation - 91.110, 91.300(b); 91.315(l)	11
AP-12 Participation - 91.115, 91.300(c)	18
Expected Resources	19
AP-15 Expected Resources – 91.320(c)(1,2)	19
Annual Goals and Objectives	26
AP-25 Allocation Priorities – 91.320(d)	29
AP-30 Methods of Distribution – 91.320(d)&(k)	32
AP-35 Projects – (Optional)	65
AP-38 Project Summary	66
AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)	74
AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)	75
AP-50 Geographic Distribution – 91.320(f)	76
Affordable Housing	77
AP-55 Affordable Housing – 24 CFR 91.320(g)	77
AP-60 Public Housing - 24 CFR 91.320(j)	78
AP-65 Homeless and Other Special Needs Activities – 91.320(h)	79
AP-75 Barriers to affordable housing – 91.320(i)	81
AP-85 Other Actions – 91.320(j)	83
Program Specific Requirements.....	86
Citizen Participation Plan	127
Regional Council Public Hearings Minutes and Comments	138
Annual Action Plan	2
2021	

2021 CDBG Program Distribution Statement 152

2021 ESG Program Distribution Statement 335

2021 Home Program Distribution Statement 367

2021 Draft Housing Trust Fund Annual Allocation Plan..... 406

Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The Annual Action Plan (Action Plan) is the portion of the Consolidated Plan that is prepared each year as the annual plan for the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grant (ESG), and National Housing Trust Fund (HTF) programs. For the State of North Dakota, North Dakota Department of Commerce, Division of Community Services (DCS) administers CDBG, HOME and ESG programs and North Dakota Housing Finance Agency (NDHFA) administers HTF.

The purpose of the Action Plan is to identify the various federal and state resources that might be expected to be available to address the priority housing and non-housing community development needs and objectives in the Strategic Plan section of the Consolidated Plan. In addition, the Action Plan describes how funds will be distributed through the CDBG, HOME, ESG, and HTF programs; the projects planned for homeless and other special needs persons; other actions required by U.S. Department of Housing and Urban Development (HUD); and the short-term non-housing objectives for each planning region in the state. The Action Plan contains summaries of the CDBG, HOME, ESG, and HTF programs, additional program details can be found in the respective program distribution statements and annual action plans found in the appendix of this Action Plan.

The State of North Dakota is required by the HUD to prepare an Action Plan for Housing and Community Development annually. Timely completion of the Action Plan in a HUD-acceptable format helps ensure continued funding of housing and community development activities throughout the state. Beginning in 2019, the State of North Dakota prepared its Five-Year Consolidated Plan (Con Plan), covering the program years 2020 – 2024. This Con Plan contains information about demographic, economic, and housing market trends in the state; analysis of statewide affordable housing needs; findings from the citizen participation process; and an analysis of the needs of special populations. The State uses the goals and priorities identified in the Con Plan as a basis for the Annual Action Plan draft. The following represents the second year of that five-year plan, the 2021 One-Year Action Plan for allocating the state's federal block grant funds to address housing and community development needs. In order to make the document more informative for citizens and more useful for policy makers and those engaged in the production of affordable housing, the document describes actions and activities to be undertaken with resources beyond the federal grant programs and by organizations other than those administering the federal grant programs. It is intended to represent a comprehensive Action Plan for affordable housing and community development activities statewide. The goals and activities identified here can by no means be accomplished through the use of the federal grant programs alone. Where possible, the plan specifies those actions or activities that are expected to be undertaken with other resources as well as the related outcomes expected to be achieved.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The goals of the programs administered by the State of North Dakota are to provide decent housing, a suitable living environment and expanded economic opportunities for the state's low- and moderate-income residents. DCS and NDHFA strive to accomplish these goals by maximizing and effectively utilizing all available funding resources to conduct housing and community development activities that will serve the economically disadvantaged residents of the state. By addressing need and creating opportunity at the individual and neighborhood levels, the State of North Dakota hopes to improve the quality of life for all residents of the state. These goals are further explained as follows:

- *Providing decent housing* means helping homeless persons obtain appropriate housing and assisting those at risk of homelessness; preserving the affordable housing stock; increasing availability of permanent housing that is affordable to low- and moderate-income persons without discrimination; and increasing the supply of supportive housing.
- *Providing a suitable living environment* entails improving the safety and livability of neighborhoods; increasing access to quality facilities and services; and reducing the isolation of income groups within an area through integration of low-income housing opportunities.
- *Expanding economic opportunities* involves creating jobs that are accessible to low- and moderate-income persons; making mortgage financing available for low- and moderate-income persons at reasonable rates; providing access to credit for development activities that promote long-term economic and social viability of the community; and empowering low-income persons to achieve self-sufficiency to reduce generational poverty in federally-assisted and public housing.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

DCS's evaluation of its past performance has been completed in a thorough Consolidated Annual Performance and Evaluation Report (CAPER). These documents state the objectives and outcomes identified in each year's Annual Action Plan and includes an evaluation of past performance through measurable goals and objectives compared to actual performance. These documents can be found on DCS's website at:

<http://www.communityservices.nd.gov/communitydevelopment/ConsolidatedPlan/>

The CDBG Program provided financial assistance to eligible units of local Governments in the form of grants and loans for public facilities, housing rehabilitation, and economic development projects. Housing projects include rehabilitation of very low and low-income homeowner units; public facilities include water and sewer projects, removal of architectural barriers, fire halls, and ambulances; and economic development activities include funding cities and counties to loan/grant to businesses which create jobs for low-income persons. CDBG activities and accomplishments report shows the program has funded a total of 89 activities and disbursing over \$3.1 million in funds to-date for the FY2020 program year. The 89 activities include a total of 32 projects funded for public facilities improvements, 8 housing rehabilitation, and 13 economic development projects.

The ESG program awards grant funds directly to emergency/homeless shelters and agencies throughout the state to fund activities such as operational expenses, essential services, homeless prevention, rapid re-housing and the HMIS (Homeless Management Information System). In FY2020 31 agencies received ESG awards totaling \$549,008 in funding. FY2020 accomplishments will be reported in the 2020 CAPER report.

HOME – The HOME program is in the process of transitioning administration to NDHFA, with a goal effective date of July 1, 2021. NDHFA is working with DCS to evaluate the HOME program and identify areas of opportunity for improvement of policy and procedures. NDHFA has also requested TA from HUD to assist with the transition process. In FY 20 the HOME program was generally put on hold to process through existing projects. During 2020 program year, a total of \$2.7 million HOME funds remain uncommitted to activities. Applications for homeowner rehabilitation activities will continue to be accepted from the Community Action Agencies. NDHFA and DCS are working with the CAAs to assess outstanding awards and reallocate funds to more active CAAs. There are three multifamily projects under development using HOME funds. All projects are progressing and will reach completion in the next year. NDHFA and DCS will look to commit multifamily production and rehabilitation project funds during the September 2021 competitive allocation round. For FY 2020 the current program performance report shows the following disbursements and unit completion: Rental 20 units completed, \$769,350 disbursed, Tenant Based Rental Assistance (TBRA) 199 units, \$51,788 disbursed and single-family rehabilitation 11 units, \$262,704 disbursed.

HTF continues to be used in partnership with Low-Income Housing Tax Credits (LIHTC). This partnership allows HTF dollars to enhance LIHTC applicants' ability to target units designated for extremely low-income households. There is a total of four activities, 99 HTF assisted units under construction and four activities, 63 assisted units, that received conditional commitments and are working towards a financial award. No projects have been completed so far in FY 2020.

4. Summary of Citizen Participation Process and consultation process

The Citizen Participation Plan is attached in the appendix.

CDBG

For the development of the CDBG portions of this Action Plan, DCS followed its Citizen Participation Plan by arranging the eight Regional Planning Councils to hold a public hearing in each region. The minutes and comments received at those hearings are found in the appendix to this plan.

HOME Program Distribution

The 2021 HOME program distribution plan (PDS) was made available for comment prior to the annual action plan. NDHFA intended to seek input on the plan prior from stakeholders, local advocates, community action agencies, homeless providers and other agency partners. A notice of public input meeting and solicitation of comments was published in all the North Dakota daily newspapers on February 22, 2021, with a corresponding public input meeting held on March 10, 2021.

Housing Trust Fund

Prior to drafting the 2021 Housing Trust Fund Allocation Plan, development and non-profit partners and the supportive services collaborative partners are invited to provide input and suggested changes to the prior year allocation plan. There were no changes suggested this year. A draft plan was then developed and a notice of public hearing and solicitation of comments was published in all North Dakota daily newspapers on March 1, 2021, with a corresponding public hearing held on April 1, 2021.

The 2021 Action Plan was made available for public comment during the period of April 1, 2021 through April 30, 2021. The Citizen Participation Plan has been included as an attachment.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

2021 HOME Program Distribution Plan Input Meeting

There was a total of 6 attendees at the public input meeting. Comments were generally received regarding requests to ensure the HOME multifamily application process is similar to the LIHTC and HTF application processes that NDHFA undertakes. NDHFA does plan to have the September application round function similarly to all other programs.

Comments were received questioning whether preservation points could be awarded to a project that receives a HUD 8BB PBRA transfer. NDHFA agreed to align these points with LIHTC and HTF allocation plans and include 8BB in the point category.

Written comments were received from the Community Action Agency Partnership. Two of the comments were related to concerns with lead-based paint activities and contractors. NDHFA confirmed the threshold requirements for applicability are regulated under 24 CFR 35.915 and not adjustable.

NDHFA and NDDOC agree that lack of contractors is a significant barrier and will work with other state agencies and partners to develop a plan to encourage certification. Comments also requested use of HOME funds for TBRA projects. At this time NDHFA is planning to narrow the scope of HOME program. TBRA will be considered in future plans.

6. Summary of comments or views not accepted and the reasons for not accepting them

2021 HOME Program Distribution- comments not accepted are listed above in the summary of public comments section.

7. Summary

The following list presents the needs of the North Dakota Five-Year Consolidated Plan for Housing and Community Development.

The strategies the state will pursue over the five-year period are as follows:

- **Affordable Rental Housing:** As shown throughout this Plan in data and public input, low to moderate income households is a high priority for the State of North Dakota, particularly those facing housing problems (such as cost burden, overcrowding, and incomplete kitchen and plumbing facilities). Households with cost burdens account for almost over 35 percent of renter households in the State. Increasing the supply and access of affordable rental housing in the State is a high priority.
- **Affordable Homeowner Housing:** As shown throughout this Plan in data and public input, low to moderate income households is a high priority for the State of North Dakota, particularly those facing housing problems and cost burdens. Increasing the supply and access of affordable homeowner housing in the State is a high priority.
- **Homelessness:** While the State places a high need on those households that are currently homeless, it also finds households at imminent risk of homelessness are a high priority in order to further the effort to reduce homelessness throughout North Dakota.
- **Vital Public Facilities:** Providing suitable living environments through supporting vital public facilities is a high priority in the State.
- **Special Needs Populations:** Providing services to special needs populations, such as the elderly, persons with disabilities, persons with substance abuse disorders, and veterans is a high priority in the State. This also includes low to moderate income households in need of services.
- **Economic Development:** Promoting economic development to benefit low to moderate income households and promote self-sufficiency and economic growth is a high priority in North Dakota.
- **Priority Infrastructure:** Providing suitable living environments through funding infrastructure in the State is a high priority.

PR-05 Lead & Responsible Agencies - 91.300(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	NORTH DAKOTA	Division of Community Services
HOME Administrator	NORTH DAKOTA	Division of Community Services
ESG Administrator	NORTH DAKOTA	Division of Community Services
HTF Administrator	NORTH DAKOTA	North Dakota Housing Finance Agency

Table 1 – Responsible Agencies

Narrative

North Dakota Department of Commerce, Division of Community Services (DCS) in partnership with North Dakota Housing Finance Agency (NDHFA) prepare the Consolidated Plan and the Annual Action Plans. DCS administers CDBG, ESG, and HOME programs and NDHFA administers Housing Trust Fund. In 2021, DCS and NDHFA have been working to transition the administration of the HOME program to NDHFA. The transfer is being considered by the ND Legislative Assembly and if approved this legislative session will be effective July 1, 2021.

Consolidated Plan Public Contact Information

Contact Person: Bonnie Malo, Director

ND Department of Commerce Division of Community Services

1600 East Century Avenue, Suite 2

PO Box 2057

Bismarck, ND 58502-2057

Phone: (701) 328-5300

Fax: (701) 328-5320

TTY: 800-366-6888

ND Relay Voice: 800-366-6889 ND Relay Spanish: 800-435-8590

AP-10 Consultation - 91.110, 91.300(b); 91.315(l)

1. Introduction

The North Dakota Department of Commerce, Division of Community Services (DCS) in partnership with North Dakota Housing Finance Agency (NDHFA) prepare the Consolidated Plan and the annual action plans. The Consolidated Plan serves as a five-year strategic plan that DCS and NDHFA will use when preparing annual action plans. The 2020-2024 Consolidated Plan (Con Plan) was prepared with the consultation of public and private agencies that provide housing, health and social services. State health and child welfare agencies were also consulted concerning lead-based paint hazards. Through the use of focus groups, surveys and direct communication, DCS collected input from a variety of statewide and local agencies. This input was utilized to help develop the Con Plan and determine the priorities of the state for the next five years.

Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies

The State encourages the coordination of public and private housing and service providers by utilizing statewide information to determine priorities for funding throughout the state. The State prioritizes funding activities that include coordination between public and private housing and service providers. HOME program distribution statement and HTF allocation plans are designed to prioritize projects that provide tenant support coordination and additional points for partnerships with Medicaid billable service providers.

DCS and NDHFA participate in statewide meetings and efforts of the of the North Dakota Coalition for Homeless People (NDCHP) and North Dakota Continuum of Care (NDCoC) The NDCHP serves communities across the State, bringing advocacy, education, data collection, and resource development to over 70 agencies. ND has one CoC and NDHFA acts as the Collaborative Applicant for the statewide CoC.

The State attends monthly supportive housing collaborative meetings that are coordinated by Money Follows the Person (MFP) housing initiative. These meetings are held regionally across the state and bring together a variety of agencies including: Public Housing Authorities, Public Health Services, Law Enforcement, Hospital Providers, Developers, Business Leaders and the Department of Human Services (DHS). These meetings enhance the collaboration and coordination of service providers, government and private funding opportunities, local issues, and other housing related activities. Regionally these discussions have led to the development of housing resources and have identified specific needs for PSH projects in certain communities. In August 2020, the State completed the technical assistance from the Medicaid-Housing Innovation Accelerator Program (IAP). Through this work a diver diagram with the main AIM to increase the number of individuals who are in supportive housing and receive services. The

IAP group identified goals and tasks necessary for the State to reach that AIM and created an implementation plan. This work has led to the state implementing a 1915(i) state plan amendment through Medicaid. This amendment expands Home and Community Based service delivery to include housing support services for a targeted population. NDHFA and DCS will continue to work with DHS to implement 1915(i).

For the development of the 2021 Action Plan, the DCS requires the eight Regional Planning Councils to hold one public hearing in each region. These meetings are attended by persons and agencies interested in CDBG funding for the upcoming year. The minutes and comments received from the eight regional public hearing meetings are included as an attachment to this plan.

For the development of the HOME Program Distribution Statement and the National Housing Trust Fund Allocation Plans, NDHFA requests agencies and partners to provide input and comments of suggested changes to prior year plans as the 2021 plans are prepared.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The ESG program works very closely with the 30 agencies in the state and the Continuum of Care (CoC) to identify and address the needs of the homeless and the chronic homeless. The DCS works closely with the Statewide CoC. Through statewide meetings with these agencies, coordination is always evolving to better serve the needs of the homeless. This may mean that more funding is allocated toward homeless prevention and/or rapid rehousing, if needed.

Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

Funds are allocated based on the priority needs as established in the 2020-2024 Consolidated Plan (Con Plan). Through the con plan planning process, the State consulted with the Statewide CoC and service agencies to determine how the needs of the homeless will best be addressed and how the State can meet the goals to reduce and end homeless throughout North Dakota. NDDOC included the NDCoC collaborative applicant, NDHFA, and the NDHFA Planning and Housing Development Director in the ranking and scoring selection process for the 2021 ESG-CV funding round.

2. Agencies, groups, organizations and others who participated in the process and consultations

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	Tri-County Regional Dev Council
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Market Analysis Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Tri-County Regional Development Council held a public hearing on February 26th, 2021. The Tri-County Regional Development Council did not receive any written or oral comments from any of the city/county entities within the region. The only comment received was at the public hearing from Ms. Abby Ritz of AE2S Engineering and Consulting firm in regard to questioning the CDBG program. Tri-County Regional Development Council is distributing their CDBG allocation to Housing Rehab, Housing Opportunity, & Multi-Jurisdictional programs.
2	Agency/Group/Organization	Souris Basin Planning Council
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Market Analysis Economic Development

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Souris Basin Planning Council held their 2021 CDBG Public Hearing on February 25, 2021. The Souris Basin Planning Council is distributing their CDBG allocation to Public Facilities. Abby Ritz from AE2S Engineering and Consulting firm commented that grant maximums tend to be a greater issue than grant minimums. She also expressed the need for planning to be an eligible grant activity.
3	Agency/Group/Organization	North Central Planning Council
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	North Central Planning Council held a public meeting on February 26, 2021. Jill Haakenson from USDA-RD had questions on 504 plans.
4	Agency/Group/Organization	Red River Regional Council
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Red River Regional Council held their public meeting on February 25, 2021. The Red River Regional Council is distributing their CDBG allocation to Housing. Four people were present at the meeting and explained the needs in their communities that CDBG funds may help.
5	Agency/Group/Organization	Lake Agassiz Regional Council
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Lake Agassiz Regional Council held their public hearing on February 26, 2021. Comments in general were made on potential projects. Lake Agassiz Regional Council is distributing their CDBG allocation to Public Facilities and Housing.
6	Agency/Group/Organization	South Central Dakota Regional Council
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Market Analysis Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	South Central Dakota Regional Council held a public hearing on February 26, 2021. South Central Dakota Regional Council received questions in general pertaining to their scoring and ranking.

7	Agency/Group/Organization	LEWIS AND CLARK REGIONAL COUNCIL
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Lewis and Clark Regional Development Council held a public meeting on February 25, 2021. Lewis & Clark Regional Development Council is distributing their CDBG allocation to Public Facilities and Housing.
8	Agency/Group/Organization	Roosevelt Custer Regional Council for Dev.
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Roosevelt-Custer Regional Council for Development held a public meeting on February 25, 2021. Four people from the surrounding communities were in attendance. USDA was also present. Roosevelt Custer Regional Council is distributing their funds to Public Facilities and Housing.

Identify any Agency Types not consulted and provide rationale for not consulting

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	North Dakota Housing Finance Agency	The Plan coordinates to help address the unmet needs of the homeless population within the state by targeting funds to those priority needs.

Table 3 - Other local / regional / federal planning efforts

Narrative

AP-12 Participation - 91.115, 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

DCS utilizes the eight regional councils to hold public hearings prior to the drafting of this annual action plan. Copies of the minutes and comments from each hearing are available in the appendix of this plan.

HOME and Housing Trust Fund (HTF) program administrators solicited comments from developers, non-profit organizations and other partners to provide input prior to the preparation of the draft HOME Program Distribution Statement and the HTF Annual Allocation Plan. Once the plans are drafted they are published for a comment period. Notification of the draft plan publication is published in the daily newspapers, NDHFA newsletters and social media platforms, emailed to partners, and published on NDHFA's website. Draft plans are made available for public comment, written comments are accepted for a period of time and then a public input meeting/hearing is held. The Final HOME PDS and HTF allocation plans are attached to this plan for a final public comment period.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Newspaper Ad	Non-targeted/broad community				

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

The State of North Dakota receives annual funding from four HUD formula grant programs:

- CDBG Program, administered by Department of Commerce, DCS;
- HOME Program, administered by Department of Commerce, DCS;
- ESG Program, administered by Department of Commerce, DCS;
- HTF Program, administered by North Dakota Housing Finance Agency, NDHFA.

The state is also part of a tri-state program that receives Housing Opportunities for Persons with AIDS (HOPWA) funding. Tri-State Housing

Environment for Living Positively (HELP) administers this program for Montana, North Dakota, and South Dakota.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	3,965,349	0	1,000,000	4,965,349	8,009,925	The CDBG program is a flexible program that provides communities with resources to address a wide range of unique community development needs. Beginning in 1974, the CDBG program is one of the longest continuously run programs at HUD. The CDBG program provides annual grants on a formula basis to general units of local government and states.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	3,000,000	565,160	0	3,565,160	9,000,000	The HOME program is focusing on three major housing needs: single-family rehabilitation, rental production and rehabilitation, and homebuyer down payment assistance. Single family rehabilitation programs will be administered by eligible Community Action Agencies as subrecipients. The Homebuyer Down payment assistance program will be administered by the Grand Forks Community Land Trust and is in a pilot program status. Sixty percent of the funds are reserved for multifamily rehabilitation and construction including CHDO set aside.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	480,969	0	0	480,969	971,273	The ESG Program, formerly named the Emergency Shelter Grant, provides formula funding to address homelessness to eligible jurisdictions.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	3,000,000	0	0	3,000,000	9,000,000	The Housing Trust Fund (HTF) is an affordable housing production program that complements existing Federal, state and local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low- and very low-income households, including homeless families. 100 percent of the funds must create units for extremely low-income households.

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Federal funds will continue to be leveraged with nonfederal resources to achieve the objectives of this plan. Matching requirements will be achieved through a variety of methods. Grant recipients are encouraged to utilize funds from the private sector, state and local programs, and other sources to assist in meeting HUD matching requirements and to increase the amount of funds available to provide affordable housing, expand economic opportunities, improve infrastructure, and provide community facilities.

Community Development Block Grant

The Federal resources listed have limited funds available so the programs, when administered by the state, are generally designed to require the use of other funds to complete projects. For instance, all CDBG economic development projects require, by design, a 50 percent match of other funds. For CDBG public facilities projects, the Regional Councils generally require some percentage of other funds. Administrative costs that are required to be matched for the CDBG program is included in the DCS budget.

Home Investment Partnerships Program

The HOME program distribution statement provides priority points for multifamily funding applications that provide documentation supporting the use of leveraging sources to reduce the amount of HOME funds per HOME assisted unit. In addition, applications may receive points for providing documentation of financial support from local sources. This can include but not limited to private contributions or tax abatements.

Applicants should use private funds, tax credits, Rural Development, Federal Home Loan Bank, CDBG, North Dakota Housing Incentive Fund, Department of Energy, Housing Trust Fund, or other grant/loan programs to help leverage HOME activities. All recipients are expected to locally meet the HOME Program match requirement of 25 percent unless specifically waived by HUD or DCS.

Emergency Solutions Grant Program

The state will continue to meet the ESG match requirements in the same manner as it has in past grant years. Each grant year, the State contributes \$120,000 in general funds to match the federal allocation. The remaining matching funds are provided by ESG subrecipients. Matching funds are used to enhance and expand eligible ESG components and sub-activities.

National Housing Trust Fund Program

In accordance with the Interim Rule at 24 CFR Part 93, North Dakota's HTF Qualified Allocation Plan identifies a preference in the selection of projects based on the amount of committed non-federal leveraging that can be demonstrated by the applicant. This includes firm commitments for contributions or incentives from state or local government, private parties and/or philanthropic, religious, or charitable organizations.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

Not applicable.

Discussion

Annual Goals and Objectives

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Increase Access to Affordable Housing	2020	2024	Affordable Housing	Statewide	Affordable Rental Housing Affordable Homeowner Housing	CDBG: \$399,175 HOME: \$3,000,000 HTF: \$3,000,000	Rental units constructed: 30 Household Housing Unit Rental units rehabilitated: 100 Household Housing Unit Homeowner Housing Rehabilitated: 30 Household Housing Unit Direct Financial Assistance to Homebuyers: 20 Households Assisted
2	Support Efforts to Combat Homelessness	2020	2024	Homeless	Statewide	Homelessness	ESG: \$480,969	Tenant-based rental assistance / Rapid Rehousing: 500 Households Assisted Homeless Person Overnight Shelter: 40000 Persons Assisted Overnight/Emergency Shelter/Transitional Housing Beds added: 4 Beds Homelessness Prevention: 2000 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	Support Public Facilities and Services	2020	2024	Non-Homeless Special Needs	Statewide LMI Areas	Vital Public Facilities Special Needs Populations	CDBG: \$1,596,703	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 15000 Persons Assisted
4	Encourage Economic Development	2020	2024	Non-Housing Community Development	Statewide LMI Areas	Economic Development	CDBG: \$1,596,703	Businesses assisted: 60 Businesses Assisted
5	Enhance Local Public Infrastructure and Planning	2020	2024	Non-Housing Community Development	Statewide LMI Areas	Priority Infrastructure	CDBG: \$399,175	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 10000 Persons Assisted Other: 1 Other

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Increase Access to Affordable Housing
	Goal Description	The State will use HOME, CDBG, and Housing Trust Fund to increase affordable housing through the construction of new rental housing, the rehabilitations of rental housing and the rehabilitation of owner housing. This will also include down payment and closing cost assistance for first-time homebuyers.
2	Goal Name	Support Efforts to Combat Homelessness
	Goal Description	The State will combat homelessness through the support of emergency shelters, transitional housing and permanent supportive housing, Tenant-based Rental Assistance (TBRA) for those at risk of homelessness, homeless prevention activities, and data collection.

3	Goal Name	Support Public Facilities and Services
	Goal Description	The State will fund public facility improvements, including facilities for childcare facilities, recycling centers/services, and demolition of dilapidated structures, as well as any facilities rated as high or low in NA-50. This can also include increasing access to public services for special needs and low to moderate income households. This includes, but is not limited to, childcare, mental health care services, and chemical dependency services
4	Goal Name	Encourage Economic Development
	Goal Description	This goal provides employment opportunities for low- and moderate-income people and promotes businesses in the State.
5	Goal Name	Enhance Local Public Infrastructure and Planning
	Goal Description	This goal will fund public infrastructure, such as, but not limited to, water systems, streets, sidewalks, and other vital public facilities.

AP-25 Allocation Priorities – 91.320(d)

Introduction:

The 2020-2024 State Consolidated Plan identified allocation priorities in the strategic planning section (SP-05) of the Con Plan <https://www.communityservices.nd.gov/uploads/25/NorthDakotaConPlan2024.pdf>. The table below reflects the percentages of funding that are likely to occur based off of the activities identified in the AP-30 Method of Distribution. Additionally, the CDBG Program Distribution Statement, ESG Program Distribution Statement, HOME Program Distribution Statement and the Housing Trust Fund Allocation plans are available in the appendix of this plan, which also outline the methods of distribution and basis by which activities will be selected.

Funding Allocation Priorities

	Increase Access to Affordable Housing (%)	Support Efforts to Combat Homelessness (%)	Support Public Facilities and Services (%)	Encourage Economic Development (%)	Enhance Local Public Infrastructure and Planning (%)	Total (%)
CDBG	10	0	40	40	10	100
HOME	100	0	0	0	0	100
ESG	0	100	0	0	0	100
HTF	100	0	0	0	0	100

Table 7 – Funding Allocation Priorities

Reason for Allocation Priorities

ESG: Homelessness was identified as a high priority in the 2020-2024 Consolidated plan. While the State places a high need on those households that are currently homeless, it also finds households at imminent risk of homelessness are a high priority in order to further the effort to reduce homelessness throughout North Dakota.

CDBG: According to the 2020-2024 Consolidated plan, both vital public facilities and priority infrastructure were identified as high priority. Providing suitable living environments through supporting vital public facilities is a high priority in the State. Providing suitable living environments through funding infrastructure in the State is a high priority. This also includes planning funds for local jurisdictions.

Affordable rental housing was identified in the 2020-2024 Consolidated plan as a high priority, particularly those facing housing cost burdens. In 2020 NDHFA published The Current State of Housing in North Dakota, which is available online at <https://www.ndhfa.org/wp-content/uploads/2020/11/CurrentStateofHousing.pdf>. According to the study, “North Dakota’s renters are substantially more cost burdened than homeowners with 39 percent spending more than 30 percent of their income on housing expenses. The largest segment of the population works in the state’s fourth largest industry, Accommodations and Food services, earning minimum wage.” Increased access to affordable homeowner housing is the second housing priority identified. According to the Current State of Housing, “a tight housing market and steadily increasing home values are preventing current and future residents from being able to afford a home.” The 2020-2025 Consolidated Plan identified homeowner rehabilitation as a high priority need through the need’s assessment survey. Within the affordable housing priorities, North Dakota will continue to support efforts to combat homelessness by prioritizing permanent supportive housing with HOME multifamily funding and HTF allocation plans.

How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?

ESG: Funding continues to be used for homeless activities in North Dakota. These include the support of homeless service providers, funding the development of new transitional housing, rapid re-housing, and homeless prevention. Eligible applicants must be able to demonstrate prior experience serving individuals and households at-risk of or experiencing homelessness. Also, applicants must have staff with demonstrated expertise in case management skills.

CDBG: Funding from CDBG supports CDBG priorities as noted in the Consolidated Plan for the State of North Dakota, including affordable housing, special needs population, economic development, infrastructure, and public facilities. The Regional Councils hold their own scoring and ranking to fund projects in their respective area. Their specific scoring and ranking criteria can be found in the CDBG Program Distribution Statement attached. A portion of CDBG funds has been set aside for the Governor's Fund specifically for Community Development

HOME: The HOME proposed distribution of funds creates set-asides for homeowner rehabilitation programs offered by local Community Action Agencies and homeowner down payment assistance piloted by the Grand Forks Community Land Trust. CHDO reserves and open multifamily funds are made available through a competitive application round which allows projects that meet more priorities identified in scoring to rise to the top of funding selections. HOME multifamily scoring includes points for supporting tenants with special needs by providing tenant support

coordination.

HTF: The allocation plan for the HTF, like HOME, uses a competitive application round for funding selection. HTF will support multifamily development and rehabilitation of units dedicated to extremely low-income households. Priority points are provided to those applications that make commitments to supporting tenants with special needs that affect their long-term housing stability and provide tenant support coordination.

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction:

To distribute the CDBG funds, the state provides an allocation of funds to each of the state's eight Regional Planning Councils to recommend grant awards on a competitive basis. Each Regional Council is responsible for developing a program distribution statement describing how it will award funds. The state's role is to provide overall direction for the CDBG program and to review each project for compliance with the state CDBG Program Distribution Statement and the respective regional program statement. In addition, a set-aside is available for the Governor to fund economic development projects, new housing and emergency projects addressing health and safety concerns in coordination with the Regional Councils. For the HOME program, single family rehabilitation dollars are allocated to the seven Community Action Agencies (CAA). Each CAA may apply for funds on August 1, 2021. Any CAA with unexpended funds from 2016-2018 will need to expend their prior awards before applying for 2021 funds. CAAs that fully expend HOME awards can apply for additional funding until all single-family project funds are obligated. Homeowner down payment assistance project funds are distributed to the Grand Forks Community Land Trust. HOME project funds for rental production and rehabilitation are committed on a competitive basis through the scoring criteria identified in the 2021 HOME Program Distribution plan, which is attached to this annual action plan. HTF program funds are distributed on a competitive basis in accordance with the 2021 Annual Allocation Plan, attached to this annual action plan. Funds from the ESG program will be distributed on a competitive basis to eligible applicants. More detailed information for accessing and awarding funds may be found on the DCS web site.

The criteria for approving projects under the CDBG program for each region are based directly on the state's affordable housing goals and long-term non-housing community development objectives, emphasizing all needs identified as a high priority and primary benefit to households of 0 to 51 percent MFI. ESG program is focused on broadening existing emergency shelter and homelessness prevention activities, emphasizing rapid rehousing, and helping people quickly gain stability in permanent housing after experiencing a housing crisis and or homelessness.

Distribution Methods

Table 8 - Distribution Methods by State Program

1	State Program Name:	Community Development Block Grant (CDBG)
	Funding Sources:	CDBG

Describe the state program addressed by the Method of Distribution.	<p>The purpose of the Community Development Block Grant (CDBG) Program Distribution Statement is to describe how the state of North Dakota intends to distribute its CDBG Public Facilities, Housing and Economic Development funds.</p> <p>To better address local community development needs, the Governor has directed that the State's allocation be divided among each of the eight Regional Planning Councils that have established procedures to review and rank applications submitted within their respective regions</p>
Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>Program Goals and Objectives</p> <ul style="list-style-type: none"> • Creation of permanent jobs for very low and low income persons • Economic diversification • Leveraging of private and local investment • Benefit to the state's economy • Water and sewer activities which currently present a threat to health and safety • Removal of architectural barriers which will permit access for the handicapped • Direct benefit to a locality's very low and low income persons • Leveraging local and other available financial resources to finance the cost of the activity • Meeting the health and safety needs of very low income persons by bringing the rehabilitated housing up to a minimum of the Section 8 Housing Quality Standards • Making more affordable housing available for very low and low income persons <p>Eligible Applicants</p> <p>Eligible applicants under the North Dakota Community Development Block Grant Program are limited to counties and incorporated cities.</p>

<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Application information will be available on the NDDOC's website at: https://www.communityservices.nd.gov/communitydevelopment/Programs/CommunityDevelopmentBlockGrant/</p>
---	--

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>N/A</p>
--	------------

<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	
---	--

<p>Describe how resources will be allocated among funding categories.</p>	<p>FY2020 Allocation \$3,965,349; less state administration \$118,163; less regional council contracts \$61,144; less 1% technical assistance \$39,653; makes the total allocation for projects \$3,746,389; less the Governor's set aside for community development \$1,665,447; makes the total allocation for regional distribution \$2,080,942; plus projected program income \$1,000,000; then makes the total funds for distribution \$3,080,942.</p> <p>Each region will receive a preset amount of funds. The dollar amount is derived by taking 50 percent of the total estimated funds available for regional distribution and equally distributing that to all eight planning regions. The remaining 50 percent is divided among the regions using the latest percentage of low and moderate income persons per region in comparison to the total LMI persons in the State of North Dakota (All Entitlement and Air Force Base LMI statistics are not included).</p> <p>Please refer to the attached CDBG Program Distribution for further information</p>
--	---

	<p>Describe threshold factors and grant size limits.</p>	<p>Governor’s Fund for Community Development</p> <p>The Governor’s Fund for Community Development’s primary focus will be to fund primary sector economic development projects. However, other eligible CDBG projects may also be funded, including those that will alleviate an immediate health and safety condition in the community. Up to \$100,000 of the Governor’s Fund may be used for permanent supportive housing to address long term homelessness. Housing projects funded with the Governor’s Fund will be based on increased housing needs due to economic development activities.</p>
--	---	---

	What are the outcome measures expected as a result of the method of distribution?	Outcomes will be measured by the various Goal Outcome Indicators, as set forth in AP-20. Goal Outcomes are primarily measured by the number of households assisted, the number of businesses assisted, or the number of planning endeavors completed.
2	State Program Name:	Emergency Solutions Grant Program
	Funding Sources:	ESG

Describe the state program addressed by the Method of Distribution.	<p>The State's 2021 ESG allocation will be made available to eligible applicants and will be administered in accordance with the Interim (or Final) Rule regarding Homeless Emergency Assistance and Rapid Transition to Housing: Emergency Solutions Grant Program and Consolidated Plan Conforming Amendments.</p>
Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>The Division of Community Services (DCS) will review, score, and fund applications based on the ability to achieve the following state program objectives:</p> <ol style="list-style-type: none"> 1. Demonstrated the need for funding. (Max. 30 points) 2. Plan for distribution of the funds in an effective, efficient and timely manner. (Max. 15 points) 3. Collaboration efforts with other targeted homeless services and mainstream resources. (Max. 20 points) 4. Active participation in and providing services consistent with the needs identified by the North Dakota Continuum of Care, HMIS and Coordinated Assessment. (Max. 20 points) 5. To fund projects which involve, to the maximum extent practicable, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under the ESG, and in providing service for occupants of these facilities. Also included is how the Housing First model is used with the agency. (Max. 15 points) <p>To be eligible for funding, applications must receive a minimum subjective score of 15. All applications with a score of 15 or higher will receive funding based on the average recommended amounts by DCS' application reviewers.</p>

<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>N/A</p>
---	------------

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Applicants must be federally recognized non-profits or units of local government. Governmental organizations such as public housing agencies and local housing finance agencies are not eligible applicants under the ESG Program. Applicants must be in compliance with the ESG Interim Rule (Final Rule when published), the State’s ESG written standards, and applicable state and federal policies and procedures, including compliance with federal and state non-discrimination laws. If an applicant is eligible they can submit an application for funds during the specific timeframe. All applications are scored and ranked based of the scoring criteria.</p> <p>For further details please see the attached ESG Program Distribution Statement</p> <p>Eligible applicants for the Emergency Solutions Grants program are Units of Local Government, and private nonprofit organizations. Nonprofit entities located on Indian reservations are also eligible to receive funds.</p>
--	---

<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	
---	--

	<p>Describe how resources will be allocated among funding categories.</p>	<p>For FY2021, federal and state funding will be available, up to 60% for street outreach and shelter operation activities, and 40% for homeless prevention, rapid re-housing activities or participation in the Homeless Management Information System (HMIS).</p> <p>For further details please see the attached ESG Program Distribution Statement</p>
--	--	---

	Describe threshold factors and grant size limits.	<p>The maximum amount of funds that will be made available to any one homeless facility or agency providing assistance to the homeless is \$50,000.</p>
--	--	---

	What are the outcome measures expected as a result of the method of distribution?	Expected measures of outcome include the number of households assisted with funds and the number of emergency shelter or permanent supportive beds added.
3	State Program Name:	HOME Investment Partnership Program
	Funding Sources:	HOME

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The Department of Housing and Urban Development (HUD) has designated the State of North Dakota as a Participating Jurisdiction (PJ) and as such it may apply for and distribute HOME funds. The agency responsible for administration of the North Dakota HOME Program is the Department of Commerce, Division of Community Services (DCS). The program is transitioning administration to the North Dakota Housing Finance Agency effective July 1, 2021.</p> <p>The 2021 HOME Program Distribution statement identified three HOME projects and eligible activities, in addition to administration funds.</p> <p>Single-Family Homeowner Rehabilitation</p> <p>A total of \$840,000 in project funds and \$60,000 in administrative funds have been set-aside for single-family homeowner rehabilitation. Each Community Action Agency (CAA) receives an estimated set-aside of \$140,000 and must submit an application to receive their respective set-aside. CAAs who expend the total project funds may apply for any remaining unapplied for funds. Single-family homeowner rehabilitation programs must include all eligible rehabilitation activities required to bring an existing owner-occupied home to HOME property standards. After-rehab value of the home may not exceed the annually published HOME and Housing Trust Fund Homeownership Value Limits for the county in which the property is located. The minimum period of affordability for the homeowner rehabilitation projects is 5 years.</p> <p>Rental Production and Rehabilitation</p> <p>A total of \$1,925,160.46 in project funds has been made available for rental production and rehabilitation. This includes \$450,000 CHDO reserves. Rental production and rehabilitation activities are selected in a competitive scoring application process as outlined in Section III, Scoring Criteria of the HOME 2021 Program Distribution Statement. Applications are due September 30, 2021.</p> <p>Homebuyer Down Payment Assistance.</p> <p>A total of \$500,000 of project funds have been set aside for homebuyer down payment assistance. The Grand Forks Community Land Trust will receive the set-aside to fund homebuyer activities.</p>
---	---

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Single family rehabilitation project funds are provided to Community Action Agencies (CAA) as subrecipients. Any CAA with outstanding compliance issues will not be eligible to apply for 2021 funds until outstanding issues are resolved. In addition, CAAs with outstanding funds from 2016-2018 program years will not be allowed to submit an application until those program years are closed.</p> <p>Homebuyer Down Payment assistance project funds are delivered through the Grand Forks Community Land Trust (CLT) as a subrecipient. Grand Forks CLT information is available at https://www.gfclt.org/ Assistance may only be provided to homebuyers whose income does not exceed 80 percent area median income. The housing may either be single-family, condominium, cooperative unit, or manufactured housing. All homebuyers must receive housing counseling. The property must be occupied as principal residence through the period of affordability as determined by the amount of HOME assistance received.</p> <p>Multifamily production and rehabilitation activities are selected through a competitive application process.</p> <p>Each application meeting the threshold requirements will be reviewed and assigned points according to the following selection criteria. Applications must achieve a minimum score of <u>80</u> points to be considered for funding. Scoring will be on entire project/units (not just HOME units). Applicants may request no more than 70% of the hard construction costs. Income targeting for HOME requires at initial occupancy that not less than 90% of the units assisted with HOME funds be occupied by families at 60% and below area median income. Projects with five (5) or more HOME units, 20% of those units must have low home rents for the period of affordability.</p> <p>Scoring Criteria Includes</p> <ol style="list-style-type: none"> 1. Income Targeting 2. Addresses Housing Shortage in Developing Communities of 20,000 or less 3. Leveraging 4. Financial Support from Local Sources 5. Readiness to Proceed 6. Rehab of Existing Vacant Habitable Structures or Infill Opportunities 7. Preservation
--	---

		8. Tenant Support Coordinator 9. Walkability Score 10. Cross-Cutting Requirements More detailed scoring information is available in the attached HOME 2021 program distribution statement.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	N/A

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>N/A</p>
--	------------

<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	
---	--

	<p>Describe how resources will be allocated among funding categories.</p>	
--	--	--

<p>Describe threshold factors and grant size limits.</p>	<p>Single-Family rehabilitation funds are limited to \$140,000 per community action agency. Additional funds may be requested if there are unobligated project funds and the initial award has been expended.</p> <p>Homeowner down payment assistance program is limited to \$500,000 set aside for the Grand Forks Community Land Trust. The minimum HOME assistance is \$1,000 per unit.</p> <p>Multifamily production and rehabilitation application threshold requirements are identified in the HOME Underwriting criteria https://www.communityservices.nd.gov/uploads/9/HomeUnderwriting.pdf. Threshold items include</p> <ol style="list-style-type: none"> 1. Demonstrated Site Control 2. Zoning Eligibility 3. Utilities Availably 4. Identity of Interest 5. Local Support 6. Ownership 7. Ability 8. Firm Financial Commitments 9. Capital Needs Assessment (if applicable) 10. Housing Need 11. Financial projections 12. Financing Costs 13. Development Budget 14. Rent Assumptions 15. Project Costs 16. Maximum Fees
---	---

		<p>17. Maximum Subsidy</p> <p>Maximum subsidy levels are determined by HUD, both HOME and NHTF use the same maximum per unit subsidy.</p> <p>Unit Type /Unit Cost</p> <p>Efficiency/Studio \$153,315</p> <p>1 Bedroom \$175,752</p> <p>2 Bedroom \$213,718</p> <p>3 Bedroom \$276,482</p> <p>4 Bedroom \$303,490</p>
--	--	--

	What are the outcome measures expected as a result of the method of distribution?	HOME outcome measures include the number of rental units constructed or renovated, the number of households assisted with direct financial assistance and the number of homebuyers assisted.
4	State Program Name:	National Housing Trust Fund
	Funding Sources:	HTF

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>HTF funding will be awarded for the development and preservation of affordable multifamily rental housing to serve extremely low-income households, particularly those which are at risk of chronic homelessness. Eligible recipients for funding include units of local, state, and tribal government, local and tribal housing authorities, community action agencies, regional planning councils, nonprofit organizations, and for-profit developers.</p> <p>The HTF will be administered in accordance with North Dakota’s HTF Annual Allocation Plan (AAP), attached in full to this Annual Action Plan as Appendix C. Per federal statute and regulation, the AAP prioritizes funding based on:</p> <ol style="list-style-type: none"> 1. Geographic diversity. 2. Applicant’s ability to obligate funds and undertake eligible activities in a timely manner. 3. The extent to which the project has rents that are affordable, especially to ELI households, and has federal, state, or local project-based rental assistance so that rents are affordable to extremely low income families. 4. The length of the units’ affordability period. 5. Merits of the application in meeting the state’s priority housing needs. 6. The extent to which the applicant makes use of non-federal funding sources.
---	--

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>North Dakota employs a set-aside of 10% of the state’s HTF allocation to the highest-scoring eligible Native American application. Remaining HTF funding is then awarded to the highest-scoring eligible applications. There is no maximum amount of HTF funding that any one project can receive, although the AAP does limit the amount of subsidy which each HTF-assisted unit can receive. The deadlines for applications will be due to the NDHFA by September 30, 2021. In order to be considered for funding applications must meet a minimum score of 85 points. Scoring criteria includes</p> <ol style="list-style-type: none"> 1. Serving extremely low-income households- 20-50 points. 2. Use of Low-Income Housing Tax Credits- 10-20 points. 3. Committed Non-Federal Leverage-5-20 points. 4. Use of Project-Based Rental Assistance- 5 points. 5. Redevelopment and Revitalization-5 points. 6. Tenant Support Coordinator-5-10 points. 7. Universal Design Elements-3-12 points. 8. Readiness to Proceed-3-10 points. 9. Housing for Families-10 points. 10. Period of Affordability-1 points. 11. Geographic Diversity- 5 points. 12. Missing threshold Items- point deduction of 5 points for each missing item.
--	---

<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>N/A</p>
---	------------

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>N/A</p>
--	------------

<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	
---	--

	<p>Describe how resources will be allocated among funding categories.</p>	<p>Resources are allocated to the highest scoring applications until all available funding has been conditionally committed.</p>
--	--	--

<p>Describe threshold factors and grant size limits.</p>	<p>Threshold items applications must submit include:</p> <ol style="list-style-type: none"> 1. Evidence of development team ability. 2. Market conditions. 3. Demonstrated site control. 4. Evidence of appropriate zoning. 5. Availability of infrastructure and utilities. 6. Financial Projections. 7. Capital needs assessment, if applicable. 8. Appraisal. 9. Evidence of all financial subsidies awarded. 10. Tenant recruitment and selection policy. 11. Broadband infrastructure. 12. Self-scoring projection of the activity. <p>Applicants are limited by the maximum per unit subsidy that is annually calculated by HUD. HTF Annual Allocation Plan uses HOME maximum per unit subsidy limitations.</p>
---	---

	What are the outcome measures expected as a result of the method of distribution?	<p>HTF outcome measures include the number of rental housing units constructed or rehabilitated.</p>
--	--	--

Discussion:

AP-35 Projects – (Optional)

Introduction:

The State of North Dakota recognizes that funding and resources are limited to help the underserved. ND strives to meet gaps in the areas of housing, community development, and economic development. The funding is targeted for low-to-moderate income individuals and special needs populations.

#	Project Name
1	ESG21
2	2021 CDBG Admin and TA Funds
3	CDBG Public Facility Projects
4	CDBG Housing Projects
5	CDBG Economic Development Projects
6	Homebuyer Down Payment Assistance
7	2021 Multifamily Production and Rehabilitation HOME/HTF
8	Homeowner Rehabilitation
9	2021 HTF Administration
10	2021 HOME Administration

Table 9 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

The allocation priorities were identified using the Con Plan needs assessment and market analysis, which identified seven priority needs. Access to affordable rental housing, affordable homeowner housing, homelessness, special needs populations, vital public facilities, economic development and priority infrastructure. Obstacles to addressing underserved needs include, but not limited to, a lack of development capacity in rural communities and insufficient amount of funding to meet entire state needs.

AP-38 Project Summary

Project Summary Information

1	Project Name	ESG21
	Target Area	Statewide
	Goals Supported	Support Efforts to Combat Homelessness
	Needs Addressed	Homelessness
	Funding	:
	Description	North Dakota 2021 ESG Allocation* temporary emergency shelter* street outreach* emergency shelter* rapid re-housing assistance and homeless prevention* homeless management information system* training* hotel/motel costs* administrative activities
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	

	Planned Activities	Shelter operations Shelter essential services Street outreach Rapid Rehousing Homeless Prevention HMIS
2	Project Name	2021 CDBG Admin and TA Funds
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	:
	Description	2021 CDBG Admin and TA Funds
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Administrative funds will be used to fund administrative activities at the state level and fund Regional Council administrative activities in support of scoring and ranking CDBG applications for submission to the state.
3	Project Name	CDBG Public Facility Projects
	Target Area	Statewide

	Goals Supported	Support Public Facilities and Services Enhance Local Public Infrastructure and Planning
	Needs Addressed	Vital Public Facilities Priority Infrastructure
	Funding	:
	Description	Funds will be used for water and sewer infrastructure projects, removal of architectural barriers projects, public service projects
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Public Facilities funds in ND will fund water & sewer projects, removal of architectural barriers for persons with disabilities, streets and public service activities.
4	Project Name	CDBG Housing Projects
	Target Area	Statewide
	Goals Supported	Increase Access to Affordable Housing
	Needs Addressed	Affordable Rental Housing Affordable Homeowner Housing
	Funding	:
	Description	Funds will be used to fund multi-family housing rehab and purchase of land in support of new multi-family housing
	Target Date	

	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Housing funds in ND will be used to rehabilitate owner occupied, multi-family housing that meet the LMI criteria. Housing funds will also be used in support of LMI multi-family housing through the purchase of land in which the housing will be developed.
5	Project Name	CDBG Economic Development Projects
	Target Area	Statewide LMI Areas
	Goals Supported	Encourage Economic Development
	Needs Addressed	Economic Development
	Funding	:
	Description	These funds will be used to fund business start ups and expansions to create additional jobs
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	

	Planned Activities	The Economic Development projects in ND primarily will fund business who create jobs with at least 51 of those jobs being filled by individuals who are LMI. ED funds will also be used for facade improvements that will encourage business development or expansion, therefore, creation of or retention of jobs in communities.			
6	Project Name	Homebuyer Down Payment Assistance			
	Target Area	Statewide			
	Goals Supported	Increase Access to Affordable Housing			
	Needs Addressed	Affordable Homeowner Housing			
	Funding	HOME: \$500,000			
	Description	Homebuyer Down Payment Assistance Program set-aside for the Grand Forks Community Land Trust			
	Target Date	7/1/2022			
	Estimate the number and type of families that will benefit from the proposed activities	20 households served.			
	Location Description	Activities are undertaken in the service area of the Grand Forks Community Land Trust, primarily located in Grand Forks, ND.			
	Planned Activities	Provide homebuyer down payment assistance to income qualified homebuyers.			
7	2021 Multifamily Production and Rehabilitation HOME/NHTF	Increase Access to Affordable Housing	Statewide - Other	Affordable Rental Housing	HOME : \$1,925,160 HTF : \$2,700,000

	Description	HOME Program Funds and National Housing Trust Fund program funds to provide new construction or rehabilitation funds for multifamily rental projects.			
	Target Date for Completion	07/01/2025			
	Estimate the number and type of families that will benefit from the proposed activities	The state estimates a total of 100 household housing units may be constructed or rehabilitated using HOME and National Housing Trust Fund.			
	Location Description	Statewide			
	Planned Activities	Activities will be selected during the competitive application round scheduled for September 2021.			
8	Homeowner Rehabilitation	Increase Access to Affordable Housing	Statewide - Other	Affordable Homeowner Housing	HOME : \$840,000
	Description	Homeowner rehabilitation program executed through the Community Action Agency Set-Aside			
	Target Date for Completion	07/01/2025			
	Estimate the number and type of families that will benefit from the proposed activities	Annual estimated 15 household housing units assisted			
	Location Description	Statewide			
	Planned Activities				
9	2021 HTF Administration		Statewide - Other		HTF : \$300,000
	Description	National Housing Trust Fund administrative activities.			
	Target Date for Completion	07/01/2025			
	Estimate the number and type of families that will benefit from the proposed activities	Administration activities only.			
	Location Description				
	Planned Activities	Administrative Activities			

10	2021 HOME Administration				HOME : \$300,000
	Description	HOME Administration			
	Target Date for Completion	07/01/2025			
	Estimate the number and type of families that will benefit from the proposed activities	Administration activities only			
	Location Description				
	Planned Activities	Administrative Activities			

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?

No

Available Grant Amounts

Not applicable.

Acceptance process of applications

Not applicable.

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

State's Process and Criteria for approving local government revitalization strategies

AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

The HOME, ESG, and NHTF program funds will be available to eligible applicants statewide. The CDBG program is available to eligible applicants in every city and county, except the three entitlement cities of Grand Forks, Fargo, and Bismarck.

Geographic Distribution

Target Area	Percentage of Funds
Statewide	100

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The HOME, ESG, and NHTF program funds will be available to eligible applicants statewide. The CDBG program is available to eligible applicants in every city and county, except the three entitlement cities of Grand Forks, Fargo, and Bismarck. 50 percent of CDBG funds are distributed evenly by population and 50 percent is distributed to areas of higher rates of low to moderate income households.

Discussion

Affordable Housing

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction:

The one year goals identified below are based on past years' activities and goals that were identified during the development of the 2020-2024 Consolidated Plan.

One Year Goals for the Number of Households to be Supported	
Homeless	450
Non-Homeless	700
Special-Needs	0
Total	1,150

Table 11 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	1,000
The Production of New Units	20
Rehab of Existing Units	130
Acquisition of Existing Units	0
Total	1,150

Table 12 - One Year Goals for Affordable Housing by Support Type

Discussion:

DCS and NDHFA recognize that CDBG, HOME, HTF, and ESG alone may not meet the goals identified above. Many housing activities completed may need to engage in resources beyond these federal program. As an example, NDHFA administers the Low-Income Housing Tax Credit (LIHTC) program and requires developers looking to use the LIHTC to document a particular housing need and demonstrate that the need is consistent with the Consolidated Plan. Each project is rated against specific criteria, eighteen of which are intended to assure a project is targeted to benefit low-income families. HOME and HTF funds are often used in partnership with LIHTC funds.

AP-60 Public Housing - 24 CFR 91.320(j)

Introduction:

North Dakota DCS and NDHFA have a good working relationship with local public housing authorities (PHAs). DCS, NDHFA and PHAs participate in Housing Services collaboratives to create an open dialog with housing providers and service providers. The goal of the collaborative is to ensure affordable housing is available and services are accessible for North Dakota households. DCS and NDHFA anticipate the PHAs to continue to access funding sources such as HOME and Housing Trust Fund for activities such as renovation and/or demo/disposition of housing developments in their portfolio.

Actions planned during the next year to address the needs to public housing

PHAs are encouraged and eligible to apply for funding under the HOME and HTF programs. PHAs have actively used North Dakota's HOME funds under both CHDO and non-and-for-profit competitive application round as well as under HTF's competitive funding round.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

NDHFA, CommunityWorks North Dakota, and the Village Family Service center have partnered to provide individuals and families with access to eHome America's online Homebuyer Education program.

Other specific actions are dependent on local PHA's programs.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Based on information available, DCS and NDHFA are not aware of any North Dakota PHAs designated as troubled.

Discussion:

No additional discussion.

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Introduction

There is one CoC in the State of North Dakota, the North Dakota Statewide CoC. The North Dakota Housing Finance Agency is the lead entity of the North Dakota CoC. Eight regional coalitions carry out the work of the statewide CoC at the local level. At least one representative from each regional coalition, one homeless or formerly homeless representative, and two members at large serves on the CoC Steering Committee.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The State of North Dakota's method of distribution provides funding to engage homeless individuals and families living on the street (Street Outreach).

Addressing the emergency shelter and transitional housing needs of homeless persons

ESG funds will be used to improve the number and quality of emergency shelters for homeless individuals and families (Shelter Renovation); help operate these shelters through eligible activities such as maintenance, rent, repair, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies (Shelter Operations); provide essential services to shelter residents (Essential Services).

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

Funding will be available for rapid re-housing and homeless prevention activities to both shorten and prevent incidents of homelessness throughout the State. The North Dakota Homeless Grant (NDHG) has prevention and rapid rehousing components that provide temporary financial assistance and case management. CAPND utilizes the Supportive Services for Veteran Families (SSVF) program. The goal of SSVF is promoting housing stability among very low-income veteran families who reside in or are transitioning to permanent housing. Like ESG, SSVF supports a Housing First approach by helping the

veteran family meets its primary need of housing, while addressing barriers to housing stability.

CARES is a collaborative initiative between the North Dakota and West Central Minnesota Continuums of Care (CoC) designed to create a more effective and efficient homeless response system. CARES is a system shift from agency centric to client centric AND from managing homelessness to preventing and ending homelessness. CARES has three main purposes:

1. To reduce new entries into homelessness *(by consistently offering prevention and diversion resources upfront, reducing the number of people entering the system unnecessarily)*
2. To help people move through the homeless response system and stabilize their housing faster and more successfully *(by reducing the amount of time people spend moving from program to program before finding the right match); and*
3. To gain quality data to drive system planning, improved service linkage, funding decisions, and for performance measurement.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

Through the use of funds for rapid re-housing and homeless prevention as the State strives to help individuals and families avoid homelessness.

Discussion

AP-75 Barriers to affordable housing – 91.320(i)

Introduction:

The 2020-2024 North Dakota Consolidated plan conducted a Housing and Community Development survey which found the biggest barriers to the development of affordable housing include cost of labor, cost of materials, cost of land, and lack of access to affordable housing financial resources. As the affordable housing resources administered by the State continue to be aligned, we hope to see a reduction in the access barrier.

NDHFA, as it transitions HOME program from DCS, will look to coordinate HOME funding and processes to align with the LIHTC, state Housing Incentive Fund, and HTF allocation plans, where possible.

The assessed other barriers are primarily local market issues that are difficult to overcome. NDHFA and DCS will continue to work to align financing programs and prioritize projects that are able to leverage local private and government resources. DCS will continue to promote its adoption and enforcement of the State Building Code and continue to provide training support to local building officials through the North Dakota Building Officials Association.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

DCS is responsible for updating and amending the North Dakota State Building Code, but enforcement of code is the responsibility of jurisdictions that elect to adopt and enforce building codes. The North Dakota legislative assembly has mandated that the state building code consist of the International Building Code (IBC), International Residential Code (IRC), International Mechanical Code (IMC), and International Fuel Gas Code (IFGC). These are nationally recognized codes published by the International Code Council and updated nationally every three years. On September 5th, 2019 eligible cities and counties, along with eligible members of the Building Code Advisory Committee, adopted the 2018 updates to the International Building Code (IBC), International Residential Code (IRC), International Mechanical Code (IMC), and International Fuel Gas Code (IFGC) and the proposed amendments. The 2018 versions of the International Energy Conservation Code and the International Existing Building Code and proposed amendments to these codes were also adopted. The new North Dakota State

Building Code went into effect January 1st, 2020.

Discussion:

The assessed barriers of public policy are primarily local issues. DCS encourages local communities to adopt the North Dakota State Building Code in efforts to have similar codes statewide. NDHFA also administers a program to certify qualified non-profit organizations operating affordable housing as tax exempt. Annually these exemptions provide needed property tax relief for affordable multifamily projects statewide.

AP-85 Other Actions – 91.320(j)

Introduction:

Addressing the needs of the underserved requires coordination at the State and local level to bring many agencies together in order to coordinate the efforts of both housing, homeless providers, and service providers.

Actions planned to address obstacles to meeting underserved needs

Streamlining access to resources for low income households, developer partners, and service providers is key to overcoming these obstacles. NDHFA and DCS's involvement with statewide councils, coalitions, and collaborations create relationships and conversations to identify gaps in resources and opportunities to increase access and streamline efforts. NDHFA is working with ND Department of Human Services (DHS) on several plans to address needs of individuals who are being served by DHS services. In 2020, DHS completed a 1915i state plan amendment which included efforts to allow pre and post tenancy supports to be paid by Medicaid for target populations. Allocation plans will continue to support service provisions in multifamily unit development.

Actions planned to foster and maintain affordable housing

Continue to fund existing rental and owner-occupied housing stock with an emphasis in rehabilitation of low-income households and older individuals. Continue to focus on assistance in buying or renting affordable housing.

Actions planned to reduce lead-based paint hazards

During this program year we will continue working with the North Dakota State Health Department and the University of North Dakota to provide training for lead-based paint risk assessors. In addition, we expect to see more coordination with the CAAs to increase the amount of lead-based paint testing activities.

Actions planned to reduce the number of poverty-level families

The primary activities will be to create jobs with CDBG funds, encourage referrals of low-income persons and families to the Self-Reliance program (although no data can be obtained showing referrals because of confidentiality), and, as reflected in our affordable housing goals, to target HOME and CDBG funds to low-income households.

Much of the work to reduce the number of poverty-level families is done through partnerships with the Community Action Agencies (CAAs) and DHS. CAAs are located in 7 regions and provide services statewide. CAAs work to combine local, state, private, and federal resources to deliver programs and

opportunities for poverty-level families to obtain and maintain self-sufficiency.

Community Services Block Grant (CSBG) program. This program provides funds to the CAAs to ameliorate the causes and conditions of poverty. CAAs also currently play a key role in providing housing opportunities, most of which are included in the state's affordable housing goals, through the implementation of the state's HOME program. Their low-income clientele, most of who live in poverty, are the primary beneficiaries of HOME funds for single-family rehab programs and tenant based rental assistance programs. Additionally, families are also provided assistance in weatherizing their homes through the Weatherization program, which is a program within DCS, and is often used in conjunction with HOME and CDBG funds that are used for housing rehabilitation. Households experiencing homelessness may also benefit utilize the CAAs to enroll in the state's Self-Sufficiency Program. Utilizing the CAAs for program administration allows for a local service delivery system.

Actions planned to develop institutional structure

Community development institutional structure consists of building capacity and maintaining partnerships with local community governments and regional councils.

Housing and homeless institutional structures are carried out together through partnerships with non-profit developers, affordable housing owners and property managers, service providers, local non-profit service agencies, NDHFA, DCS, and CAAs. NDHFA and NDDOC will continue to participate in the statewide gatherings and coalitions in order to support and identify actions needed.

NDHFA will continue to fund the Housing Market Survey Grant program to help rural communities fund an analysis of the community's current and future housing needs. Comprehensive plans are key to effective and efficient community development.

Actions planned to enhance coordination between public and private housing and social service agencies

The State will continue to actively participate in the housing services collaborative, the Interagency Council on Homelessness, the North Dakota Coalition of Homeless Persons, the North Dakota Apartment Association, the ND NAHRO (Housing Authority Association) and the Olmstead Commission. Maintaining active participation maintains open communication between housing and service providers and identifies areas needed to enhance coordination.

NDHFA is currently working with the ND Department of Aging Services to develop a Housing 101 training PowerPoint for Aging Services to incorporate into staff training. The goal is to introduce those providing home and community-based services to housing and how they can help those they are providing services to maintain their housing. The hope is to roll this training out to other service providers once

finalized.

NDHFA will continue to administer the Opening Doors Landlord Risk Mitigation program which promotes communication between service providers, tenants, and housing providers by providing coverage for tenants who may cause excessive damages or lost rent due to eviction.

Discussion:

Program Specific Requirements

AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

Introduction:

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	1,000,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	1,000,000

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	70.00%

HOME Investment Partnership Program (HOME) Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

HOME will not be used for other forms of assistance beyond those identified in Section 92.205. Applicants should use private funds, tax credits, Rural Development, Federal Home Loan Bank,

Annual Action Plan
2021

86

Community

Development Block Grant, North Dakota Housing Incentive Fund, Department of Energy, Housing Trust Fund, or other grant/loan programs to help leverage HOME activities.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

A summary of recapture guidelines is included below. Please refer to the attached 2021 HOME Program Distribution Statement (PDS) for additional information.

Recapture provisions will be used for homebuyers who received down payment assistance but do not purchase a property owned by GF CLT and subject to a GF CLT ground lease. Resale provisions will be used for transactions in which homebuyers purchase a property owned by the GF CLT and the property is subject to a GF CLT ground lease.

Recapture Requirements for Homebuyer Assistance

In order to ensure the period of affordability (POA) the recapture provisions will be included in the written agreement with the DCS, the homebuyer agreement and a recapture mortgage. Direct Home Subsidy is defined as the amount of HOME Assistance, including any program income, that enabled the homebuyer to purchase the unit. This includes down payment, closing costs, interest subsidies, or other HOME assistance provided directly to the homebuyer. Net Proceeds is defined as the sales price minus superior loan repayment and any closing costs. Under no circumstances can DCS recapture more than is available from proceeds of sales. Subsequent Sale of Home to an Income Eligible Homebuyer

a. The subsequent low-income homebuyer is required to assume the remainder of the POA in effect and the principal residence requirement, as initially determined by the GF CLT based on the amount of HOME investment in the unit.

b. The GF CLT is permitted to assist the subsequent low-income homebuyer in purchasing the housing. The additional HOME homebuyer assistance must be treated as an amendment to the original project and will be combined with their assumption of the existing note to determine the new POA and execute a new (replacement) note for the total assistance.

Subsequent Sale of Home to a non-income qualified Homebuyer

Should the homeowner sell the home to a subsequent homebuyer that is not low-income and not approved by the GF CLT, the GF CLT must enforce recapture provisions, requiring repayment,

subject to net proceeds of the sale, as calculated in the recapture formula below.

Recapture Formula

The GF CLT will follow the recapture option that requires the entire amount of direct HOME subsidy provided to the homebuyer before the homebuyer receives a return. This amount cannot exceed what is available from net proceeds.

See PDS for additional information.

Resale Provisions

The GF CLT intends to provide HOME assistance to eligible homebuyers using the following resale provisions:

1. The GF CLT will follow the resale option for the duration of the period of affordability.
 - a) The housing will be made available for subsequent purchase only to a buyer whose family qualifies as a low-income family and will use the property as the family's principal residence.
 - b) The resale requirement will ensure that the price at resale provides the original HOME-assisted owner a fair return on investment (including the homeowner's investment and any capital improvement) and
 - c) Ensure that the housing will remain affordable to low-income homebuyers whose income does not exceed eighty percent (80%) of the area median income for that area.
 - d) Affordable is defined as a household paying between 20-30 percent of gross monthly income towards monthly mortgage payments including principal, interest, taxes, property insurance, mortgage insurance (if applicable), and the ground lease payment.
2. **Fair Return** will be determined using the initial appraised value of the home and calculating a Purchase Option Price and a Formula Price.
3. Fair return may take into account certain capital improvements.

See PDS for additional information.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired

with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

The period of affordability for units acquired using HOME funds is shown below. Additional information is included in HOME Program distribution statement at the following link: <https://www.communityservices.nd.gov/communitydevelopment/Programs/HOMEProgram/>

Period of Affordability

The recapture provisions are in effect for a period of affordability. This period is based on the amount of direct HOME subsidy to the buyer, as follows:

HOME Assistance to the Buyer Minimum Period of Affordability

Less than \$15,000 5 yrs.

\$15,000 - \$40,000 10 yrs.

More than \$40,000 15 yrs.

Compliance

Property must be occupied as a principal residence by the homebuyer and subsequent low-income buyers throughout the POA. No subleasing is allowed. The GF CLT must monitor and verify primary residency of the homebuyer on an annual basis for the affordability period. The most current utility statement, proof of paid taxes, and homeowner's insurance are acceptable documentation.

During grant monitoring of the GF CLT, the DCS will review deed restrictions, covenants attached to the land, mortgages, or other similar mechanisms placed on the HOME-assisted property to ensure the provisions being used are in accordance with those stated in the written agreement with the GF CLT.

Noncompliance

Under recapture provisions, the homeowner is noncompliant, if during the POA, any of the following events occur:

1. The homebuyer does not occupy the home as their primary residence without a sale,
2. Vacates the home; or
3. Sublets and rents the home to another household.

The GF CLT must then enforce full repayment of the original amount of the direct home subsidy.

Should the following entities provide assistance to homebuyers; the Recapture Provisions will be

used, as explained in further detail in the attached document:

- The City of Grand Forks
 - Grand Forks Community Land Trust
4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

HOME funds will not be used to refinance debt along with rehabilitation in this program year.

Emergency Solutions Grant (ESG) Reference 91.320(k)(3)

1. Include written standards for providing ESG assistance (may include as attachment)

The written standards for provision of ESG assistance in North Dakota is included as an attachment to this Plan (ESG Program Distribution Statement). Refer to this for additional information. A summary is included below.

Per 24 CFR 576.401 ESG sub-recipients must conduct an initial evaluation to determine each individual or family's eligibility for ESG assistance and the amount and types of assistance the individual or family needs to regain stability in permanent housing. These evaluations must be conducted in accordance with the centralized or coordinated assessment requirements set forth under §576.400(d).

ESG sub-recipients must re-evaluate the program participant's eligibility and the types and amounts of assistance the participant needs; not less than once every 3 months for participants who are receiving homelessness prevention assistance, and not less than once annually for participants who are receiving rapid re-housing assistance.

At the sub-recipients discretion, re-evaluations may be conducted more frequently than required by 24 CFR 576.401 and may also be incorporated into the case management process which must occur not less than monthly for homeless prevention and rapid re-housing participants See 24 CFR 576.401(e) (i).

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

CARES is a collaborative initiative between the North Dakota and West Central Minnesota

Continuums of Care (CoC) designed to create a more effective and efficient homeless response system. CARES is a system shift from agency centric to client centric AND from managing homelessness to preventing and ending homelessness. CARES has three main purposes:

1. To reduce new entries into homelessness (*by consistently offering prevention and diversion resources upfront, reducing the number of people entering the system unnecessarily*)
2. To help people move through the homeless response system and stabilize their housing faster and more successfully (*by reducing the amount of time people spend moving from program to program before finding the right match*); and
3. To gain quality data to drive system planning, improved service linkage, funding decisions, and for performance measurement.

CARES PHASES CARES involves a consistent and coordinated process to access, prioritize and link households in a housing crisis to appropriate housing and services.

1. Diversion: Designed to divert households from entering the homeless response system towards mainstream or prevention services. To prioritize who gets limited shelter beds.

Tool: Housing Crisis Screen

When is this done? At first point of contact. Prior to entering the homeless system.

Who: Access points and Housing Crisis Line by July 2015.

2. Prevention: Used to screen for eligibility for prevention services.

Tool: Prevention Screen

When is this done? After diversion screen as identified on screening tool.

Who: Community Action Programs in MN, TBD in ND.

3. Housing Assessment: Used to assess for vulnerability and linkage to appropriate supportive housing intervention (currently only TH, RRH, PH, LTH, or PSH beds/units dedicated as homeless).

Tool: VI-SPDAT & F-VI-SPDAT

When is this done? 7-14 days recommended, but can be done sooner if appropriate

Who: Designated assessors/assessment sites.

4. Prioritization: Used to prioritize the limited number of supportive housing beds based on vulnerability and eligibility.

Tool: Prioritization list

When is this done? After completing Housing Assessment.

Who: Designated assessor/assessment sites place people on list. Housing agencies choose households.

5. Barriers Assessment: Recommended as a best practice for housing case management (as the basis for a housing stability plan), measuring outcomes, or to further prioritize vulnerability if VI-SPDAT is not sufficient (in cases of a tie or if provider feels person did not score accurately).

Tool: SPDAT & F-SPDAT

When is this done? Prior to entering supportive housing OR during prioritization.

Who: Trained Assessor.

See additional information following question #5 below.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

Applicants are eligible to apply for funds on a competitive basis. Faith-based or religious organizations are eligible, on the same basis and any other organization, to receive ESG funds. Additional information is provided as an attachment. The description of eligible applicants is provided below.

Applicants must be federally recognized non-profits or units of local government. Governmental organizations such as public housing agencies and local housing finance agencies are not eligible applicants under the ESG Program. Applicants must be in compliance with the ESG Interim Rule (Final Rule when published), the State's ESG written standards, and applicable state and federal policies and procedures, including compliance with federal and state non-discrimination laws.

By virtue of submitting an application, applicants agree to: adopt and consistently apply the State's written standards for the administration of the ESG program; and maintain standard accounting practices including internal controls and fiscal accounting procedures; track agency and program budgets by revenue sources and expenses; and have an available cash flow to effectively operate their programs since ESG funding is provided on a reimbursement basis.

Applicants with outstanding monitoring or audit findings issued by the Internal Revenue Service, HUD, or DCS are not eligible ESG applicants and will not be eligible to receive an allocation of ESG funding. Applicants are encouraged to contact DCS to ensure no unresolved monitoring findings exist or to work to resolve any outstanding items.

Eligible applicants must be able to demonstrate prior experience serving individuals and households at-risk of or experiencing homelessness. Also, applicants must have staff with demonstrated expertise in case management skills.

Applicants will be required to utilize the HMIS and the State-wide Continuum of Care's centralized or coordinated assessment system. Domestic violence service providers must establish and operate a comparable database that collects client level data over time and can generate unduplicated aggregate reports based on the data.

Applicants are strongly encouraged to be active members of the North Dakota Continuum of Care and their local homeless coalition.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with

homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The following represents the requirements for homeless participation for ESG recipients.

Homeless participation

a. Unless the recipient is a State, the recipient must provide for the participation of not less than one homeless individual or formerly homeless individual on the board of directors or other equivalent policy-making entity of the recipient, to the extent that the entity considers and makes policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant (ESG).

b. If the recipient is unable to meet requirement under paragraph (a), it must instead develop and implement a plan to consult with homeless or formerly homeless individuals in considering and making policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant (ESG). The plan must be included in the annual action plan required under 24 CFR 91.220.

c. To the maximum extent practicable, the recipient or subrecipient must involve homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under ESG, in providing services assisted under ESG, and in providing services for occupants of facilities assisted under ESG. This involvement may include employment or volunteer services.

5. Describe performance standards for evaluating ESG.

The ESG/NDHG Monitoring Report and Guidelines form is included as an attachment to this Plan.

Continuation of ESG Question #2

Continuation of Emergency Solutions Grant (ESG) Question #2.

Governance Structure: CARES is governed by a joint board of elected members from the ND CoC, West Central CoC, and the FM Coalition for the Homeless. The board also includes non-voting advisory Seats for the State of MN, State of ND, IT, FM Coalition, and CoC Coordinators. Four committees are designated to help develop, implement and evaluate CARES. They include: Protocols, Implementation, Performance Assessment, and Data Collection.

Additional information is included in the attachments.

Housing Trust Fund (HTF)
Reference 24 CFR 91.320(k)(5)

1. How will the grantee distribute its HTF funds? Select all that apply:

☒ Applications submitted by eligible recipients

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A

3. If distributing HTF funds by selecting applications submitted by eligible recipients,

a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The organization or agency that applies to NDHFA for funds to carry out the HTF project must be an eligible recipient. Eligible recipients include units of local, state, and tribal government; local and tribal housing authorities; community action agencies; regional planning councils; nonprofit organizations, and for-profit developers. Individuals are not eligible to receive direct assistance from the HTF.

Eligible recipients must demonstrate their familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs.

b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applicants must apply using NDHFA forms to receive a conditional commitment of financial assistance from the HTF program. The complete application must be received by 5:00 p.m., Central Time, on the closing date to be eligible for consideration in the funding round. The application rounds will be as

follows until all HTF funds have been obligated:

Maximum Amount of HTF Assistance Available Per Application Closing Date

Round 1: September 30, 2021 Up to \$3,000,000

Round 2: December 31, 2021 Balance of available HTF assistance, if any

Round 3: March 31, 2022 Balance of available HTF assistance, if any

Threshold Requirements

When an application is received, it shall first be reviewed for eligibility to be scored and ranked. In order to be eligible for scoring and ranking, the application must be complete and include the following information, unless waived by NDHFA for good cause. Application packages missing any of the threshold items after the application deadline will be deemed incomplete and will be given reasonable time to submit the missing information. However, a 5-point deduction will be assessed during the scoring process for each missing item. See Section V. Application Process of the attached NHTF Allocation Plan for a complete description of each threshold item.

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Each application meeting the threshold requirements will be reviewed and assigned points according to the following selection criteria. Representations made by applicants for which points are given will be binding and will be monitored through the annual compliance review process. Applications must achieve a minimum score of 85 points to be considered for funding. Based on ranking, projects will be selected for a conditional commitment. Once a property is selected, NDHFA will determine the amount of housing trust fund dollars to be awarded, which may not equal the amount requested in the application.

In the event of a tie between two or more projects when insufficient program funds remain to fund each one, the tie breaker will go to the project which best meets the Housing Strategies outlined in the current North Dakota Consolidated Plan in effect at the time of HTF application.

d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

North Dakota distributes the NHTF funding statewide but limits the number of projects selected in one single community. This is accomplished Scoring Criteria L. Geographic Diversity. Projects located in the same city as a project which has already been selected in the current NHTF application round shall receive a scoring deduction of five points.

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applicants must provide a timeline for completion of the project. Points awarded in this category are based on earliest achievable completion of the activity. Such things as letters of interest or commitment for all sources of project financing; ownership of the land; and availability of infrastructure will be considered in the award of points. Points will be awarded at the sole discretion of NDHFA in comparison to other projects competing in the application round.

f. Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Projects which have received binding commitments for federal, state, or local project-based rental assistance for all of the extremely low-income units in the project will receive 5 points.

g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

All projects are required to submit a financial pro-forma. Applications that commit to a period of affordability for a period of 31 years or longer will receive one point.

h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Projects which are committed to supporting tenants with special needs affecting their long-term housing stability and which create an environment that encourages and provides service coordination may receive up to 10 points

Tenant Support Coordinator and Medicaid-Approved Service Provider

Projects which provide the TSC provisions and which also enter into a formal letter of intent with one or more qualified service agencies with demonstrated experience providing housing stability services consistent with the needs of the project's residents will receive 10 points. The service provider(s) must also be able to process for Medicaid reimbursement, and provide their Medicaid biller number issued by the State of North Dakota. The letter of intent must be detailed regarding the suite of supports and services to be made available to tenants who need and want them.

Properties which meet the minimum universal design features below are eligible for points in this scoring category based on a percentage of units. A maximum of 25 percent of the project units may incorporate the universal design features.

Complete details of each scoring criteria are outlined in the Scoring Criteria section of the attached 2021 Housing Trust Fund Annual Allocation Plan.

i. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

An applicant who provides signed, firm commitments for contributions or incentives from state or local government, private parties and/or philanthropic, religious or charitable organizations, excluding entities with an identity of interest or those with a significant role in the property (e.g. contractors, accountants, architects, engineers, consultants, etc.), will receive points in this category. Not eligible as sources of leverage under this category are interest bearing loans to the project, LIHTCs, HRTCs, HOME, CDBG, NAHASDA, or any other federal source of funding. Also not eligible as leverage under this category is project-based rental assistance which earns points in scoring category D.

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

6. Performance Goals and Benchmarks. The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds. Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

NHTF uses the maximum subsidy limits provided by HUD. The most readily available limits are 2020 limits.

Unit Type /Unit Cost

Efficiency/Studio \$153,315

1 Bedroom \$175,752

2 Bedroom \$213,718

3 Bedroom \$276,482

4 Bedroom \$303,490

The State uses the single limit for maximum per-unit development subsidy based on HOME maximum per unit limits, across the state. The State determined this based off of a per unit development cost analysis from the Low-Income Housing Tax Credit and Housing Trust Fund application rounds and no substantial variation between applications received state-wide. When a variation arises, the statewide subsidy limit will be re-evaluated.

8. Rehabilitation Standards. The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable). The Minimum Housing Rehab and Property Standards is attached below.



MINIMUM HOUSING REHABILITATION AND PROPERTY STANDARDS

North Dakota Housing Finance Agency
2624 Vermont Avenue
PO Box 1535
Bismarck, ND 58502-1535

800/292-8621 or 701/328-8072
800/366-6888 (TTY)
www.ndhfa.org · hfainfo@nd.gov



Revised 4/4/2018

TABLE OF CONTENTS

I.	PREFACE.....	3
II.	DEFINITIONS.....	4
III.	MINIMUM STANDARDS FOR BASIC EQUIPMENT AND FACILITIES.....	4
IV.	MINIMUM STANDARDS FOR VENTILATION.....	8
V.	MINIMUM STANDARDS FOR ELECTRICAL SERVICE.....	8
VI.	MINIMUM STANDARDS FOR HEATING SYSTEMS.....	9
VII.	MINIMUM STANDARDS FOR THE INTERIORS OF STRUCTURES.....	11
VIII.	MINIMUM STANDARDS FOR THE EXTERIOR OF STRUCTURES	12
IX.	MINIMUM SPACE, USE, AND LOCATION REQUIREMENTS.....	13
X.	MINIMUM STANDARDS FOR PLUMBING SYSTEMS.....	13
XI.	MINIMUM STANDARDS FOR POTABLE WATER SUPPLY.....	14
XII.	MINIMUM STANDARDS FOR CONNECTION TO SANITARY SEWER.....	14
XIII.	LEAD-BASED PAINT.....	15
XIV.	ACCESSIBILITY.....	15
XV.	UNIFORM PHYSICAL CONDITION STANDARDS.....	15
XVI.	DISASTER MITIGATION.....	20
XVII.	CAPITAL NEEDS ASSESSMENT.....	21

Revised 4/4/2018

I. PREFACE

This document is intended to provide the minimum acceptable standards for existing multi-family household dwelling units rehabilitated in whole or in part with North Dakota Housing Finance Agency (NDHFA) program funds. Any reference in this document to "rehabilitation" is meant to include rehabilitation of existing housing and adaptive reuse of existing non-residential building(s) which create new multifamily rental housing. These standards are not intended to reduce or exclude the requirements of any local or state building or housing codes, standards, or ordinances that may apply. In the event of any conflicting code(s), the more restrictive code(s) will apply. Housing rehabilitated with NDHFA assistance must meet all applicable State and local codes, ordinances, and requirements or, in the absence of a State or local building code, the International Existing Building Code of the International Code Council.

These standards were designed to assist in achieving consistency throughout the state for all rehabilitation activities assisted with NDHFA funds.

These standards assume that a knowledgeable inspector will thoroughly inspect each dwelling to verify the presence and condition of all components, systems, and equipment of the dwelling. All components, systems, and equipment of a dwelling referenced in this document shall be in good working order and condition and be capable of being used for the purpose for which they were intended and/or designed. Components, systems and/or equipment that are not in good working order and condition shall be repaired or replaced. When it is necessary to replace items (systems, components, or equipment), the replacement items must conform to these standards. These standards also assume that the inspector will take into account any extraordinary circumstances of the occupants of the dwelling (e.g., physical disabilities) and reflect a means to address such circumstances in their inspection and in the preparation of work write-ups and project specifications for that dwelling.

All interior ceilings, walls, and floors must not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling, missing components or other serious damage. The roof must be structurally sound and weather-resistant. All exterior walls (including foundation walls) must not have any serious defects such as leaning, buckling, sagging, large holes, or defects that may result in the structure not being weather-resistant or that may result in air infiltration or vermin infestation. The condition of all interior and exterior stairs, halls, porches, walkways, etc. must not present a danger of tripping or falling.

If an inspector determines that the specific individual standards of this document cannot be achieved on any single dwelling due to it being structurally impossible and/or cost prohibitive, the inspector shall document the specific item(s) as non-conforming with these standards. The inspector shall prepare, for NDHFA's consideration, a list of any and all non-conforming items along with his/her recommendation to waive, or not to waive, the individual non-conforming items. Any waiver of non-conforming items are at the sole discretion of NDHFA. Items necessary to meet HUD Uniform Physical Conditions Standards may not be waived.

Rehabilitation projects (including adaptive reuse) must address any and all deficiencies identified in Section XV of this Property Standards document as part of the project's scope of work so that, upon completion, all such deficiencies are cured. For projects which include acquisition and/or rehabilitation of occupied housing, any life threatening health and safety deficiencies, as defined in Section XV, must be addressed and corrected immediately.

Energy Star rated systems, components, equipment, fixtures and appliances are encouraged.

II. DEFINITIONS

- A. Egress** – A permanent and unobstructed means of exiting from the dwelling in an emergency escape or rescue situation.
- B. Habitable Space (Room)** – Space (rooms) within the dwelling for living, sleeping, eating, or cooking. Bathrooms, toilet rooms, closets, halls, storage, or utility spaces, and similar areas (rooms) are not considered habitable spaces (rooms).
- C. Energy Star Rated** – Includes all systems, components, equipment, fixtures, and appliances that meet strict energy efficiency performance criteria established, as a joint effort, by the federal Environmental Protection Agency, the U.S. Department of Energy, and the U.S. Department of Housing and Urban Development and that carry the Energy Star label as evidence of meeting this criteria.

III. MINIMUM STANDARDS FOR BASIC EQUIPMENT AND FACILITIES

- A. Kitchens – Every dwelling shall have a kitchen room or kitchenette equipped with the following:**
 - 1. Kitchen Sink.** The dwelling shall have a kitchen sink, connected to both hot and cold potable water supply lines under pressure and to the sanitary sewer waste line. When replacing such components, water supply shut off valves shall be installed.
 - 2. Oven and Stove or Range.** The dwelling shall contain an oven and a stove or range connected to the source of fuel or power, in good working order and capable of supplying the service for which it is intended.
 - 3. Refrigerator.** The dwelling shall contain a refrigerator connected to the power supply, in good working order and capable of supplying the service for which it is intended.
 - 4. Counter Space Area.** Every kitchen or kitchenette shall have an adequate storage area. Every kitchen or kitchenette shall have adequate counter space.
- B. Toilet Room:** Every dwelling shall contain a room which is equipped with a flush toilet and a lavatory. The flush water closet shall be connected to the cold potable water supply, under pressure, and to the sanitary sewer system. The lavatory shall be connected to both a hot and cold potable water supply, under pressure, and connected to the sanitary sewer system. When replacing such components, water supply shut-off valves shall be installed.
- C. Bath Required:** Every dwelling shall contain a bathtub and/or shower.

Minimum Rehabilitation Standards – NDHFA Planning and Housing Development
Division
Revision 11/2016

4

1. The bathtub and/or shower unit(s) need not be located in the same room as the flush water closet and lavatory. The bathtub and/or shower unit may be located in a separate room.
 2. The bathtub and/or shower unit shall be connected to both hot and cold potable water supply lines, under pressure, and shall be connected to the sanitary sewer system. Where feasible, shut off valves shall be installed on the water supply lines. All faucets, when replaced, shall be water balancing scald guard type faucets.
- D. Privacy in Room(s) Containing Toilet and/or Bath:** Every toilet room and/or every bathroom (the room or rooms containing the bathtub and/or shower unit) shall be contained in a room or rooms that afford privacy to a person within said room or rooms. Every toilet room and/or bathroom shall have doors equipped with a privacy lock or latch in good working order.
- E. Hot Water Supply:** Every dwelling shall have supplied water-heating equipment (water heater and hot water supply lines) that is free of leaks, connected to the source of fuel or power, and is capable of heating water to be drawn for general usage.
1. No atmospheric water heaters shall be allowed in a confined space. No water heaters shall be allowed in the toilet rooms, bathrooms, bedrooms, or sleeping rooms. No gas water heaters shall be allowed in a clothes closet.
 2. All gas water heaters shall be vented in a safe manner to a chimney or flue leading to the exterior of the dwelling. Unlined brick chimneys must have a metal liner installed to meet manufacturer's venting requirements. If metal chimney venting cannot be added, a power vented water heater may be installed. Install according to manufacturer's specifications.
 3. All water heaters shall be equipped with a pressure/temperature relief valve possessing a full-sized (non-reduced) approved discharge pipe to within six (6) inches of the floor. The discharge pipe shall not be threaded at the discharge end.
 4. All water heaters must be installed to manufacturer's installation specifications.
 5. Replacement water heaters shall meet Energy Star requirements at the time of installation.
 6. Where feasible, tankless water heaters may be installed in accordance with manufacturer's guidelines and sized to provide adequate hot water supply to all fixtures. Gas supply lines and/or electrical capacity must be evaluated before installing tankless water heaters. Before installing, careful consideration should be made regarding supply and water temperature to owners.

F. Exits: Every exit from every dwelling shall comply with the following requirements:

1. Every habitable room shall have two (2) independent and unobstructed means of egress. This is normally achieved through an entrance door and an egress window.
2. All above grade egress windows from habitable rooms shall have a net clear opening of 5.7 square feet. The minimum net clear opening width dimension shall not be less than twenty inches (20") wide, and the minimum net clear opening height dimension shall not be less than twenty-four inches (24") wide. Note that the combination of minimum window width and minimum window height opening size does not meet the 5.7 square feet requirements. Therefore, the window size will need to be greater than the minimum opening sizes in either width or height. Where windows are provided as a means of escape or rescue, they shall have a finished sill height of not more than forty-eight inches (48") above the floor in basements. Egress windows with a finished sill height of more than forty-eight inches (48") shall have a permanently installed step platform that is in compliance with stair construction standards.

All at-grade egress windows from habitable rooms may be reduced in size to 5.0 square feet of operable window area, but the area must meet the minimum width and height requirements of all egress windows.

When windows are being replaced within existing openings, the existing window size shall be determined to be of sufficient size even if current window sizes do not meet current egress standards. However, if the specification writer determines that changing the window size is beneficial, such egress window size modification will be allowed but not required. If new construction windows are being installed, these windows must meet all egress window requirements (for example, if adding on to existing building in a rehabilitation or adaptive reuse).

3. In habitable basements (or habitable rooms within a basement) where one means of egress is a window, the window shall have a net clear opening of 5.0 square feet. The window shall open directly to the street or yard or, where such egress window has a finished sill height that is below the adjacent ground elevation, shall have an egress window/area well. The egress window/area well shall provide a minimum accessible net clear opening of nine square feet that includes a minimum horizontal dimension of thirty-six inches (36") from the window. Egress window/area wells with a depth of more than forty-four (44") shall be equipped with an affixed ladder, stairs or platform according to local code that are accessible with the window in the fully opened position. Such ladder will have rungs at 12 inches on-center and projecting out a minimum of three inches from the side of the window well.

G. Stairs: If replacing existing stairs, stairs will need to conform as close as possible to new construction standards, but replacement stairs do not need to be in compliance with new codes. All newly constructed stairs (interior and exterior

stairways) shall comply with the following requirements and local code requirements:

1. All stairways and steps of four (4) or more risers shall have at least one (1) handrail. All stairways and steps which are five (5) feet or more in width shall have a handrail on each side.
2. All handrails shall be installed not less than thirty-four inches (34") nor more than thirty-eight inches (38"), measured plumb, above the nosing of the stair treads. Handrails adjacent to a wall shall have a space of not less than one and one-half inches (1 1/2") between the wall and the handrail. All handrails shall be turned back into the wall on railing ends. The size of a round railing must be a minimum of 1.25 inches, but not more than 2 inches. Railings must be continuous from the top riser to the bottom riser.
3. Porches, balconies, decks, or raised floor surfaces, including stairway riser and/or landing, located more than thirty (30) inches above the floor or the grade, shall have guardrails installed that are not less than thirty-six inches (36") in height. Open guardrails and stair railings shall have intermediate rails or ornamental pattern such that a sphere four inches (4") in diameter cannot pass through.
4. All stairs and steps shall have a riser height of not more than eight inches (8") and a tread depth of not less than nine inches (9"). All newly constructed stairs, not replacement stairs, shall have a riser height of not more than seven and three quarters (7 3/4") and a tread depth of not less than ten inches (10"). Risers and treads cannot be different in size by more than 3/8 of an inch from the top to the bottom of the stairs.

H. Smoke Detectors: All smoke detectors shall be dual sensor detectors. They shall be hard-wired with battery back-up and interconnected with all other alarms. Smoke detectors shall be located as follows:

1. On the ceiling or wall outside of each separate sleeping area in the immediate vicinity of bedrooms.
2. In each room used for sleeping purposes, and
3. In each story within a dwelling unit, including basements but not including crawl spaces and uninhabitable attics. In dwellings or dwelling units with split levels and without an intervening door between the adjacent levels, a smoke alarm installed on the upper level shall suffice for the adjacent lower level provided that the lower level is less than one full story below the upper level.

All smoke detectors shall be installed per manufacturer's installation instructions.

I. Carbon Monoxide Detectors: Where a heating system source, other than solid fuel burning appliances (e.g., wood stoves), and/or water heater that burns solid,

liquid or gaseous fuels is located horizontally adjacent to any habitable room, a hard-wired with battery back-up carbon monoxide detector is required and is to be installed per the manufacturer's instructions. Any dwelling that has a fuel source heating system (not electric), other solid fuel burning appliances (e.g., wood stoves, pellet, or corn stoves), and/or fuel source water heater (not electric), a hard-wired with battery back-up combination smoke alarm/carbon monoxide detector is required to be installed per the manufacturer's instructions on the main living area floor.

IV. MINIMUM STANDARDS FOR VENTILATION

- A.** In general, sufficient ventilation shall be present to ensure adequate air circulation in the dwelling.
- B.** Bathrooms, including toilet rooms, shall be provided with an exhaust fan. If it is being installed or replaced, it shall be rated at a minimum of 60 CFM and 4 sones or less. Fans shall have insulated ducting vented to the exterior. A fan needs to be installed if there is no window or a non-operable window is present.

V. MINIMUM STANDARDS FOR ELECTRICAL SERVICE

- A. Minimum Electrical Service:** Every dwelling unit, at a minimum, shall have a 100-ampere breaker controlled electrical panel. All electrical work shall be in compliance with adopted State electrical code requirements. The panel, service mast, etc. shall also be installed to local utility company requirements.
- B. Convenience Outlets:**
 - 1. Every habitable room within the dwelling shall contain at least two (2) separate duplex, wall-type electrical outlets. Placement of such outlets shall be on separate walls. All newly installed receptacles shall be grounded duplex receptacles or GFCI protected.
 - 2. All electrical outlets used in bathrooms and toilet rooms, all outlets within six feet (6'-0") of a water source (excluding designated simplex equipment circuits for clothes washing machines and sump pumps), outlets located on open porches or breezeways, exterior outlets, outlets located in garages and in non-habitable basements, except those electrical outlets that are dedicated appliance outlets, and all kitchen receptacles serving the countertop area shall be ground fault circuit interrupter (GFCI) protected. All exterior receptacles shall be covered by a receptacle cover that when a cord is plugged in, the GFCI outlet will stay covered and protected.
 - 3. All accessible knob and tube, unsafe, and/or illegal wiring shall be removed and replaced with type NM cable (Romex) or as required by code.

4. All broken, damaged or nonfunctioning switches or outlets shall be replaced. All fixtures and wiring shall be adequately installed to ensure safety from fire so far as visible components are observed.
5. All missing or broken switch and outlet covers (including junction boxes) shall be replaced. Each receptacle or switch located on an exterior wall shall have a foam seal placed under the cover.

C. Lighting:

1. Every habitable room and every bathroom (including toilet room), laundry room, furnace or utility room, and hallway shall have at least one (1) ceiling or wall-type electric light fixture, controlled by a remote wall switch. Habitable rooms (except kitchens or kitchenettes) may have a wall-type electrical outlet controlled by a remote wall switch in lieu of a ceiling or wall-type light fixture. Energy efficient fixtures that meet energy star ratings and compact florescent bulb equivalent or better shall be installed in all new fixture installations.
2. All stairwells shall have at least one light fixture controlled by a remote wall switch at the top and bottom of the stairs.
3. Porcelain type fixtures with pull chains are acceptable for use in basements (except for the one controlled by a remote wall switch) cellars, and attics.
4. All pendant type lighting fixtures that are supported only by the electrical supply wire shall be removed or replaced. If replaced, replace with Energy Star rated fixtures.

VI. MINIMUM STANDARDS FOR HEATING SYSTEMS

- A. Heating System:** All heating systems (and central air-conditioning systems where they exist) shall be capable of safely and adequately heating (or cooling as applicable) for all living space.
- B. Cooling System:** Non-working or improperly functioning central air conditioning systems may be replaced as part of the rehabilitation work. The installation of a central air conditioning system, where it currently does not exist, is permissible where feasible and practical. New A/C installation will not be a priority unless project funds are available.
- C. Requirements for Heating and or Cooling Systems:**
 1. All existing heating systems, including but not limited to, chimneys and flues, cut-off valves and switches, limit controls, heat exchangers, burners, combustion and ventilation air, relief valves, drip legs and air, hot water, or steam delivery components (ducts, piping, etc.) that are not being replaced, shall be inspected to be in a safe and proper functioning

condition at the time of inspection, by means of written project file documentation.

2. Every heating system burning solid, liquid or gaseous fuels shall be vented in a safe manner to a chimney or flue leading to the exterior of the dwelling. The heating system chimney and/or flue shall be of such design to assure proper draft and shall be adequately supported.
3. No heating system source burning solid, liquid or gaseous fuels shall be located in any habitable room or bathroom, including any toilet room.
4. Every fuel burning appliance (solid, liquid or gaseous fuels) shall have adequate combustion air and ventilation air. All new furnaces will have sealed combustion with combustion air brought in from the exterior of the house and installed in accordance with manufacturer's guidelines.
5. Every heat duct, steam pipe and hot water pipe shall be free of leaks and shall function such that an adequate amount of heat is delivered where intended. All accessible duct joints must be sealed with mastic or any other acceptable product. Newly installed ductwork must also be sealed. All accessible steam piping and hot water piping must be installed with an approved material.
6. Every seal between any of the sections of the heating source(s) shall be air-tight so that noxious gases and fumes will not escape into the dwelling.
7. No space heater shall be of a portable type.
8. Minimum requirements for forced air furnaces, when installed, will be no less than a 92% AFUE, or the minimum AFUE, if greater than 92%, to obtain a local utility rebate (Energy Star rated for northern climates). A digital programmable thermostat must be installed. Condensate lines will drain to a floor drain or have a condensate pump installed and piped to discharge. All furnace ductwork shall be equipped with an air filter clean out location that has a tight fitting cover installed over it.
9. All boilers, when replaced, will have an "A" rating and be no less than 90% AFUE rating. All combustion air will be from the exterior of the house. The addition of zone valves may be useful to reduce energy cost. Heat lines shall be insulated with approved material. Programmable thermostats will be installed.
10. A/C units, if added or replaced, shall not be less than 14.5 SEER or the lowest SEER rating that is available at the time of installation but not less than 14.5 SEER. All units shall be installed, when possible, on either the north or east side of the dwelling or in an area that will provide shade for the unit. The correct coil will be installed that is compatible with both the furnace and A/C unit. Homeowners who use window air conditioners will be encouraged to purchase Energy Star rated air conditioners. No window A/C units may be purchased with NDHFA funds.

11. All wood, pellet, corn, switch grass, hydrogen, or other biomass fuel stoves must be installed to manufacturer's guidelines. Where such guidelines are not available, the heating unit will be removed. Venting and combustion air must be installed in accordance with manufacturer's requirements.

D. Energy Conservation: All structures shall comply with certain energy conservation measures (U.S. Department of Energy recommendations). These measures include, but are not necessarily limited to, the following:

1. When siding is being replaced and/or interior wall finishes of exterior walls are being replaced on a dwelling, such exterior walls are to be provided with insulation and at the recommended resistance factor (R-value) or R-11, or that which is allowed by the stud cavity space. In addition, an air infiltration barrier, such as Tyvek or approved equal, shall be installed on all exterior walls. If new walls are being framed and insulated, the minimum R factor is R-19 or R-13 plus R-5 foam. The installation of fan-fold foam or foam sheathing may be added to increase household R-ratings.
2. When new windows are to be installed, windows must be current Energy Star rated for northern climates. All rope weight openings will be insulated and all new windows will have the window jamb sealed. Where SHPO requirements will restrict the installation of vinyl windows, the specifications will be written to come as close as possible to achieving Energy Star requirements.
3. All heat ducts and hot water or steam heat distribution piping shall be insulated or otherwise protected from heat loss where such ducts or piping runs are located in unheated spaces. Similarly, distribution piping for general use hot water shall also be protected from heat loss where such piping is located in unheated spaces. All water distribution piping shall be protected from freezing.
4. Attic access passage ways (scuttle holes) shall be no less than 22" by 30" or the size of original construction. If it is impossible to conform to this standard, the largest attic access hole possible will be installed.

VII. MINIMUM STANDARDS FOR THE INTERIOR OF STRUCTURES

A. Interior Walls, Floors, Ceilings, Doors, and Windows:

1. All interior walls, floors, ceilings, doors and windows shall be capable of being kept in a clean and sanitary condition by the owner.
2. Every bathroom and/or toilet room, kitchen or kitchenette, and utility room floor surface shall be constructed such that they are impervious to water and can easily be kept in a clean and sanitary condition by the owner.

3. All interior doors shall be capable of affording the privacy for which they are intended.
4. No dwelling containing two or more bedrooms shall have a room arrangement that access to a bathroom, toilet room, or a bedroom can be achieved only by going through another bathroom, toilet room, or another bedroom.
5. It is encouraged that all paints, stains, varnishes, lacquers and other finishes used in the rehabilitated dwelling shall be low or no VOC paint finishes and installed as required by the manufacturer.

VIII. MINIMUM STANDARDS FOR THE EXTERIOR OF STRUCTURES

A. Foundations, Exterior Walls, Roofs, Soffits and Fascia:

1. Every foundation, exterior wall, roof, soffit and fascia shall be made weather resistant. Products for exterior walls, roofs, soffits, and fascia shall be installed in accordance with the manufacturer's guidelines.
2. Roof replacement shall be installed in accordance with the manufacturer's requirements. When installing asphalt or fiberglass shingles, a minimum of a 30-year shingle shall be used. Other products such as metal roofing may be considered.

B. Drainage:

1. All rainwater shall be conveyed and drained away from every roof so as not to cause wetness or dampness in the structure. No roof drainage systems shall be connected to a sanitary sewer, or directly to a storm sewer system.
2. The ground around the dwelling shall be sloped away from foundation walls to divert water away from the structure.
3. If feasible, the collection of roof water is encouraged.

C. Windows, Exterior Doors and Basement Entries (Including Cellar Hatchways):

1. Every window, exterior door, basement entry and cellar hatchway shall be tight fitting within their frames, be rodent-proof, insect-proof and be weatherproof such that water and surface drainage is prevented from entering the dwelling. In addition, the following requirements shall also be met:
 - a. All exterior doors and windows shall be equipped with security locks. Deadbolts are not required.

- b. Every window sash shall be fully equipped with glass windowpanes which are without cracks or holes. Every window sash to be replaced shall use Energy Star rated for northern climate windows unless the existing windows have insulated glass. Stained or leaded glass found to be historically significant may be protected by a fixed low-E glass storm window. Every window sash shall fit tightly within its frame, and be secured in a manner consistent with the window design. All window jambs will be sealed. All rope weight openings shall be insulated before installing the new window. Energy Star rated for Northern climate.
- c. Storm doors, when installed, shall also be equipped with a self-closing device.
- d. Every exterior door, when closed, shall fit properly within its frame and shall have door hinges and security locks or latches. All exterior doors will be no less than metal clad insulated (foam filled) doors. All jambs and thresholds will be sealed.
- e. Every exterior door shall be not less than two foot-four inches (2'-4") in width and not less than six foot-six inches (6'6") in height. Existing door sizes will be grandfathered, but an attempt shall be made to have at least one exterior door that is not less than 36 inches wide and no less than 6'-8" high.

IX. MINIMUM SPACE, USE, AND LOCATION REQUIREMENTS

- A. No cellar space shall be converted to habitable space.
- B. **Habitable Basement Space:** No basement space shall be used as habitable space unless all habitable space requirements are met and all of the following requirements are met:
 - 1. The floor and walls are waterproof or damp proof construction.
 - 2. Such habitable space has a hard surfaced floor of concrete or masonry.
 - 3. Such space shall have a minimum of two exits. In addition to the stairs, this would normally consist of one egress window.

X. MINIMUM STANDARDS FOR PLUMBING SYSTEMS

- A. All dwelling plumbing systems shall be capable of safely and adequately providing a water supply and wastewater disposal for all plumbing fixtures. Every dwelling plumbing system shall comply with the following requirements.
 - 1. All existing plumbing systems and plumbing system components shall be free of leaks. When repairing or adding to such systems, any type of pipe allowed by the State plumbing code shall be allowed.

2. All plumbing system piping shall be of adequate size to deliver water to plumbing fixtures and to convey wastewater from plumbing fixtures (including proper slope of wastewater piping) as designed by the fixture manufacturer).
3. All plumbing fixtures shall be in good condition, free of cracks and defects, and capable of being used for the purpose in which they were intended.
4. The plumbing system shall be vented in a manner that allows the wastewater system to function at atmospheric pressure and prevents the siphoning of water from fixtures. Venting by mechanical vents is accepted as an alternative to exterior atmospheric venting.
5. All fixtures that discharge wastewater shall contain, or be discharged through, a trap that prevents the entry of sewer gas into the dwelling.
6. All plumbing system piping and fixtures shall be installed in a manner that prevents the system, or any component of the system, from freezing.
7. All plumbing fixtures and water connections shall be installed in such a way as to prevent the backflow of water from the system into the plumbing system's water source.
8. Valves shall be installed with the valve in the upright position. When replacing valves, the use of a full port ball-valve shall be encouraged.

XI. MINIMUM STANDARDS FOR POTABLE WATER SUPPLY

- A. Every dwelling shall be connected to an approved (by the jurisdiction having authority) potable water source.
- B. All potable water fixtures and equipment shall be installed in such a manner as to make it impossible for used, unclear, polluted or contaminated water, mixtures or substances to enter any portion of the potable water system piping. All equipment and fixtures shall be installed with air gaps (traps) to prevent back siphonage. All outlets with hose threads (except those serving a clothes washing machine) shall have a vacuum breaker for use with the application. Any plumbing equipment or fixtures that allow, or appear to allow, the previous conditions, or are otherwise deemed to be unhealthy, unsanitary, or unsafe shall be replaced. No water piping supplied by a private water supply system shall be connected to any other source of water supply without the approval of the jurisdiction having authority over the installation.

XII. MINIMUM STANDARDS FOR CONNECTION TO SANITARY SEWER

Every dwelling shall be connected to an approved (by the jurisdiction having authority) sanitary sewer system.

XIII. LEAD-BASED PAINT (Housing Trust Fund only)

Housing assisted by the Housing Trust Fund is subject to the regulations at 24 CFR Part 35, subparts A, B, J, K, and R which govern lead-based paint poisoning prevention in residential structures. Applicants, developers, and builders of any project requiring the rehabilitation or adaptive reuse of structures built prior to 1978 must read, fully understand, and comply with 24 CFR Part 35, subparts A, B, J, K, and R.

XIV. ACCESSIBILITY

Housing assisted with NDHFA funds must meet the accessibility requirements of 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973, and Titles II and III of the Americans with Disabilities Act, implemented at 28 CFR Parts 35 and 36, as applicable. "Covered multifamily dwellings", as defined at 24 CFR Part 100.201, must also meet the design and construction requirements at 24 CFR Part 100.205, which implements the Fair Housing Act.

XV. UNIFORM PHYSICAL CONDITION STANDARDS

Housing assisted with NDHFA funds and which are placed in service must follow property standards which include all inspectable items and inspectable areas specified by the US Department of Housing and Urban Development (HUD) based on the HUD physical inspection procedures, known as the Uniform Physical Condition Standards (UPCS) prescribed by HUD pursuant to 24 CFR Part 5, subpart G. Any and all deficiencies identified during annual compliance monitoring site visits of NDHFA-assisted properties must be cured. NDHFA will monitor property condition standards by the same processes and procedures as have been used by NDHFA for the federal Low Income Housing Tax Credit Program, which does not employ a scoring protocol or grade levels of deficiencies; all identified deficiencies must be corrected.

Rehabilitation projects (including adaptive reuse) must address any and all deficiencies identified in this section as part of the project's scope of work so that, upon completion, all such deficiencies are cured. For projects which include acquisition and/or rehabilitation of occupied housing, any life threatening health and safety deficiencies, identified in this section in ALL CAPS, must be addressed and corrected immediately.

A. Housing assisted with NDHFA funds must be decent, safe, sanitary, and in good repair. Owners of NDHFA-assisted property must maintain such housing in a manner that meets the physical condition standards set forth in this section in order to be considered decent, safe, sanitary, and in good repair. These standards address the major areas of the NDHFA-assisted housing: the site; the building exterior; the building systems; the dwelling units; the common areas; and health and safety considerations.

1. **Site:** The inspectable items related to Site, such as fencing and gates, retaining walls, grounds, lighting, mailboxes/project signs, parking lots/driveways, play areas and equipment, refuse disposal, roads, market appeal, storm drainage, walkways, and steps must be free of health and

safety hazards and be in good repair. The site must not be subject to material adverse conditions, such as abandoned vehicles, dangerous walks or steps, poor drainage, septic tank back-ups, sewer hazards, excess accumulation of trash, vermin or rodent infestation, or fire hazards.

Examples of observable deficiencies for inspectable items related to Site include, but are not limited to, the following.

- Fencing and Gates (both security/safety and non-security fences and gates): Damaged, falling, or leaning; Holes; Missing sections.
- Grounds: Erosion; Rutting areas; Overgrown or penetrating vegetation; Ponding or poor site drainage.
- Mailboxes/Project Signs: Missing or damaged.
- Market Appeal: Graffiti, Litter
- Parking Lots/Driveways/Roads: Cracks; Ponding; Potholes; Loose material; Settlement or heaving.
- Play Areas and Equipment: Damaged or broken equipment; Deteriorated play area surface.
- Refuse Disposal: Broken or damaged enclosure; Inadequate outdoor storage space.
- Retaining Walls: Damaged, falling, or leaning.
- Storm Drainage: Damaged or obstructed.
- Walkways/Steps: Broken or missing handrail; Cracks; Settlement; Heaving; Spalling; Exposed rebar.

2. Building exterior: Each building on the site must be structurally sound, secure, habitable, and in good repair. The inspectable items related to Building Exterior, which includes each building's doors, fire escapes, foundations, lighting, roofs, walls, and windows, where applicable, must be free of health and safety hazards, operable, and in good repair.

Examples of observable deficiencies for inspectable items related to Building Exterior include, but are not limited to, the following.

- Doors: Damaged frames, threshold, lintels, or trim; Damaged hardware or locks; Damaged surface (Holes, paint, rusting, glass); Damaged or missing screen, storm or security door; Deteriorated or missing caulking or seals; Missing door.
- FIRE ESCAPES: BLOCKED EGRESS OR LADDERS; VISIBLY MISSING COMPONENTS.
- Foundations: Cracks or gaps; Spalling; Exposed rebar.
- Lighting: Broken fixtures or bulbs.
- Roofs: Damaged soffits or fascia; Damaged vents; Damaged or clogged drains; Damaged or torn membrane; Missing ballast; Missing or damaged components from downspout or gutter; Missing or damaged shingles; Ponding.
- Walls: Cracks or gaps; Damaged chimneys; Missing or damaged caulking or mortar; Missing pieces, holes, or spalling; Stained, peeling, or needs paint.
- Windows: Broken, missing, or cracked panes; Damaged sills, frames, lintels, or trim; Damaged or missing screens; Missing or deteriorated

caulking, seals, or glazing compound; Peeling or missing paint;
SECURITY BARS PREVENT EGRESS.

3. Building systems: The inspectable items related to Building Systems, which includes each building's domestic water, electrical system, elevators, emergency power, fire protection, HVAC, roof exhaust system, and sanitary system must be free of health and safety hazards, functionally adequate, operable, and in good repair.

Examples of observable deficiencies for inspectable items related to Building Systems include, but are not limited to, the following.

- Domestic Water: Leaking central water supply; Missing pressure relief valve; RUST OR CORROSION ON HEATER CHIMNEY; IMPROPER ANGLE OF OR DISCONNECTED FLUE ON WATER HEATER; Water supply inoperable.
- Electrical System: Blocked access or improper storage; Burnt breakers; Evidence of leaks or corrosion; Frayed wiring; MISSING BREAKERS OR FUSES; MISSING OUTLET COVERS.
- Elevators: Not operable.
- Emergency Power: Auxiliary lighting inoperable; Run-up records/Documentation not available.
- Fire Protection: Missing/disabled/painted/blocked/capped sprinkler head; Missing, damaged, or expired extinguishers.
- HVAC: Boiler or pump leaks; Fuel supply leaks; General rust or corrosion; MISALIGNED CHIMNEY OR VENTILATION SYSTEM.
- Roof Exhaust System: Roof exhaust fan(s) inoperable.
- Sanitary System: Broken, leaking, or clogged pipes or drains; Missing drain, cleanout, or manhole covers.

4. Dwelling units: Each dwelling unit within a building must be structurally sound, habitable, and in good repair. All inspectable items of the dwelling unit (for example, the unit's bathroom, call-for-aid (if applicable), ceiling, doors, electrical systems, floors, hot water heater, HVAC, kitchen, lighting, laundry area, outlets/switches, patio/porch/balcony, smoke detectors, stairs, walls, and windows) must be free of health and safety hazards, functionally adequate, operable, and in good repair.

Examples of observable deficiencies for inspectable items related to the Dwelling Units include, but are not limited to, the following.

- Bathroom: Bathroom cabinets damaged or missing; Lavatory sink damaged or missing; Plumbing has clogged drains or faucets or leaking faucet or pipes; Shower or tub is damaged or missing; Ventilation or exhaust system is absent or inoperable; Water closet or toilet is damaged, clogged, or missing.
- Call-for-Aid (if applicable): Inoperable.
- Ceiling: Bulging, bucking, or leaking; Holes, missing tiles, panels, or cracks; Peeling or missing paint; Water stains, water damage, mold or mildew.
- Doors: Damaged frames, threshold, lintels, or trim; Damaged hardware or locks; Damaged or missing screen, storm or security door; Damaged

surface, including holes, bad paint, rusting, broken glass, or rotting;
Deteriorated or missing seals on the entry door; Missing door.

- Electrical System: Blocked access to electrical panel; Burnt breakers; Evidence of leaks or corrosion; Frayed wiring; GFI inoperable; MISSING BREAKERS OR FUSES; MISSING COVERS.
- Floors: Bulging or buckling; Hard floor covering damage; Missing flooring tiles; Peeling or missing paint; Rotten or deteriorated subfloor; Water stains, water damage, mold, or mildew.
- Hot Water Heater: MISALIGNED CHIMNEY OR VENTILATION SYSTEM; Inoperable unit or components; Leaking valves, tanks, or pipes; Pressure relief valve missing; Rust or corrosion.
- HVAC System: Convection or radiant heat system covers missing or damaged; Inoperable system; MISALIGNED CHIMNEY OR VENTILATION SYSTEM; Noisy, vibrating, or leaking system; Rust or corrosion.
- Kitchen: Cabinets are missing or damaged; Countertops are missing or damaged; Dishwasher or garbage disposal is inoperable; Plumbing has clogged drains, leaking faucets, or pipes; Range hood or exhaust fans are inoperable; Excessive grease buildup; Range or stove is missing, damaged, or inoperable; Refrigerator is missing, damaged, or inoperable; Sink is damaged or missing.
- Laundry Area: Dryer vent is missing, damaged, or inoperable.
- Lighting: Missing or inoperable fixture.
- Outlets/Switches: Missing outlet or switch; MISSING OR BROKEN COVER PLATE.
- Patio/Porch/Balcony: Baluster or side railings damaged.
- SMOKE DETECTOR: MISSING OR INOPERABLE.
- Stairs: Broken, missing, or damaged steps or handrail.
- Walls: Bulging or buckling; Damaged wall surface; Damaged or deteriorated trim; Peeling or missing paint; Water stains, water damage, mold, or mildew.
- Windows: Cracked, broken, or missing panes; Damaged window sill; Missing or deteriorated caulking, seals, glazing; Inoperable or not lockable; Peeling or missing paint; SECURITY BARS PREVENT EGRESS.

5. Common areas: The common areas must be structurally sound, secure, and functionally adequate for the purposes intended. The basement/garage/carport, restrooms, closets, utility, mechanical, community rooms, day care, halls/corridors, stairs, kitchens, laundry rooms, office, porch, patio, balcony, and trash collection areas, if applicable, must be free of health and safety hazards, operable, and in good repair. All common area ceilings, doors, floors, HVAC, lighting, outlets/switches, smoke detectors, stairs, walls, and windows, to the extent applicable, must be free of health and safety hazards, operable, and in good repair.

Examples of observable deficiencies for inspectable items related to the Common Areas include, but are not limited to, the following. Common Areas include Basement, Garage, Carport, Closet, Utility or Mechanical

Room, Community Room, Halls, Corridors, Stairs, Kitchens, Laundry Room, Lobby, Office, Patio, Porch, Balcony, Restrooms, Storage Areas, Pedestrian or Wheelchair Ramps, Pools and Related Structures, Trash Collection Areas, or Other Community Spaces.

- Missing or damaged balusters or side railings.
- Cabinets missing or damaged.
- Call-for-Aid system (if applicable) inoperable.
- Ceiling: Holes, missing tiles or panels, cracks; Peeling or missing paint; Water stains, water damage, mold, or mildew; Bulging or buckling.
- Chutes: Damaged or missing components.
- Countertops missing or damaged.
- Dishwasher or garbage disposal inoperable.
- Doors: Damaged frames, threshold, lintels, or trim; Damaged hardware or locks; Damaged surface (holes, paint, rust, glass); Damaged or missing screen, storm, or security door; Deteriorated or missing seals on entry door; Missing door.
- Dryer Vent: Missing, damaged, or inoperable.
- Electrical: Blocked access to electrical panel; Burnt breakers, Evidence of leaks or corrosion; Frayed wiring; MISSING BREAKERS; MISSING PLATES OR COVERS; Inoperable GFI; Missing or broken outlets, switches, or cover plates.
- Fencing: Damaged or not intact.
- Floors: Bulging or buckling; Floor covering damaged; Missing flooring or tiles; Peeling painted surface; Rotten or deteriorated subflooring; Water stains, water damage, mold, or mildew.
- Graffiti
- HVAC: Convection or radiant heat system covers missing or damaged; General rust or corrosion; Inoperable unit or system; MISALIGNED CHIMNEY OR VENTILATION SYSTEM; Noisy, vibrating, or leaking.
- Lavatory Sink: Damaged or missing fixture.
- Lighting: Missing, damaged, or inoperable fixture.
- Mailbox: Missing or damaged.
- Plumbing: Clogged drains; Leaking faucet or pipes.
- Range Hood/Exhaust Fans: Excessive grease buildup; Inoperable.
- Range/Stove: Missing, damaged, or inoperable.
- Refrigerator: Missing, damaged, or inoperable.
- Shower/Tub/Sink: Damaged or missing.
- SMOKE DETECTORS: MISSING OR INOPERABLE.
- Stairs: Broken, damaged, or missing steps or handrail.
- Ventilation/Exhaust system inoperable.
- Walls: Bulging or buckling; Damaged surface, peeling or missing paint; Damaged or deteriorated trim; Water stains, water damage, mold, or mildew.
- Water Closet/Toilet: Damaged, clogged, or missing.
- Windows: Cracked, broken, or missing panes; Damaged window sill; Inoperable or missing lock; Missing or deteriorated caulking, seals, or glazing; Peeling or missing paint; SECURITY BARS PREVENT EGRESS.

6. Health and safety concerns: All areas and components of the housing must be free of health and safety hazards. The inspectable areas related to Health and Safety include, air quality, electrical hazards, elevators, emergency/fire exits, flammable materials, garbage and debris, general hazards, infestation, and lead-based paint. For example, the buildings must have fire exits that are not blocked and have handrails that are undamaged and have no other observable deficiencies. The housing must have no evidence of infestation by rats, mice, or other vermin, or of garbage and debris. The housing must have no evidence of electrical hazards, natural hazards, or fire hazards. The dwelling units and common areas must have proper ventilation and be free of mold, odor (e.g., propane, natural gas, methane gas), or other observable deficiencies. The housing must comply with all requirements related to the evaluation and reduction of lead-based paint hazards and have proper certifications of such (see 24 CFR part 35). For projects which include acquisition of occupied housing, life threatening deficiencies in areas of health and safety must be addressed and corrected immediately. Life threatening health and safety deficiencies are identified below by ALL CAPS.

Examples of observable deficiencies for inspectable items related to Health and Safety include, but are not limited to, the following.

- Air Quality: Mold and/or mildew observed; PROPANE, NATURAL GAS, OR METHANE GAS DETECTED; Sewer odor detected.
- ELECTRICAL HAZARDS: EXPOSED WIRES; OPEN PANELS; WATER LEAKS ON OR NEAR ELECTRICAL EQUIPMENT.
- Elevator: Elevator is misaligned with floor by ¾ inches or more.
- Emergency Fire Exits: EXITS BLOCKED OR UNUSABLE; Missing exit signs.
- Flammable or Combustible Material: Improperly stored and secured.
- Garbage and Debris: Present indoors or outdoors.
- General Hazards: Sharp edges; Tripping; unsafe or missing handrails.
- Infestation: Insects, rats, mice, or other vermin.

7. Compliance with state and local codes: These physical condition standards do not supersede or preempt State and local codes for building and maintenance with which NDHFA-assisted housing must comply. NDHFA-assisted housing must continue to adhere to those codes.

- B. NDHFA is responsible for conducting physical inspections of NDHFA-assisted housing to determine compliance with these standards, and will conduct such inspections every one to three years at its sole discretion.

XVI. DISASTER MITIGATION

Housing assisted with NDHFA funds and which involve rehabilitation or adaptive reuse must be improved to mitigate the impact of potential disasters (e.g., earthquake, flooding, wildfires) in accordance with state and local codes, ordinances, and requirements.

XVII. CAPITAL NEEDS ASSESSMENT (Applicable Only to Tax Credit and Housing Trust Fund)

All housing assisted by the Low Income Housing Tax Credit (LIHTC) or Housing Trust Fund (HTF) programs involving rehabilitation or adaptive reuse must commission a Capital Needs Assessment (CNA). HTF regulations at 24 CFR Part 93.301(b)(1)(ii) allows projects under 26 units in size to forego a CNA. However, in order to ensure that all needed rehabilitation work is performed so that, upon completion, the project will be decent, safe, sanitary, and in good repair, NDHFA has chosen to establish requirements which exceed 24 CFR Part 93. **All rehabilitation projects assisted through LIHTC or HTF must commission a CNA.**

- A.** The CNA must be completed by a competent, independent third party acceptable to NDHFA, such as a licensed architect or engineer, as well as include interviews with available on-site property management and maintenance personnel to inquire about past repairs and improvements, pending repairs, and existing or chronic physical deficiencies.
- B.** The assessment will include a site visit and a physical inspection of the interior and exterior of all units and structures. The assessment will consider the presence of environmental hazards such as asbestos, lead paint and mold on the site.
- C.** The assessment will include an opinion as to the proposed budget for recommended improvements and should identify critical building systems or components that have reached or exceeded their expected useful lives. If the remaining useful life of any component is less than 50 percent of the expected useful life, immediate rehabilitation will be required unless capitalized. If the remaining useful life of a component is less than the term of the period of affordability, the application package must demonstrate sufficient periodic payments to a replacement reserve to finance the future replacement of the component.
- D.** The assessment will examine and analyze the following:
 - 1. Site, including topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, sewer, storm drainage, and gas and electric utilities and lines;
 - 2. Structural systems, both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system, and drainage;
 - 3. Interiors, including unit and common area finishes (carpeting, tile, plaster walls, paint condition, etc.), unit kitchen finishes, cabinets and appliances, unit bathroom finishes and fixtures, and common area lobbies and corridors; and

4. Mechanical systems, including plumbing and domestic hot water; HVAC, electrical, lighting fixtures, fire protection, and elevators.
- E.** Applicants are advised to also consider the requirements of other funding sources, such as USDA Rural Development, when ordering a CNA.

North Dakota Housing Finance Agency
2624 Vermont Avenue
PO Box 1535
Bismarck, ND 58502-1535

800/292-8621 or 701/328-8072
800/366-6888 (TTY)
www.ndhfa.org · info@ndhfa.org



9. Resale or Recapture Guidelines. Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

N/A

10. HTF Affordable Homeownership Limits. If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

N/A

12. Refinancing of Existing Debt. Enter or attach the grantee's refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee's refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter "N/A."

N/A

Discussion:

Attachments

THE CITIZEN PARTICIPATION PLAN FOR THE NORTH DAKOTA CONSOLIDATED PLAN AND ANNUAL PERFORMANCE REPORT

April 2020 – Amended per CARES Act (COVID-19)

**Division of Community Services
1600 East Century Avenue, Suite 2
PO Box 2057
Bismarck, ND 58502-2057
Phone: (701) 328-5300
Fax: (701) 328-5320
TTY: 800-366-6888
ND Relay Voice: 800-366-6889
ND Relay Spanish: 800-435-8590**



ALTERNATIVE FORMATS ARE AVAILABLE UPON REQUEST

North Dakota Department of Commerce: 1600 E. Century Avenue, Suite 2, P.O. Box 2057, Bismarck, ND 58502-2057 •
Phone: 701-328-5300 Toll-Free: 1-866-4DAKOTA • Fax: 701-328-5320 • ND Relay TTY: 1-800-366-6888 • Voice: 1-800-
366-6889 • NDCommerce.com

PURPOSE

In 1994, the US Department of Housing and Urban Development issued new rules consolidating the planning, application, reporting, and citizen participation processes of four formula grant programs: Community Development Block Grants (CDBG), HOME Investment Partnerships (HOME), Housing Trust Fund (HTF), Emergency Solutions Grants (ESG) and Housing Opportunities for Persons with AIDS (HOPWA). The new planning process was intended to more comprehensively fulfill three basic goals: to provide decent housing, to provide a suitable living environment and to expand economic opportunities.

The Consolidated Plan is actually a three-part planning process required by HUD. It comprises developing a five-year strategic plan, preparing annual action plans and submitting annual performance reports. These three parts are intended to furnish the framework whereby North Dakota can identify its housing, homeless, community, and economic development needs, identify resources that will be tapped and actions to be taken to address the needs, as well as look back and evaluate the state's progress toward achieving its strategic goals. Completing these documents on time and in a manner that is acceptable to HUD ensures program funding.

The precursor to the Consolidated Plan is the Citizen Participation Plan (CPP). The objectives of the CPP are to ensure that the citizens of North Dakota, particularly persons of low and moderate income, persons living in slum and blight areas, units of local government, housing agencies and other interested parties, are provided with the opportunity to participate in the planning and preparation of the Consolidated Plan, including amendments to the Consolidated Plan and the Annual Performance Report. In doing so, the CPP sets forth general policies and procedures for implementing and carrying out the consolidated planning process, such as how the Consolidated Plan will be developed, dates and milestones along which the process will proceed and methods for citizens to offer the state assistance and guidance in the formulation of the Plan. Furthermore, the provisions of the CPP fulfill statutory and regulatory requirements for citizen participation specified in the U.S. Department of Housing and Urban Development's rules for the Consolidated Plan, the HOME Investment Partnerships (HOME) Program, the Community Development Block Grant (CDBG) Program, the Housing Trust Fund (HTF), the Emergency Solutions Grants (ESG) Program and the Housing Opportunities for Persons with AIDS (HOPWA) Program. In North Dakota, the North Dakota Department of Commerce, Division of Community Services (DCS) is the lead agency for developing, implementing, monitoring, and reporting on the achievements of the Consolidated Plan. The Division administers CDBG, HTF, ESG, HOME and new funding that may become available. HOPWA funds are administered by Tri-State HELP (Housing Environment for Living Positively).

The Consolidated Plan identifies the housing and community development needs of the State of North Dakota and sets priorities for spending the HUD grant funds. Public comment is a vital component of identifying the state's housing and community development needs and spending priorities. The Consolidated Plan offers the opportunity for strategic statewide planning to occur alongside citizen participation.

COMMENT ON THE CITIZEN PARTICIPATION PLAN AND AMENDMENTS

North Dakota Department of Commerce will receive comments on the proposed Citizen Participation Plan during a 5-day comment period. In the event that there are substantial amendments to this Citizen Participation Plan, an additional comment period of at least 5 days will be allotted. This proposed Citizen Participation Plan (and, if necessary, the substantially amended Citizen Participation Plan) will be made available to the public before the 5-day comment period begins.

Individuals who require accommodations, including appropriate auxiliary aids, translated documents or interpreters to participate in a public hearing, or who would like to request a copy of the proposed Citizen Participation Plan, or another document, in an alternate format, should contact the ND Department of Commerce's Section 504 Coordinator, Tonya Forderer via email at dcsc@nd.gov or by calling 701-328-5300. TTY: 800-366-6888, Spanish TTY: 800-435-8590 or Relay ND Voice: 800-366-6889.

ENCOURAGEMENT OF CITIZEN PARTICIPATION

The Consolidated Plan is designed to enumerate North Dakota's overall strategy for coordinating federal and other housing and community development resources to provide decent housing, establish and maintain a suitable living environment, and expand economic opportunities, particularly for low and moderate-income persons.

Interested groups and individuals are encouraged to provide input into all aspects of North Dakota's consolidated planning activities, from assessing needs to setting priorities through performance evaluation. By following the CPP, there will be numerous opportunities for citizens to contribute information, ideas and opinions about ways to improve our neighborhoods, promote housing affordability and enhance the delivery of public services to local residents.

Affirmative efforts to encourage and solicit participation from the state's residents and populations least likely to have awareness of HUD-funded programs and processes including low-income residents, individuals with disabilities, racial and ethnic minorities, and female-headed households shall include posting Notifications on the DCS website.

LIMITED ENGLISH PROFICIENT PERSONS AND THE LANGUAGE ACCESS PLAN

The State of North Dakota will make every effort to ensure that Limited English Proficient (LEP) persons have meaningful access to federally funded programs and services as is required under Title VI of the Civil Rights Act of 1964.

The State of North Dakota has a diverse population where many languages are spoken. A substantial number of persons that speak these languages do not speak English or do not speak English very well and are considered Limited English Proficient (LEP).

Regardless of which language a person speaks or their ability to speak English, the State of North Dakota will make every effort to ensure that they have meaningful access to federal funding services through either oral interpretation or written translations of vital documents.

Since the State of North Dakota has a number of LEP persons, all countywide public notices and public hearings must ensure that language services are provided or available. For example, each year the public notice for the Annual Action Plan will be printed in various languages and translation services will be provided as necessary for the public hearing.

However, many programs and services delivered within the State of North Dakota, including those carried out by participating cities, have distinct service areas and, as such, an assessment must be made by each agency administering the activity to determine which language services should be provided based on the identified LEP population in the service area.

To assist participating agencies, the State of North Dakota has developed a bulletin instructing them to conduct the four-factor analysis and develop their own Language Access Plan (LAP) to ensure that LEP persons have meaningful access to their federally funded programs and services. The state will also provide technical assistance to assist the agencies in conducting the four-factor analysis and in developing their Language Access Plans.

The four-factor analysis is as follows:

Factor 1: Determine the number or proportion of LEP persons served or encountered in the eligible service area.

Factor 2: Determine the frequency with which LEP persons come in contact with the program.

Factor 3: Determine the importance of the information, services, program, or the activity to people's lives.

Factor 4: Assess costs versus resources and benefits in providing language services.

The State of North Dakota is confident that no person will be denied federally funded services based on their ability to speak English.

The State of North Dakota is committed to keeping all interested groups and individuals informed of each phase of the consolidated planning process and of activities being proposed or undertaken under HUD formula grant programs. Opportunities to comment on or participate in planning community development and affordable housing activities and projects will be publicized and disseminated throughout the state.

PUBLIC HEARINGS

Public hearings will not be held; however, public comments will be accepted via email at dcs@nd.gov or by calling 701-328-5300, TTY: 800-366-6888, Spanish TTY: 800-435-8590 or Relay ND Voice: 800-366-6889.

A summary of the written and oral public comments received will be considered for the Consolidated Plan.

PUBLICATION OF CONSOLIDATED PLAN DOCUMENTS

The state will publish the draft Consolidated Plan or Annual Action Plan for public review in a manner that affords citizens, public agencies and other interested parties a reasonable opportunity to examine its contents and submit comments. The Draft Plan will be a complete document and shall include:

- The amount of assistance the state agencies expect to receive, and
- The range of activities that may be undertaken, including the estimated amount that will benefit persons of low and moderate income.

A notice for the release of the Amended Plan will be published on the North Dakota Department of Commerce, Division of Community Services' website at <http://www.communityservices.nd.gov> at the beginning of the public comment period.

Citizens and groups may obtain a reasonable number of free copies of the proposed Consolidated Plan by contacting the Department of Commerce's Section 504 Coordinator, Tonya Forderer via email at dcs@nd.gov or by calling 701-328-5300, TTY: 800-366-6888, Spanish TTY: 800-435-8590 or Relay ND Voice: 800-366-6889.

PUBLIC COMMENTS ON THE DRAFT CONSOLIDATED PLAN AND ANNUAL ACTION PLANS

Public comment to gather input from citizens regarding proposed changes. Written comments and citizen participation by low and moderate-income individuals, minorities, non-English speaking persons and persons with disabilities will be encouraged through the affirmative efforts outlined in the Encouragement of Citizen Participation section on page 2.

The proposed Consolidated Plan will be made available to interested parties for a comment period no less than 5 days.

PUBLIC OUTREACH

An informed citizenry is critical to effective and responsive housing and community development programs. Efforts to educate residents and empower their participation are an ongoing element of the consolidated planning process.

Public education and outreach will be facilitated through the use of public advertisement that describe the consolidated planning process, opportunities for citizen participation and available funding through the CDBG, HTF, ESG, and HOME programs.

TECHNICAL ASSISTANCE

Groups or individuals interested in obtaining technical assistance to develop project proposals or applying for funding assistance through HUD formula grant programs covered by the Consolidated Plan or Annual Action Plan may contact the staff of the North Dakota Department of Commerce, Division of Community Services. Such assistance may be of particular use to

community development organizations, nonprofit service providers, and for-profit and nonprofit housing development groups that serve or represent persons of low and moderate income.

SUBSTANTIAL AMENDMENT CRITERIA FOR THE CONSOLIDATED PLAN

The following will constitute a substantial amendment to the Consolidated Plan:

1. A change in the method of distribution or grant selection criteria.
2. The addition of an activity not initially identified in the Consolidated Plan.
3. Funding of an activity not identified in the Consolidated Plan as a high or medium priority.

ADMINISTRATIVE AMENDMENTS

Administrative amendments are those that are not considered substantial in nature and pertain chiefly to minor administrative modifications of the programs. Thus, they do not require in-depth citizen participation.

CITIZEN PARTICIPATION IN THE EVENT OF A SUBSTANTIAL AMENDMENT

In the event of a substantial amendment to the Consolidated Plan, the Community Services Division, depending on the nature of the amendment, will allow for an additional 5 day comment period, where the proposed substantially amended Consolidated Plan will be made available to interested parties.

Citizens will be notified of the substantially amended Consolidated Plan's availability on the North Dakota Department of Commerce, Division of Community Services' website at <http://www.communityservices.nd.gov> for the full public comment period.

CONSIDERATION OF PUBLIC COMMENTS ON THE SUBSTANTIALLY AMENDED PLAN

In the event of substantial amendments to the Consolidated Plan, the state will openly consider any comments on the substantially amended Consolidated Plan from individuals or groups. Comments must be received in writing or by contacting the Department of Commerce's Section 504 Coordinator, Tonya Forderer via email at dcs@nd.gov or by calling 701-328-5300, TTY: 800-366-6888, Spanish TTY: 800-435-8590 or Relay ND Voice: 800-366-6889.

A summary of the written and oral comments on the substantial amendments will be included in the amended Consolidated Plan. The final Consolidated Plan will also include a summary of all comments not accepted and their reasons for dismissal.

AMENDMENT CRITERIA FOR THE CDBG PROGRAM DISTRIBUTION STATEMENT

Amendments to Program Statement Affecting the Action Plan of the Consolidated Plan as stated in the Citizen Participation Plan for the North Dakota Consolidated Plan and Annual Performance Report.

The following information must be submitted to DCS when amending Regional Program Statements:

1. The Regional Council Board or its designated committee must approve amendments to the Regional Program Statement prior to notifying cities, counties and other interested parties.
2. Amendments must be posted to the Regional Councils individual websites to allow cities, counties and other interested parties in the region to comment in writing or orally to allow for 5 day comment period. The written notice should be sent in letter or memo form by email.
3. A copy of the notification must be submitted to the DCS within 10 working days of the date of the notification, along with a copy of the board approval and the minutes approving the amendment. The 5-day comment period must be completed by the application/amendment deadline as stated in the most current Program Distribution Statement.
4. Upon receipt of the intended change, DCS will forward a copy of all changes to HUD.
5. Changes to the Regional Program Statement cannot be implemented prior to the 5-day process.

What constitutes an amendment to the Action Plan? (the following are examples, but the list is not inclusive)

1. Changes to initially established grant selection criteria.
2. Funding of activities not initially identified in the annual Action Plan.
3. Funding of an activity not identified in the Plan as a high or medium priority.

Amendments to Regional Program Statement for the CDBG Program as stated in the Citizen Participation Plan for the North Dakota Consolidated Plan and Annual Performance Report.

The following information must be submitted to the DCS when amending Regional Program Statements:

1. The Regional Council Board or its designated committee must approve amendments to the Regional Program Statement prior to notifying cities, counties and other interested parties.

2. Amendments must be posted to the Regional Councils individual websites to allow cities, counties and other interested parties in the region to comment in writing or orally to allow for 5 day comment period. The written notice should be sent in letter or memo form by email.
3. Changes to the Regional Program Statement cannot be implemented prior to notifying cities, counties and other interested parties.
4. A copy of the notification must be submitted to the DCS within 10 working days of the date of the notification, along with a copy of the board approval and the minutes approving the amendment. The 5 day comment period must be completed by the application/amendment deadline as stated in the most current Program Distribution Statement.

What constitutes an amendment to the CDBG Program? (the following are examples, but the list is not inclusive)

1. Transferring money from one emphasis area to another.
2. Modifications to deadline dates.

EXCEPTION:

Transfers without Notice

1. After scoring and ranking has occurred, transfers between funding categories that are \$20,000 and less can be made without public notice.
2. If a balance remains in a funding category, and not all applications received for that category were funded, an explanation must be provided why the applicant(s) were not offered the balance of the funds remaining.
3. Transfers without notice will be limited to two transfers per year.
4. The DCS must be notified of all transfers in writing within 10 days of the Board decision, along with a copy of the board approval and the minutes approving the transfer.

NOTE: This policy applies to allocation funds only. Revolving Loan funds can only be used for Economic Development projects.

AMENDMENT CRITERIA FOR THE HOME PROGRAM DISTRIBUTION STATEMENT

The state may reallocate funds from one category to another, or one recipient or subrecipient to another, because of high demand, an emergency due to a natural disaster, or determinations that performance-based measures have not been met.

State program income, repayments, and recaptured funds received by DCS will be allocated, at our discretion, for any project or activity, in the proceeding program year and committed before any HOME funds are drawn from the Treasury account, except for the funds in the Treasury account that are required to be reserved, in accordance with the HUD Interim Final Rule for the HOME program published 12/2/2016 and 24 CFR Part 92.503.

The approval of applications for CHDOs and non-and-for-profit developers will be a competitive process. If CHDO reserve funds remain, the DCS may at its discretion, open a second competitive round of applications to be accepted from CHDOs only.

CHANGES IN FEDERAL FUNDING LEVEL

Any changes in federal funding level after the Consolidated Plan and Annual Action Plan's draft comment period has expired and the resulting effect on the distribution of funds will not be considered an amendment or a substantial amendment.

ANNUAL PERFORMANCE REPORTS

Performance reports on CDBG, HOME, HTF, and ESG programs covered by the Consolidated Plan or Annual Action Plan are to be prepared by the North Dakota Department of Commerce, Division of Community Services within 90 days after the end of each program year. Draft performance reports will be made available upon written request. The draft performance report will be available for comment for no less than 5 days, and any public comments received in writing will be reported in an addendum to the final performance report.

ACCESS TO RECORDS

To the extent allowed by law, interested citizens and organizations shall be afforded reasonable and timely access to records covering the preparation of the Consolidated Plan or Annual Action Plan, project evaluation and selection, HUD's comments on the Plan and annual performance reports. In addition, materials on formula grant programs covered by the Consolidated Plan or Annual Action Plan, including activities undertaken in the previous five years, will be made available to any member of the public who requests information. A complete file of citizen comments will also be available for review by interested parties.

COMPLAINTS AND GRIEVANCES

Citizens, administering agencies and other interested parties may submit complaints and grievances regarding the programs the North Dakota Department of Commerce, Division of Community Services administers. Complaints should be in writing, specific in their subject matter, and include facts to support allegations. The following are considered to constitute complaints to which a response is due:

- The administering agency has purportedly violated a provision of the Citizen Participation Plan;
- The administering agency has purportedly violated a provision of federal CDBG, ESG, HTF, or HOME program regulations; and

- The administering agency, or any of its contractors, has purportedly engaged in questionable practices resulting in waste, fraud or mismanagement of any program funds.

Residents may also present complaints and grievances orally by phone or in writing by email by contacting the Department of Commerce's Section 504 Coordinator, Tonya Forderer via email at dcsc@nd.gov or by calling 701-328-5300, TTY: 800-366-6888, Spanish TTY: 800-435-8590 or Relay ND Voice: 800-366-6889.

All public comments, including complaints and grievances, made either orally or in writing within the 5 day public comment period, will be included in the final Consolidated Plan or Annual Action Plan. Such complaints or grievances for CDBG, HOME, HTF, or ESG shall be directed to the Consolidated Plan representative at the Community Services Division.

TIMELY RESPONSE TO COMPLAINTS OR GRIEVANCES

Upon receipt of a written complaint, the designated representative at Community Services Division shall respond to the complainant within a timely manner and maintain a copy of all related correspondence, which will be subject to review.

Within a timely manner of receiving the complaint, the designated representative shall discuss the matter with the department manager and respond to the complainant in writing. A copy of the Community Services Division response will be transmitted, concurrently, to the complainant and to the division directors. If, due to unusual circumstances, the designated representative finds that he/she is unable to meet the prescribed time limit, the limit may be extended by written notice to the complainant. The designated representative's notice must include the reason for the extension and the date on which a response is expected to be generated, which may be based on the nature and complexity of the complaint.

Public review materials and performance reports will include data, as appropriate under confidentiality regulations, on any written complaints received and how each was resolved.

ACTIVITIES EXEMPT FROM SUBSTANTIAL AMENDMENT CITIZEN PARTICIPATION REQUIREMENTS

URGENT NEEDS

It may be necessary to amend the Consolidated Plan or Annual Action Plan in the event of an emergency such as a natural disaster. These amendments may include funding new activities and/or the reprogramming of funds including canceling activities to meet community development needs that have a particular urgency. Therefore, the State of North Dakota may utilize its HOME or CDBG funds to meet an urgent need without the normal public comment period, which is otherwise required for substantial amendments.

To comply with the national objective of meeting community development needs having a particular urgency, an activity will alleviate existing conditions that the State of North Dakota certifies:

- Pose a serious and immediate threat to the health and welfare of the community;
- Are of recent origin or recently became urgent;
- The state is unable to finance the activity on its own; or
- Other resources of funding are not available to carry out the activity.

A condition will generally be considered to be of recent origin if it is developed or became critical within 18 months preceding the Community Services Division's certification.

AVAILABILITY OF THE CITIZEN PARTICIPATION PLAN (CPP)

Citizens and groups may obtain a reasonable number of free copies of the proposed CPP by contacting the Department of Commerce's Section 504 Coordinator, Tonya Forderer via email at dcsc@nd.gov or by calling 701-328-5300, TTY: 800-366-6888, Spanish TTY: 800-435-8590 or Relay ND Voice: 800-366-6889.

Regional Council Public Hearings Minutes and Comments

The Tri-County Regional Development Council will conduct a public hearing on February 26th, 2021 at 11:00 am in the 1st Floor Conference Room, Room 119, in the City of Williston Center for Development building, located at 113 4th Street East, Williston, North Dakota to receive input on housing and non-housing community development needs and the 2021 Public Distribution Statement for the region.

This region, which has been designated at Region 1, serves all of the city and county governments, subdivisions, local development corporations, community non-profits, businesses, and business interests in Williams, Divide, and McKenzie counties.

The 2021 Public Distribution Statement for Region 1 describes the Community Development Block Grant programs that are available for the year and how these programs will be delivered throughout the region. The Community Development Block Grant program is designed to target and benefit those individuals that meet the low to moderate income level guidelines.

The State of North Dakota and the Tri-County Regional Development Council are continually assessing the needs of each region and the state as a whole. In order to provide a more comprehensive assessment of the region's needs and those programs that are in place to address those needs, the Tri-County Regional Development Council is requesting input from your organization.

Enclosed with this letter please find the Region 1 Public Distribution Statement for 2021. Please provide any comments you may have on the Public Distribution Statement and/or on any needs of your organization.

Please provide any written comments you may have by February 26th, 2021 to the following address:

Tri-County Regional Development Council
PO Box 697
113 4th Street East
Williston, ND 5802-0697
701-577-1358

February 25, 2021

Souris Basin Planning Council 2021 CDBG Public Hearing – 9:30 AM

ATTENDANCE

Lyndsay Ulrickson
Emily Berg
Briselda Hernandez
Abby Ritz

Emily Berg called the Public Hearing to order at 9:33 am via Zoom Meetings. Berg reviewed the PDS with attendees and asked for comments.

Abby Ritz commented that grant maximums tend to be a greater issue than grant minimums. She also expressed the need for planning to be an eligible grant activity; it is a community need throughout our region.

No other comments were made. Emily Berg closed the Public Hearing at 9:58 am.

North Central Planning Council
CDBG PDS Meeting
February 26, 2021
11:00 AM

Staff Members Present:

- Sandy Shively
- Ashley Low

Guests:

- Jill Haakenson: USDA-RD

Minutes:

Sandy Shively called the meeting to order at 11:00 a.m.

The 2021 Public Distribution Statement was discussed as follows:

2021 CDBG Budget: \$269,321

Deadlines:

- April 1 – Pre-Application Available
- June 18 – Pre-Application Deadline
- August 27 – Score & Ranking
- No deadline – Emergency projects
- No deadline – Economic development projects

Housing projects have a minimum requirement of \$100,000 for City/County Multi-family projects, minimum of \$200,000 for City/County Single-family projects, and 51% of residents must meet the LMI (Low to Moderate Income) requirements. Local communities are required to pay for administrative costs to maintain the grant and/or loan. Administrative fees are 15% of the project with a minimum of \$15,000.00. "Lead based paint" requirements apply to all housing projects and asbestos testing is required on all construction projects. Removal of Architectural Barriers (ROAB) projects require a section 504 self-evaluation transition plan be submitted with the pre-application.

Public Facilities CDBG Grants require 51% LMI unless for elderly or handicap accessibility. Grant requirements have a minimum of \$75,000 and no match is required. Local communities are required to pay for administrative costs to maintain the grant and/or loan. Administrative fees are 10% of the project with a minimum of \$5,000.00. Removal of Architectural Barriers projects require a section 504 self-evaluation transition plan be submitted with the pre-application.

CDBG funds are awarded by a scoring and ranking session by an executive board of directors, until all funds are used up.

Q&A:

Jill Hankenson asked about 504 plans and if NCPC does the assessments and/or the transition plans. Sandy responded that NCPC will now require all ROAB projects to come with a 504-Transition Plan with the Pre-Application. A list of ND Resources for Persons with Disabilities 504 Evaluation Review Resources was provided at today's meeting. All 504 Transition Plans will need to include how the items in the transition plan will be addressed. All items in the plan will need to be completed before the final draw of the project is requested and before the project closes out.

Guests projects:

Jill Hankenson brought up a few projects she's aware of in the region. Rolla County Social Services purchased the clinic building in Rolla and may need assistance in an ROAB process. There is some Hemp Farming that has been going on in the region, and some locals may need to open a small business to get another entity set up. Maddock City Hall is looking at doing some remodeling to become ADA compliant. The City of St. John's City Hall is talking about assistance with making that building ADA compliant. St. John is also having a clinic possibly moving into the basement of the Senior Centers building and would need assistance with making that handicap accessible.

Other items:

No other items were discussed.

Recorded by Ashley Louw



RED RIVER REGIONAL COUNCIL
Community Development Block Grant (CDBG)
Public Hearing – February 25, 2021

The public hearing for the FY2021 Region IV Program Distribution Statement (PDS) was held at 10:00 a.m. on Thursday, February 25, 2021 via the virtual platform Zoom.

Present were: Mayor Brian Reilly, City of Hoople; Sheri Kuznia, City of Drayton; Abby West, A&S; and program staff Stacie Sevigny.

Sevigny welcomed all present and led introductions.

Sevigny explained the purpose of the meeting is to inform the public of the FY2021 Region IV Community Development Block Grant (CDBG) program, and to identify potential needs within the region's communities. She explained funds come from the U.S. Housing & Urban Development, and the region's annual allocation can be split among public facilities, housing, and economic development projects. Funds for all three areas are required to benefit low and moderate income (LMI) households.

Sevigny estimated the allocation for FY2021 will be \$205,951 based on the FY2020 allocation. Material about the CDBG program were provided, including projects must meet a national objective, definition of LMI, application process, possible projects, and considerations and requirements for CDBG public facilities projects. Also provided was a chart of LMI statistics for all cities in Region IV and a chart showing a sample of CDBG projects funded across the state from 2012-2018. A basic review of recent projects in Region IV was briefly discussed.

Sevigny provided information on specific changes expected for the FY2021 program, including the increase in minimum project amounts. For example, the proposed minimum CDBG grant for a public infrastructure/public services project is now \$75,000 (previously \$20,000). The minimum for a single-family housing project is \$200,000 (previously \$25,000) and a multi-family project is now \$100,000 (previously \$25,000).

Discussion

Mayor Reilly inquired about when the 2020 Census data would be utilized by the CDBG program. He also questioned the \$75,000 minimum for public facilities projects, specifically as the City is looking at a sidewalk project that may not meet that minimum.

Sevigny explained that a call with the ND Department of Commerce – Division of Community Services was set for February 26, 2021. The newly proposed minimums would likely be part of the discussion.

Kuznia said the City of Drayton has a street project it may be considering. Mayor Reilly indicated the City of Hoople may be as well. Sevigny gave a brief description of eligible street projects (complete reconstruction or new construction vs. maintenance). Sevigny answered questions from the attendees on their potential projects.

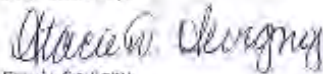
Also reviewed were the application timeline and the strong encouragement for communities to apply for CDBG funds the year prior to the year the construction would happen.

West inquired whether several applications were expected as the Region IV funds were often competitive. Sevigny indicated not all FY2020 funds were initially allocated however that had not been the norm. It is unknown at this time how many applications may be received; however, Nelson County is expected to apply for a countywide single-family housing rehabilitation project. Sevigny indicated many communities suggest they will apply but that number fluctuates up until the application deadline date.

Sevigny said she is hopeful to post the FY2021 pre-applications and considerations sheets to the Red River Regional Council (RRRC) website in early March. Pre-applications will be due June 23, 2021 for review by the RRRC at their meeting in August. Anyone with questions on the applications or potential project eligibility is encouraged to contact Sevigny.

There being no further discussion, the meeting adjourned at 10:34 a.m.

Submitted by:



Stacie Sevigny

Developer / CDBG Program Manager

**Minutes of LARC's CDBG Program Distribution Statement public hearing
Regional Small Business Development Center or via Zoom
February 26, 2021
Scheduled for 10:00 am**

Attendance In-person: Mitch Calkins (LARC)

Attendance via Zoom: Pastor Joel Baranko (Lutheran Church of the Cross),
Abby Ritz (AE2S), Barry Glienke (Bolton & Menk),
and Trent Gerads (CCCLT)

Public hearing began at 10:04 AM.

The purpose of the meeting was to discuss potential projects for the CDBG program and the allocation of FY 2019 funds among the categories of eligible activities.

Mitch began the meeting by explaining the process by which the Program Distribution Statement is to be created, the basic parameters of the CDBG program and its requirements, and the timeline by which cities and organizations should expect to receive a formal invitation to submit a pre-application. He also discussed alternative, non-CDBG funding opportunities which are currently or anticipated to become available.

Attendees were then invited to share their project ideas.

Pastor Baranko described the proposed food pantry in West Fargo. The church has excess space in a garage which they wish to convert into a permanent food bank. Since the beginning of the coronavirus pandemic, the church has partnered with the YWCA in hosting a pop-up drive-through food distribution center.

The YWCA and the Church tried obtaining CDBG assistance through the Governor's Fund, however the Governor's office declined. They intend to apply for the region's annual allocation.

Abby Ritz was present to just listen and learn about funding opportunities. She had no specific projects to mention during this public hearing. She will notify the engineers in her company about the information presented.

Barry Glienke reiterated the Grandin water line and water tower decommissioning project. Grandin does not meet the low-to-moderate income threshold with HUD's current data. The City has expressed interest in an income survey. He was encouraged to reach out to USDA Rural Development about their funding programs. It may be best for the City to obtain funding in the

short-term for an engineering study before proceeding much further with seeking out funding for the project itself.

Glienke also reiterated the needs in Wyndmere including repairing the dikes at the sewage pond.

Trent Gerads from the Cass Clay Community Land Trust described his organization's mission of acquiring houses for permanent affordability. He inquired about the status of LARC's conversations with the Division of Community Services to make this project eligible for the current year as well as future years.

No further comments were given by attendees. Mitch laid out the next steps in the process and promised to follow up when new information became available.

The public hearing adjourned 10:58 AM

Summary of Comments Received Outside of the Public Hearing

1. Brandon Kjelden from SENDCAA

- He is highly interested in cooperating with LARC for housing rehabilitation across the region.
- The addition of CDBG funds would help scale up their housing rehabilitation program.
- In the short-term, SENDCAA is very busy and unable to scale at the moment.
- In the longer-term, they might have greater capacity to add CDBG to their HOME allocations
- He remarked that lead-based paint is a common occurrence in the weatherization and rehabilitation programs.
- Unfortunately, there are only a few contractors in the region who are licensed to abate lead-based paint hazards.
- There might be grant programs through EPA to help pay for contractor training. Mitch from LARC will do some research.
- Roofs are another prominent issue in housing rehab projects with leaks and drafts common. Lower-barrier discretionary funding would allow for a program to target roof replacements, instead of requiring that every item in a house be brought up to HQS or building code standards.

2021 CDBG Public Hearing
February 26, 2021, 1:00 p.m.
Via GoToMeeting
Jamestown, North Dakota

Attendance: In attendance were Traci Redlin and Jennifer Schultes with the South Central Dakota Regional Council; Becky Thatcher-Keller with the Wishek JDA; Grant Crabtree and Gregory Gackle with the Ellendale Opera House and Abby Ritz with A2S Engineering.

Agenda: To secure input and funding priorities for 2021 CDBG Program allocations from the nine counties of the South Central Dakota Regional Council service area.

Input: All persons were encouraged to prepare project narratives and/or CDBG Pre-applications by May 14, 2021 and to stay in touch with SCDRC as a resource.

Gregory Gackle mentioned a project he was working on and asked about minimums and how the funding is scored and ranked.

Becky Thatcher-Keller asked where they could find the 2021 Pre-Application and PDS on our web site.

There being no further business the meeting ended at 1:30 p.m.

LEWIS AND CLARK REGIONAL DEVELOPMENT COUNCIL
PUBLIC HEARING ON HOUSING AND NON-HOUSING
COMMUNITY DEVELOPMENT NEEDS FOR THE 2021 ACTION PLAN

February 25, 2021

The hearing was called to order by Lyle Hogue, LCRDC staff, at 9 am Thursday, February 25, 2021 in the conference room at the Lewis and Clark Regional Development Council office, 200 1st Avenue NW, Ste. 100, Mandan, ND 58554.

Two people from the Salvation Army were in attendance, with no comments.

Hearing was closed at 10 am.


Lyle Hogue, LCRDC staff

PDS Public Hearing

2-25-21

Tanya Smith Salvation Army
Madelie Small Salvation Army

**COMMUNITY DEVELOPMENT BLOCK GRANT
PUBLIC HEARING
ROOSEVELT-CUSTER REGIONAL COUNCIL
February 25, 2021
ROOSEVELT-CUSTER REGIONAL COUNCIL OFFICE
40 1ST AVE W STE 301, DICKINSON, ND**

Attendees:

Erv Bren, Community Action
Karen Lange, USDA-RD
Floyd Hert, South Heart Mayer
Trisha Kelly, RCRC Administration

Kelly called the hearing to order. Kelly stated that this information is still preliminary pending final approval from the Division of Community Services. The North Dakota Department of Commerce (DOC) does expect that everything will be much like last year and we are to go ahead with the program.

Roosevelt-Custer Regional Council (RCRC) will have an allocation of about \$216,513. The funds are available for housing and public facilities meeting eligibility criteria as described in the 2021 State Program Distribution Statement. The Regional Council Executive Committee voted on February 11, 2021 to split these funds fifty-fifty between housing and public facilities.

Kelly explained that the applicant must be a Unit of Local Government (City or County). The request will be for a project sponsored by that Unit of Government. She also stated that national objectives must be met including, 1) activities benefitting low-and-moderate-income persons, 2) aid in the prevention or elimination of slums and blight and 3) activities designed to meet community development needs having a particular urgency.

Discussion followed regarding community eligible as low-and-moderate-income areas. A chart and other information on eligible projects are available on the Department of Commerce web site.

Housing activities will focus on health and safety needs and making more affordable housing for low-income persons. Public facilities will focus on water and sewer, removal of architectural barriers which will permit access for the handicapped, and direct benefit of local low-and-moderate income persons.

Trisha went over various requirements of the program, including:

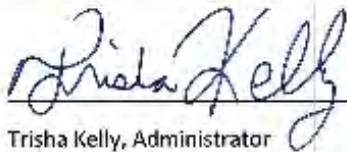
Davis-Bacon Labor Standards with prevailing wage requirements

504 ADA evaluations

Engineering/Architect requirements for projects over \$

Contractor availability in SW North Dakota

Roosevelt-Custer Regional Council's financial and operational status was discussed.

A handwritten signature in blue ink that reads "Trisha Kelly". The signature is written in a cursive style and is positioned above a horizontal line.

Trisha Kelly, Administrator

Date: 2-25-2021

2021

NORTH DAKOTA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM DISTRIBUTION STATEMENT

Revised 03/2021

Prepared By

Division of Community Services
1600 East Century Avenue, Suite 2
PO Box 2057
Bismarck, ND 58502-2057
Phone: (701) 328-5300
Fax: (701) 328-5320

ND Relay Voice: 800-366-6889
ND Relay Spanish: 800-435-8590



ALTERNATIVE FORMATS FOR DISABLED
PERSONS ARE AVAILABLE UPON REQUEST

TABLE OF CONTENTS

Section I – Introduction	2
Section II – Eligible & Ineligible Activities	9
Section III – General Information of Applicants	15
Section IV – Allocation of Funds	18
Section V – CDBG & CDLF General Policies and Procedures, Statement of Assurances	24
Section VI – Final Grant Application Submission Requirements	39
Section VII – Program Design-Economic Development	41
Section VIII – Program Design-Public Facilities	51
Section IX – Program Design-Housing	53
Section X – Program Design-Governor’s Fund for Community Development	56
 Region I.....	 58
Region II	75
Region III.....	81
Region IV.....	93
Region V	108
Region VI.....	135
Region VIII	149
Region VIII	165

This Program Distribution Statement contains information about the State's Community Development Block Grant (CDBG) Program. CDBG funds must be used to achieve one of the following national objectives:

1. Activities benefiting low (L) and moderate (M) income (I) persons.
2. Activities which aid in the prevention or elimination of slums or blight.
3. Activities designed to meet community development needs having a particular urgency.

To better address local community development needs, the Governor has directed that the State's allocation be divided among each of the eight Regional Planning Councils that have established procedures to review and rank applications submitted within their respective regions.

The following priorities and objectives have been established for the distribution of Community Development Block Grant funds in North Dakota:

1. Objectives for economic development will focus on:
 - a. Creation of permanent jobs for low and moderate income persons;
 - b. Economic diversification;
 - c. Leveraging of private and local investment; and
 - d. Benefit to the state's economy.
2. Funding for Public Facilities activities will primarily focus on:
 - a. Water and sewer activities which currently present a threat to health and safety;
 - b. Removal of architectural barriers which will permit access for the handicapped;
 - c. Direct benefit to a locality's low and moderate income persons; and
 - d. Leveraging local and other available financial resources to finance the cost of the activity.
3. Funding for Housing Activities will primarily focus on:
 - a. Meeting the health and safety needs of very low income persons by bringing the rehabilitated housing up to a minimum of the Section 8 Housing Quality Standards; and
 - b. Making more affordable housing available for low income persons. Emphasis will be given to encouraging applicants to use other public and private funds to complement Community Development Block Grant funds.

SECTION I

Introduction

A. Purpose of Program Distribution Statement

The purpose of the Community Development Block Grant (CDBG) and Community Development Loan Fund (CDLF) Program Distribution Statement is to describe how the state of North Dakota intends to distribute its CDBG Public Facilities, Housing, and Economic Development funds. Specifically, the Statement describes the three National Objectives of the CDBG program, eligible applicants, eligible activities, special eligibility requirements, distribution of funds, policies and procedures, and the grant submission and selection process.

For fiscal year 2020 the North Dakota CDLF program for Economic Development is designed to more effectively meet the goals set by the Governor. The program is targeted to business proposals which will operate within the primary sector of the North Dakota economy and also used for retail sector projects. CDLF assistance is intended to be used in situations where a funding gap exists and alternative sources and/or terms and conditions of public and private financing are not adequate. CDLF funding can also be used for community's slum and blighted areas, including downtown façade and streetscape improvements, and limited interior improvements. To access the CDLF program, applicants should contact the respective regional council in their region.

B. Purpose of the Community Development Block Grant Program

The Community Development Block Grant was established by Congress in the Housing and Community Development Acts of 1974. In 1981, Congress amended the act to authorize state governments to administer the State Community Development Block Grant Program.

Nationally, the CDBG Program is divided into two categories:

1. The Department of Housing and Urban Development (HUD) continues to administer the "entitlement" program which is for cities over 50,000 and counties over 200,000 population. These entities receive CDBG Program funds on an annual formula basis directly from the Department of HUD. In North Dakota, the entitlement cities are Fargo, Bismarck, and Grand Forks.
2. The State administers the "nonentitlement" CDBG Program for cities under 50,000 and counties under 200,000 population. Allocation for the nonentitlement program is based on a formula and each state must submit a "Notice of Election" each year to administer the program. In North Dakota, there are approximately 449 eligible cities and counties capable of competing for state CDBG funds. No State CDBG funds will be spent in entitlement jurisdictions.

C. National Objectives

The primary purpose of the CDBG Program, as declared by Congress in Title I of the Housing and Community Development Act of 1974, as amended (HCD ACT), is "the development of viable communities, by providing decent housing and suitable living environment and expanding economic opportunities, principally for persons of low and moderate income."

Therefore, in providing assistance, the fundability of any eligible community activity is dependent upon its meeting at least one of the following national objectives as established by Congress:

1. Activities benefiting low and moderate income persons:

An activity will be considered to address the objective of benefiting low and moderate income persons if it meets one of the criteria in this paragraph, unless there is substantial evidence to the contrary. In assessing any such evidence, the full range of direct effects of the assisted activity will be considered. The activities, when taken as a whole, must not benefit moderate income persons to the exclusion of low income persons:

A. Area Benefit Activities:

- 1) An activity, the benefits of which are available to all the residents in a particular area, where at least 51 percent of the residents are low and moderate income persons. Such an area need not be coterminous with census tracts or other officially recognized boundaries but must be the entire area served by the activity. An activity that serves an area that is not primarily residential in character shall not qualify under this criterion. The local share for this type of activity cannot be special assessed.
- 2) An activity, where the assistance is to a public improvement that provides benefits to all the residents of an area, that is limited to paying special assessments levied against residential properties owned and occupied by persons of low and moderate income. Special assessments may be imposed as follows:
 - a) Special assessments to recover the CDBG funds may be made only against properties owned and occupied by persons not of low and moderate income. These assessments constitute program income.
 - (i) Special assessments to recover the non-CDBG portion may be made, provided that CDBG funds are used to pay the special assessment on behalf of all properties owned and occupied by low and moderate income persons; except that CDBG funds need not be used to pay the special assessments on behalf of properties owned and occupied by moderate income persons if, when permitted by the state, the unit of general local government certifies that it does not have sufficient CDBG funds to pay the assessments on behalf of all of the low and moderate income owner-occupant persons. Funds collected through such special assessments are not program income.
 - b) CDBG funds may be used to pay special assessments levied against property when this form of assessment is used to recover the capital cost of eligible public improvements initially financed solely from sources other than CDBG funds. The payment of special assessments with CDBG funds constitutes CDBG assistance to the public improvement. Therefore, CDBG funds may be used to pay special assessments, provided that:

- (i) The installation of the public improvements was carried out in compliance with requirements applicable to activities assisted under this subpart, including labor, environmental and citizen participation requirements;
 - (ii) The installation of the public improvement meets a criterion for national objectives.
 - (iii) The requirements of § 570.482(a)(ii) are met.
- 3) An activity to develop, establish and operate (not to exceed two years after establishment), a uniform emergency telephone number system serving an area having less than 51 percent of low and moderate income residents, when the system has not been made operational before the receipt of CDBG funds, provided a prior written determination is obtained from HUD. HUD's determination will be based upon several certifications by the State [(See 24 CFR 570.483(b)(iii)].

b. Limited Clientele Activities:

- 1) An activity which benefits a limited clientele, at least 51 percent of whom are low and moderate income persons. (The following kinds of activities may not qualify under this paragraph: activities, the benefits of which are available to all the residents of an area; activities involving the acquisition, construction or rehabilitation of property for housing; or activities where the benefit to low and moderate income persons to be considered is the creation or retention of jobs.) To qualify under this paragraph, the activity must meet one of the following tests:
- a) It must benefit a clientele who are generally presumed to be principally low and moderate income persons. The following groups are presumed by HUD to meet this criterion: abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate persons, persons with AIDS, and migrant farm workers; or
 - b) It must require information on family size and income so that it is evident that at least 51 percent of the clientele are persons whose family income does not exceed the low and moderate income limit (i.e., water meters); or
 - c) It must have income eligibility requirements which limit the activity exclusively to low and moderate income persons (i.e., water meters); or
 - d) It must be of such a nature, and be in such a location, that it may be concluded that the activity's clientele will primarily be low and moderate income persons.
- 2) A special project directed to removal of material and architectural barriers which restrict the mobility and accessibility of elderly or disabled persons to publicly owned and privately owned non-residential buildings, facilities and improvements, and the common areas of residential structures containing more than one dwelling unit.

c. Housing Activities:

An eligible activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by low and moderate income households. This would include, but not necessarily be limited to, the acquisition or rehabilitation of property, conversion of non-residential structures, and new housing construction as described in Section IX. If the structure contains two dwelling units, at least one must be so occupied, and if the structure contains more than two dwelling units, at least 51 percent of the units must be so occupied. Where two or more rental buildings being assisted are or will be located on the same or contiguous properties, and the buildings will be under common ownership and management, the grouped buildings may be considered for this purpose as a single structure. For rental housing, occupancy by low and moderate income households must be at affordable rents to qualify under this criterion. The unit of general local government shall adopt and make public its standards for determining "affordable rents" for this purpose. The following shall also qualify under this criterion:

- 1) When less than 51 percent of the units in a structure will be occupied by low and moderate income households, CDBG assistance may be provided in the following limited circumstances:
 - a) The assistance is for an eligible activity to reduce the development cost of the new construction of a multifamily, non-elderly rental housing project; and
 - b) Not less than 20 percent of the units will be occupied by low and moderate income households at affordable rents; and
 - c) The proportion of the total cost of developing the project to be borne by CDBG funds is no greater than the proportion of units in the project that will be occupied by low and moderate income households.
- 2) Where CDBG funds are used to assist rehabilitation delivery services or in direct support of the unit of general local government's Rental Rehabilitation Program authorized under 24 CFR part 511, the funds shall be considered to benefit low and moderate income persons were not less than 51 percent of the units assisted, or to be assisted, by the Rental Rehabilitation Program overall are for low and moderate income persons.

d. Job Creation or Retention Activities:

- 1) An activity designed to create permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involved the employment of low and moderate income persons. For an activity that creates jobs, the unit of general local government must document that at least 51 percent of the jobs will be held by, or will be made available to low and moderate income persons.
- 2) For an activity that retains jobs, the unit of general local government must make public and document that the jobs would actually be lost without the CDBG assistance and that either or both of the following conditions apply with respect to at least 51 percent of the jobs at the time the CDBG assistance is provided: The

job is known to be held by a low or moderate income person; or the job can reasonably be expected to turn over within the following two years and that it will be filled by, or that steps will be taken to ensure that it is made available to, a low or moderate income person upon turnover.

- 3) Jobs will be considered to be available to low and moderate income persons for these purposes only if:
 - a) Special skills that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs, or the business agrees to hire unqualified persons and provide training; and
 - b) The unit of general local government and the assisted business take actions to ensure that low and moderate income persons receive first consideration for filling such jobs.
- 4) As a general rule, each assisted business shall be considered to be a separate activity for purposes of determining whether the activity qualifies under this paragraph, except:
 - a) In certain cases, such as where CDBG funds are used to acquire, develop or improve a real property (e.g. a business incubator or an industrial park), the requirement may be met by measuring jobs in the aggregate for all the businesses that locate on the property, provided the businesses are not otherwise assisted by CDBG funds.
 - b) Where CDBG funds are used to pay for the staff and overhead costs of a sub-recipient specified in section 105(a)(15) of the Housing and Community Development Act of 1974 making loans to businesses from non-CDBG funds, this requirement may be met by aggregating the jobs created by all of the businesses receiving loans during any one-year period.
 - c) In any case where CDBG funds are used for public improvements (e.g., water, sewer and road) and the national objective is to be met by job creation or retention as a result of the public improvement, the requirement shall be met as follows:
 - (i) The assistance must be reasonable in relation to the number of jobs expected to be created or retained by the affected business(es) within three years from the completion of the public improvement. Before CDBG assistance is provided for such an activity, the unit of general local government shall develop an assessment which identifies the businesses located or expected to locate in the area to be served by the public improvement. The assessment shall include for each identified business a projection of the number of jobs to be created or retained as a result of the public improvement; and
 - (ii) The jobs to be considered for purposes of meeting the requirement shall be all jobs created or retained as a result of the public improvement by the business(es) identified in the assessment as well as any other business that locates in the area within a period of three years following the completion of the activity; except that, in any case where the amount of CDBG

assistance provided for the public improvement in relation to the number of jobs projected to be created or retained by the business(es) identified in the assessment is such that the amount per job does not exceed \$10,000, jobs created by businesses not identified in the assessment need not be considered. (See Section VII for Economic Development Infrastructure Guidelines)

e. Planning Only Activities:

An activity involving planning (when such activity is the only activity for which the grant to the unit of general local government is given, or if the planning activity is unrelated to any other activity assisted by the grant) if it can be documented that at least 51 percent of the persons who would benefit from implementation of the plan are low and moderate income persons. Any such planning activity for an area or a community composed of persons of whom at least 51 percent are low and moderate income shall be considered to meet this national objective.

2. Activities which aid in the prevention or elimination of slums or blight.

A slum and blight area is defined as having a significant amount of structures that demonstrate major deterioration. The boundary is exhibited by a survey of the area.

- a. "Slum area" means an area in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of these factors is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals, or welfare. (N.D.C.C. 40-58-01.1(23))
- b. "Blighted area" means an area other than a slum area which by reason of the presence of a substantial number of slums, deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility, or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of these factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use. "Blighted area" does not include any land that has been assessed as agricultural property within the last ten years unless it was located within the interior boundaries of a city for at least ten years. The applicant must provide architectural renderings of the proposed design. Renovations to a historic property must maintain its historic character and must also conform to guidelines established in the "Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings". (N.D.C.C. 40-58-01.1(2))

3. Activities meeting one or more of the following criteria, in the absence of substantial evidence to the contrary, will be considered to aid in the prevention or elimination of slums or blight:
 - a. Activities to address slums or blight on an area basis. An activity will be considered to address prevention or elimination of slums or blight in an area if the state can determine that:
 - (1) The area, delineated by the unit of general local government, meets a definition of a slum, blighted, deteriorated or deteriorating area under state or local law;
 - (2) Throughout the area there is a substantial number of deteriorated or deteriorating buildings or the public improvements are in a general state of deterioration;
 - (3) The assisted activity addresses one or more of the conditions which contributed to the deterioration of the area.

Rehabilitation of residential buildings carried out in an area meeting the above requirements will be considered to address the area's deterioration only where each such building rehabilitated is considered substandard before rehabilitation, and all deficiencies making a building substandard have been eliminated if less critical work on the building is also undertaken. The State shall ensure that the unit of general local government has developed minimum standards for building quality which may take into account local conditions.

 - (4) The state keeps records sufficient to document its findings that a project meets the national objective of prevention or elimination of slums and blight.
 - b. Activities to address slums or blight on a spot basis. Acquisition, clearance, relocation, historic preservation and building rehabilitation activities which eliminate specific conditions of blight or physical decay on a spot basis not located in a slum or blighted area will meet this objective. Under this criterion, rehabilitation is limited to the extent necessary to eliminate specific conditions detrimental to public health and safety.
 - c. Planning Only Activities. An activity involving planning (when the activity is the only activity for which the grant to the unit of general local government is given, or the planning activity is unrelated to any other activity assisted by the grant) if the plans are for a slum or blighted area, or if all elements of the planning are necessary for and related to an activity which, if funded, would meet one of the other criteria of elimination of slums or blight.

3. Activities designed to meet community development needs having a particular urgency.

In the absence of substantial evidence to the contrary, an activity will be considered to address this objective if the unit of general local government certifies, and the state determines, that the activity is designed to alleviate existing conditions which pose a serious and immediate threat to the health or welfare of the community which are of recent origin or which recently became urgent, that the unit of general local government is unable to finance the activity on its own, and that other sources of funding are not available. A condition will generally be considered to be of recent origin if it developed or became urgent within 18 months preceding the certification by the unit of general local government.

SECTION II

Eligible & Ineligible Activities

ELIGIBLE ACTIVITIES

Eligible activities must address at least one National Objective in order to be considered for funding. In addition, some activities have qualifying requirements (i.e. economic development activities) which are specified in Section 105 and in the Entitlement Regulations. If assistance is needed for interpretation, please contact the DCS for guidance.

A. Title I Eligible Activities

Section 105(a) Activities assisted under this title may include only:

1. The acquisition of real property (including air rights, water rights, and other interests therein) which is (A) blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed from the standpoint of sound community development and growth; (B) appropriate for rehabilitation or conservation activities; (C) appropriate for the preservation or restoration of historic sites, the beautification of urban land, the conservation of open spaces, natural resources, and scenic areas, the provision of recreational opportunities, or the guidance of urban development; (D) to be used for the provision of public works, facilities, and improvements eligible for assistance under this title; or (E) to be used for other public purposes;
2. The acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction, or installation that promote energy efficiency) of public works, facilities (except buildings for the general conduct of government), and site or other improvements (due to a recent interpretation water meter replacement projects are direct benefit activities, the national objective is LMI);
3. Code enforcement in deteriorated or deteriorating areas in which such enforcement, together with public or private improvements or services to be provided, may be expected to arrest the decline of the area;
4. Clearance, demolition, removal, reconstruction, and rehabilitation (including rehabilitation which promotes energy efficiency) of buildings and improvements (including interim assistance, and financing public or private acquisition for rehabilitation, and reconstruction or rehabilitation, of privately owned properties and including the renovation or reconstruction of closed school buildings);
5. Special projects directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly and handicapped persons;
6. Payments to housing owners for losses of rental income incurred in holding for temporary periods housing units to be utilized for the relocation of individuals and families displaced by activities under this title;

7. Disposition (through sale, lease, donation, or otherwise) of any real property acquired pursuant to this title or its retention for public purposes;
8. Provisions of public services, including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, energy conservation, welfare or recreation needs, if such services have not been provided by the unit of general local government (through funds raised by such unit, or received by such unit from the State in which it is located) during any part of the twelve-month period immediately preceding the date of submission of the statement with respect to which funds are to be made available under this title, and which are to be used for such services, unless the Secretary finds that the discontinuation of such services was the result of events not within the control of the unit of general local government, except that not more than 15 percent of the amount of any assistance to a unit of general local government under this title may be used for activities under this paragraph unless such unit of general local government (or in the case of nonentitled communities not more than 15 percent statewide) under this title including program income may be used for activities under this paragraph unless such unit of general local government used more than 15 percent of the assistance received under this title for fiscal year 1982 or fiscal year 1983 for such activities (excluding any assistance received pursuant to Public Law 98-8), in which case such unit of general local government may use not more than the percentage or amount of such assistance used for such activities for such fiscal year, whichever method of calculation yields the higher amount;
9. Payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as part of activities assisted under this title;
10. Payment of the cost of completing a project funded under Title I of the Housing Act of 1949;
11. Relocation payments and assistance for displaced individuals, families, businesses, organizations, and farm operations, when determined by the grantee to be appropriate;
12. Activities necessary (a) to develop a comprehensive community development plan, and (b) to develop a policy-planning-management capacity so that the recipient of assistance under this title may more rationally and effectively (i) determine its needs, (ii) set long-term goals and short-term objectives, (iii) devise programs and activities to meet these goals and objectives, (iv) evaluate the progress of such programs in accomplishing these goals and objectives, and (v) carry out management, coordination, and monitoring of activities necessary for effective planning implementation;
13. Payment of reasonable administrative costs related to establishing and administering federally approved enterprise zones and of reasonable administrative costs and carrying charges related to:
 - a. administering the HOME program under Title II of the Cranston-Gonzalez National Affordable Housing Act, and
 - b. the planning and execution of community development and housing activities, including the provision of information and resources to residents of areas in which community development and housing activities are to be concentrated with respect to

the planning and execution of such activities, and including the carrying out of activities as described in Section 461 of Title 40 on August 12, 1981;

14. Provision of assistance including loan (both interim and long term) and grants for activities which are carried out by public or private nonprofit entities, including (a) acquisition of real property; (b) acquisition, construction, reconstruction, rehabilitation, or installation of (i) public facilities (except for buildings for the general conduct of government), site improvements, and utilities, and (ii) commercial or industrial buildings or structures and other commercial or industrial real property improvements; and (c) planning;
15. Assistance to neighborhood-based nonprofit organizations, local development corporations, nonprofit organizations serving the development needs of communities of nonentitlement areas, or entities organized under section 681(d) of Title 15 to carry out a neighborhood revitalization or community economic development or energy conservation project in furtherance of the objectives of section 5301(c) of this title, and assistance to neighborhood-based nonprofit organizations, or other private or public nonprofit organizations, for the purpose of assisting, as part of neighborhood revitalization or other community development; the development of shared housing opportunities (other than by construction of new facilities) in which elderly families (as defined in section 1437a(b)(3) of this title) benefit as a result of living in a dwelling in which the facilities are shared with others in a manner that effectively and efficiently meets the housing needs of the residents and thereby reduces their cost of housing;
16. Activities necessary to the development of energy use strategies related to recipient's development goals, to assure that those goals are achieved with maximum energy efficiency, including items such as:
 - a. An analysis of the manner in, and the extent to which energy conservation objectives will be integrated into local government operations, purchasing and service delivery, capital improvements budgeting, waste management, district heating and cooling, land use planning and zoning, and traffic control, parking, and public transportation functions;
 - b. A statement of the actions the recipient will take to foster energy conservation and the use of renewable energy resources in the private sector, including the enactment and enforcement of local codes and ordinances to encourage or mandate energy conservation or use of renewable energy resources, financial and other assistance to be provided (principally for the benefit of low and moderate income persons) to make energy conserving improvements to residential structures, and any other proposed energy conservation activities;
17. Provision of assistance to private, for-profit entities, when the assistance is appropriate to carry out an economic development project (that shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods) that:
 - a. Creates or retains jobs for low and moderate income persons;
 - b. Prevents or eliminates slums and blight;
 - c. Meets urgent needs;
 - d. Creates or retains businesses owned by community residents;

- e. Assists businesses that provide goods or services needed by, and affordable to, low and moderate income residents; or
 - f. Provides technical assistance to promote any of the activities under subparagraphs a. through e.
18. The rehabilitation or development of housing assisted under Section 1437 of this title;
 19. Provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities, which assistance shall not be considered a planning cost as defined in paragraph (12) or administrative cost as defined in paragraph (13);
 20. Housing services, such as housing counseling in connection with tenant-based rental assistance and affordable housing projects assisted under Title II of Cranston-Gonzalez National Affordable Housing Act, energy auditing, preparation of work specifications, loan processing, inspections, tenant selection, management of tenant-based rental assistance, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in housing activities assisted under Title II of the Cranston-Gonzales National Affordable Housing Act;
 21. Provision of assistance by recipients under this title to institutions of higher education having a demonstrated capacity to carry out eligible activities under this subsection for carrying out such activities;
 22. Provision of assistance to public and private organizations, agencies, and other entities (including nonprofit and for-profit entities) to enable such entities to facilitate economic development by:
 - a. Providing credit (including providing direct loans and loan guarantees, establishing revolving loan funds, and facilitating peer lending programs) for the establishment, stabilization, and expansion of microenterprises;
 - b. Providing technical assistance, advice, and business support services (including assistance, advice, and support relating to developing business plans, securing funding, conducting marketing, and otherwise engaging in microenterprise activities) to owners of microenterprises and persons developing microenterprises; and
 - c. Providing general support (such as peer support programs and counseling) to owners of microenterprises and persons developing microenterprises;
 23. Activities necessary to make essential repairs and to pay operating expenses necessary to maintain the habitability of housing units acquired through tax foreclosure proceedings in order to prevent abandonment and deterioration of such housing in primarily low and moderate income neighborhoods; and
 24. Provision of direct assistance to facilitate and expand homeownership among persons of low and moderate income (except that such assistance shall not be considered a public service of purposes of paragraph (8) by using such assistance to:

- a. Subsidize interest rates and mortgage principal amounts for low and moderate income homebuyers;
 - b. Finance the acquisition by low and moderate income homebuyers of housing that is occupied by the homebuyers;
 - c. Acquire guarantees for mortgage financing obtained by low and moderate income homebuyers from private lenders (except that amounts received under this title may not be used under this subparagraph to directly guarantee such mortgage financing and grantees under this title may not directly provide such guarantees);
 - d. Provide up to 50 percent of any down payment required from low or moderate income homebuyer; or
 - e. Pay reasonable closing costs (normally associated with the purchase of a home) incurred by a low or moderate income homebuyer.
25. Lead-based paint hazard evaluation and reduction, as defined in Section 4851b of this title.

B. Ineligible Activities

The activities listed below are ineligible for CDBG and CDLF assistance.

1. Public Works, Facilities, and Site or Other Improvements (this list is not inclusive) (Except for removal of architectural barriers for handicapped accessibility) for buildings and facilities for the general conduct of government, and/or which are predominantly used for municipal purposes.
 - City/Town Halls
 - Courthouses
 - Other headquarters of government where the governing body meets regularly
2. Purchase of Equipment
 The purchase of furnishings and personal property, except when necessary for use by a recipient or its subgrantees in the administration of its community development program, is generally ineligible (except for certain economic development projects). Examples are:
 - The purchase of office equipment and fixtures
 - Motor vehicles
 - Furnishings
 - Personal property not an integral structural fixture
3. Operating and Maintenance Expenses

The general rule is that any expense associated with operating, maintaining, or repairing Public Facilities and works, or any expense associated with providing public services

not assisted with block grant funds is ineligible for assistance. However, operating and maintenance expenses associated with providing public services or interim assistance otherwise eligible for assistance under this part may be assisted. Examples of activities which are not eligible for block grant assistance are:

- a. Routine maintenance and repair of streets, parks, playgrounds, water and sewer facilities, neighborhood facilities, senior centers, centers for the handicapped, parking and similar Public Facilities, filling of holes in streets, repairing of cracks in side-walks, mowing of recreational areas, and replacement of expended street light bulbs.
- b. Regular payments of salaries for staff, utility costs, and similar expenses necessary for the operation of public works and facilities.

4. General Government Expenses

Except for where specifically authorized in this subpart or under state law, expenses required to carry out the regular responsibilities of the unit of general local government are not eligible for assistance under this part.

5. Political Activities

No expenditure may be made for the use of equipment or premises for political purposes, sponsoring or conducting candidate meetings, engaging in voter registration activity or voter transportation, or other partisan political activities.

6. Religious Purposes

Renovation, rehabilitation or conversion of buildings owned by primarily religious organizations or entities are generally ineligible activities. (Contact the DCS for guidance pertaining to eligible uses of CDBG and CDLF funds involving primarily religious organizations or entities.)

7. Nursing Homes

Except for removal of architectural barriers for handicapped accessibility CDBG funds will not be utilized in nursing homes for expansion, renovation or general operation.

SECTION III
General Information for Applicants

A. Eligible Applicants

Eligible applicants under the North Dakota Community Development Loan Fund and Community Development Block Grant Program are limited to counties and incorporated cities:

1. A city is the eligible applicant for activities designed to take place within city limits. A city may apply for a project which would include an activity to be located outside city limits if the proposed activity will principally benefit residents within the city's jurisdiction, such as a solid waste disposal site, a water or sewage treatment facility, an economic development project or if the activity involves property/facilities over which the city has direct control as the owner/operator, and for which a county could not apply.
2. A county is the eligible applicant for activities designed to take place outside the limits of an incorporated city and in unincorporated areas. A county, however, may apply for an activity within an incorporated city that involves property/facilities over which the county has direct control as the owner/operator, and for which a city could not apply, such as a county courthouse. A county will not be limited to the number of unincorporated areas for which it may submit an application.
3. A city or county may also submit an "on-behalf of" (multi-jurisdictional) application for an incorporated city which has determined that it lacks the administrative capacity to apply for and administer a grant. If an incorporated city permits a county or another city to submit an "on-behalf of" application, it may not submit an application on its own for any emphasis area. An "on-behalf of" application may consist of more than one city, but the activity must be the same in each city. In addition, each city must be discussed separately, each must include a written agreement with the on behalf of applicant, each must do a needs assessment and undertake actions to affirmatively further fair housing, each must sign the anti-displacement policy and all program assurances, and each must fulfill all citizen participation requirements. Such an arrangement must be identified in advance of an application in order to permit the Secretary of HUD to grant recognition to the combination of governments as a unit of local government.
4. Where two or more eligible local governments (cities or counties) face a common community development problem, a joint application may be submitted with one local government designated as the lead applicant. To submit this type of application, the following conditions must be met:
 - a. The problem to be addressed involves joint ownership and lies in an area of contiguous or overlapping jurisdiction;
 - b. The solution to the common problem clearly requires cooperative action and is the most efficient strategy;

- c. The local governments involved must submit a signed cooperative agreement which defines who will be responsible for the administration and implementation of the grant if awarded.
 - 5. When submitting an application for a fire department/fire district, the following guidance for determining the eligible, or lead applicant is applicable:
 - a. If a fire department/fire district primarily serves an eligible community, that community is the eligible applicant.
 - b. If a fire department/fire district serves an eligible community, as well as the immediate surrounding area, then the community is the eligible applicant.
 - c. If a fire department/fire district serves an area consisting of two or more counties, then the parent county (that county in which a majority of the area of the fire district is located) is the eligible applicant.
 - d. A county is the eligible applicant for rural fire departments/districts not primarily serving an incorporated area.
- B. Eligible Applicants for Multi-Jurisdictional Housing
- 1. County wide Projects
 - a. A county may submit a multi-jurisdictional application to address housing needs throughout its jurisdiction to include incorporated cities within the county.
 - b. The county must have a written multi-jurisdictional/joint agreement with all incorporated cities within the county. The application must contain a written statement from each city that chooses not to participate in the activity.
 - c. The county must complete a county wide needs assessment and undertake actions to affirmatively further fair housing.
 - d. To fulfill the citizen participation requirements, the County must hold one public hearing no earlier than 180 days prior to submitting the grant application and one public hearing prior to grant closeout. The County will be required to publish the notice of public hearing in the county's official newspaper and in all official newspapers of each participating jurisdiction.
 - 2. Multi-County Projects
 - a. A county may submit a multi-county application to address housing needs to include incorporated cities within those counties.
 - b. The multi-county application will include a multi-jurisdictional/joint agreement executed by all participating jurisdictions to include all incorporated cities and participating counties and must include a designation of the lead county. The application must contain a written statement from each jurisdiction that chooses not

to participate in the activity.

- c. Each participating county must complete a county wide needs assessment and undertake actions to affirmatively further fair housing.
- d. To fulfill the citizen participation requirements, each County must hold one public hearing no earlier than 180 days prior to submitting the grant application and one public hearing prior to grant closeout. Each County will be required to publish the notice of public hearing in the county's official newspaper and in all official newspapers of each participating jurisdiction. (i.e., if three counties are included in the multi-county project, three public hearings will be held).

C. Types of Grants Available

Applicants may only apply for a single activity per application.

SECTION IV

Allocation of Funds

This section of the Program Distribution Statement describes the estimated allocation of funds the state will receive in FY2021.

A. Funds Available

2021 Estimated CDBG Funds Available

FY2021 Allocation	\$3,965,349
Less State Administration	118,163
Less Regional Council Contracts	61,144
Less 1% Technical Assistance	39,653
Total Allocation Available for Projects	<u>3,746,389</u>
Less Governor's Set Aside for Community Development*	<u>1,665,447</u>
Total Allocation Available for Regional Distribution	2,080,942
Plus Projected Program Income**	<u>1,000,000</u>
Funds Available for Distribution	\$3,080,942

*Any loans made with the Governor's Fund will revolve back into the Governor's Loan fund.

** All CDLF projects will be funded with CDLF Program income prior to CDBG allocation funds.

Prior to actual funding decisions and from time to time as necessary, the Estimated Funds Available for Distribution will be adjusted to reflect any unobligated and returned funds that may be available.

Program income generated by previously funded projects (from allocation funds or revolving loan funds) will be returned to the State and allocated to the region in which the project originated. The State will collect the program income and distribute it to individual regions, who will recommend funding for eligible economic development projects. For grants awarded prior to fiscal year 2000, local jurisdictions with CDLF projects are allowed to retain 25 percent of the loan interest, once the funded project has been administratively closed out. If the local jurisdiction restructures a loan that is in default, 50 percent of the loan interest may be retained from the date of restructure, if the project has been administratively closed out. For grants awarded in fiscal year 2000 and after, local jurisdictions with CDLF projects are allowed to retain 50 percent of the loan interest, once the funded project has been administratively closed out.

Should the state receive recaptured funds from the Department of Housing and Urban Development, those funds will be available for distribution during the year in which those funds are received. (Recaptured funds are funds that the Department of HUD deobligates from other States for infractions such as not meeting timely distribution of funds, disallowed cost, etc.).

Program income received and retained by a unit of general local government exceeding \$34,999 in a calendar year after grant closeout must meet a national objective and continue the activity from which such income was derived. The eligible activity is defined as any economic development project which creates or retains VL & LI jobs. Therefore, all program income above \$34,999 must be returned to the State.

B. Regional Allocations

Each region will receive a preset amount of funds. The dollar amount is derived by taking 50 percent of the total funds available for regional distribution and equally distributing that to all eight planning regions. The remaining 50 percent is divided among the regions using the latest percentage of very low and low income persons per region in comparison to the total VL & LI persons in the State of North Dakota (All Entitlement and Air Force Base LMI statistics are not included).

2021 CDBG Allocation American Community Survey 5-Year 2011-2015 Low and Moderate Income Summary Data					
Region	Total VL & LI Persons	Percent VL & LI Persons	VL & LI Persons Allocation	50% Base Allocation	Total Allocation
1	13,577	8%	82,238	130,059	213,297
2	35,191	19%	197,689	130,059	327,748
3	22,959	13%	135,261	130,059	265,320
4	13,276	7%	72,833	130,059	202,892
5	27,286	15%	156,071	130,059	286,130
6	23,558	13%	135,261	130,059	265,320
7	31,644	17%	176,880	130,059	306,939
8	15,390	8%	83,238	130,059	213,297
Total	182,881	100.00%	1,040,471	1,040,471	2,080,942
*The percentage for LMI persons were rounded to the nearest whole number.					
** Program income funds are not reflected in this total.					

C. Estimate of Funds to Benefit Low and Moderate Income Persons

Title I of the Housing and Community Development Act of 1974, as amended (HCD ACT), requires that the State must estimate the amount of funds to be used to benefit low and moderate income persons. Since the State must assure that for the three-year period 2019, 2020, and 2021, its funds benefit low and moderate income persons, the following depicts the minimum amount that must directly benefit such persons:

2021 Total Funds Available for Distribution			\$4,965,3496
Less Local Administration			<u>496,535</u>
		Subtotal	\$4,468,814
Minimum Amount Estimated to Benefit	.70 x	\$4,468,814 =	<u>\$3,128,170</u>
2020 Total Funds Available for Distribution			\$4,991,758
Less Local Administration			<u>499,176</u>
		Subtotal	4,492,582
Minimum Amount Estimated to Benefit	.70 x	\$4,492,582 =	<u>\$3,144,807</u>
2019 Total Funds Available for Distribution			\$4,955,356
Less Local Administration			<u>495,536</u>
		Subtotal	4,459,820
Minimum Amount Estimated to Benefit	.70 x	\$4,459,820 =	<u>\$3,121,874</u>

North Dakota will assure that 70 percent of the funds spent during the three-year period beginning with the 2019 program year, will be spent on projects benefiting low and moderate income persons. This will be achieved through the State's funding distribution system. Each Regional Council is required to individually meet this goal and will adjust their project review/priority ranking system and funding allocations so that each spends 70 percent of their yearly allocation on projects which meet the national objective of benefiting low and moderate income persons.

D. Grant Minimum and Maximum

Waivers may be requested for situations where one applicant is being offered the remaining funds in the allocation or the funds will be used to meet an emergency need threatening the health and welfare of a community. Minimum and maximum grant levels (excluding administration) are as follows:

<u>Public Facilities & Public Services</u>	
Minimum Amount	\$75,000.00
Maximum Amount	300,000.00
<u>Housing - Single Family</u>	
Minimum Amount	\$200,000.00
Maximum Amount	500,000.00
<u>Housing - Multi- Family</u>	
Minimum Amount	\$100,000.00
Maximum Amount	500,000.00
<u>Economic Development</u>	
Retail Sector & Tourism	

Minimum Amount	\$50,000.00
Maximum Amount	300,000.00
Primary Sector	
Minimum Amount	\$100,000.00
Maximum Amount	500,000.00
<u>Governor's Fund for Community Development</u>	
Minimum Amount	\$100,000.00
Maximum Amount	1,500,000.00

E. Limitation of Award of Funds for Economic Development Projects

Applicants who have previously received the maximum award for economic development and need additional funds for expansion, may apply for additional funds if:

1. The existing CDLF is current;
2. All other requirements of the program are met; and
3. The total outstanding at any time is not more than \$500,000.
4. On a case-by-case basis, a request for a waiver must be made to the Director of DCS to allow CDLF to be used above the maximum, with conditions being taken into consideration such as significant size of the project, and its public benefit as well as the appropriateness for the type of assistance provided.

These applications will be considered using the same criteria used for all other economic development applications.

No individual, corporation, or organization with an existing program loan or has defaulted on a loan that is not in good standing at the local and/or state levels may receive additional or new financing from the program.

F. Amendments to Program Statement Affecting the Action Plan of the Consolidated Plan as stated in the Citizen Participation Plan for the North Dakota Consolidated Plan and Annual Performance Report.

The following information must be submitted to DCS when amending Regional Program Statements:

1. The Regional Council Board or its designated committee must approve amendments to the Regional Program Statement prior to notifying cities, counties and other interested parties.
2. All cities, counties and other interested parties in the region must be notified in writing of the intended change and allow 30 days for comment. The written notice should be sent in letter or memo form.
3. A copy of the notification must be submitted to the DCS within 10 working days of the

date of the notification, along with a copy of the board approval and the minutes approving the amendment. The 15-day comment period must be completed by the application/amendment deadline of June 1, 2022.

4. Upon receipt of the intended change, DCS will forward a copy of all changes to HUD.
5. Changes to the Regional Program Statement cannot be implemented prior to the 30 day process.

What constitutes an amendment to the Action Plan? (the following are examples, but the list is not inclusive)

1. Changes to initially established grant selection criteria.
2. Funding of activities not initially identified in the Annual Action Plan.
3. Funding of an activity not identified in the Plan as a high or medium priority.

G. Amendments to Regional Program Statement for the CDBG Program as stated in the Citizen Participation Plan for the North Dakota Consolidated Plan and Annual Performance Report.

The following information must be submitted to the DCS when amending Regional Program Statements:

1. The Regional Council Board or its designated committee must approve amendments to the Regional Program Statement prior to notifying cities, counties and other interested parties.
2. All cities, counties and other interested parties in the region must be notified in writing of the changes to be made and given 15 days to respond. The written notice should be sent in letter or memo form. The 15-day comment period must be completed by the application/amendment deadline of June 15, 2022.
3. Changes to the Regional Program Statement cannot be implemented prior to notifying cities, counties and other interested parties.
4. A copy of the notification must be submitted to the DCS within 10 working days after the end of the 15-day comment period, along with a copy of the board approval and the minutes approving the amendment. If the notification is not submitted within the required time frame, the amendment will not be valid.

What constitutes an amendment to the CDBG Program? (the following are examples, but the list is not inclusive)

1. Transferring money from one emphasis area to another.
2. Modifications to deadline dates.

EXCEPTION:

Transfers without Notice

1. After scoring and ranking has occurred, transfers between funding categories that are \$20,000 and less can be made without public notice.
2. If a balance remains in a funding category, and not all applications received for that category were funded, an explanation must be provided why the applicant(s) were not offered the balance of the funds remaining.
3. Transfers without notice will be limited to two transfers per year.
4. The DCS must be notified of all transfers in writing within 10 days of the Board decision, along with a copy of the board approval and the minutes approving the transfer.

NOTE: This policy applies to allocation funds only. Revolving Loan funds can only be used for Economic Development projects.

H. Timely Distribution of Funds

One hundred percent (100%) of FY2021 CDBG funds must be obligated and announced to units of general local governments within 15 months of the State signing its grant agreement with HUD.

At the Governor's direction, any unobligated and deobligated regional allocation funds as of July 31, 2022, will be recaptured and placed in the Governor's Fund for Community Development.

Applications that are recommended for funding by the Regional Council during their initial Scoring and Ranking committee meeting must be submitted to the DCS within six months. Should a Regional Council have subsequent application rounds, these applications will be due by June 15, 2022 for the 2021 program year. Waivers to the initial six-month deadline policy may be granted on a case by case basis. The request needs to clearly state why the application(s) cannot be submitted within the six-month timeframe.

All CDBG applications and amendments must contain original signatures and be received in the DCS office by June 15, 2022 for the 2021 program year.

I. Monitoring Findings

Findings that are identified during annual systems and compliance reviews of each Regional Planning Council must be cleared within six months of the date of the monitoring visit. If the findings are not cleared, the Regional Allocation of Funds will be forfeited to the Governor's Fund for community development projects.

SECTION V

Community Development Block Grant and Community Development Loan Fund General Policies and Procedures and Statement of Assurances

This section identifies general policies and procedures that are applicable to all applicants and activities.

A. General CDBG and CDLF Policies and Procedures

1. A grant recipient must sign and return its Financial Award within 60 days of the effective date of the award, or the award may be terminated.
2. Federal funds may not be obligated prior to a Financial Award and the completion of the environmental requirements. Once a financial award has been issued but prior to completion of the environmental review requirements and receipt of a Notice of Release of Funds from the DCS, the grantee may only incur eligible administrative, engineering, and architectural costs. For Economic Development projects requiring match, match dollars that would not incur any Title I dollars can be expended up to six months prior to the date of the DCS financial award. To ensure compliance with the federal environmental regulations, consultation with the DCS should commence prior to any commitment of funds.
3. A grantee may not change the activities of an approved project without first obtaining written approval from the DCS. An amendment form must be completed for this approval.
4. If a grantee has not incurred eligible project costs for other than administrative activities within twelve months of the effective date of the Financial Award, the award can be terminated at the option of the DCS. If project dollars are deobligated, administrative funds will be deobligated proportionately. Administrative dollars will be allowed on projects that do not come to fruition. Based on documented expenses, up to 10 percent of CDBG administrative funds budgeted will be allowed.
5. The State of North Dakota is required to use the U.S. Department of Housing and Urban Development's (HUD) Integrated Disbursement and Information System (IDIS) for drawing funds and reporting accomplishments. As a result of an Inspector General's audit, HUD has enhanced IDIS to improve oversight of CDBG activities. The enhanced system requires justification along with field office approval for the following conditions:
 - Activities that have had no draws two years from the initial funding date;
 - Activities that have had no draws for a year, subsequent to the first draw for an activity;
 - Activities that have not reported accomplishments for three years;

- Activities that have 80 percent of their funded amount disbursed and no accomplishments reported;
- Activities that are cancelled after funds have been drawn; and
- Draws revised from one activity to another.

This change requires CDBG sub-recipients to proceed with projects in a timely manner:

6. **Affirmatively Furthering Fair Housing:** Each applicant must develop a positive program to affirmatively further fair housing. The application contains a section to be completed indicating what action(s) will be undertaken by the applicant if funded. The requirement to affirmatively further fair housing is a Congressional mandate which pertains to any use of CDBG/CDLF funds.
7. Reasonable fees may be charged for the use of facilities assisted with CDBG/CDLF funds, but charges such as membership fees which will have the effect of precluding lower income persons from using the facilities are not permitted.
8. If the final activity costs are less than originally funded, the amount of CDBG funds awarded and local funds will be adjusted proportionately.
9. In-kind contributions will not be considered as eligible match dollars except for land purchased within a twelve-month period prior to a grant application in association with a proposed Public Facilities activity. In-kind contributions are those that represent the value of noncash contributions provided by or to the grantee, regardless of the source.
10. The legislature adopted a moratorium on the expansion of basic care and nursing home beds and to be consistent with legislative intent (NDCC 23-09.3-01.1). CDBG funds will not be used in this area. Definitions regarding these facilities are as follows:

Long Term Residential Facilities

The cost associated with operating, maintaining or providing services through long term care (more than one year) residential facilities are not eligible.

Assisted Living

- A building or structure containing a series of at least five living units operated as one entity to provide services for five or more individuals who are not related by blood, marriage, or guardianship to the owner or manager of the entity and which is kept, used, maintained, advertised, or held out to the public as a place that provides or coordinates individualized support services to accommodate an individual's needs and abilities to maintain as much independence as possible. An assisted living facility does not include a facility that is a congregate housing facility, licensed as a basic care facility, or licensed under chapter 23-16 or 25-16 or section 50-11-01.4.

Basic Care

- A facility licensed by the department under North Dakota Century Code chapter 23-09.3 whose focus is to provide room and board and health, social, and personal care to assist the residents to attain or maintain their highest level of functioning, consistent with the resident assessment and care plan, to five or more residents not related by blood or marriage to the owner or manager. These services shall be provided on a twenty-four-hour basis within the facility, either directly or through contract, and shall include assistance with activities of daily living and instrumental activities of daily living; provision of leisure, recreational, and therapeutic activities; and supervision of nutritional needs and medication administration.

Nursing Facility

- An institution or a distinct part of an institution established to provide health care under the supervision of a licensed health care practitioner and continuous nursing care for twenty-four or more consecutive hours to two or more residents who are not related to the licensee by marriage, blood, or adoption; and who do not require care in a hospital setting.

10. Administrative funds may be requested at the following levels:

- Housing Rehabilitation and Conversion - 15 percent of CDBG project funds requested, up to a maximum of \$15,000
- Public Facilities Construction, Public Facilities in support of new Housing, Economic Development Purchase of Inventory, Economic Development Purchase of Equipment, Economic Development Acquisition of Buildings and Economic Development Purchase of Preferred Stock ¥ 10 percent of CDBG project funds requested, up to a maximum of \$10,000 and a minimum of \$1,000.
- Public Facilities Special Assessment ¥ 15 percent of CDBG project funds requested, up to a maximum of \$15,000
- Public Facilities Non-Construction - 5 percent of CDBG project funds requested, up to a maximum of \$5,000 and a minimum of \$1,000
- Economic Development Construction - 15 percent of CDBG project funds requested, up to a maximum of \$15,000 and a minimum of \$1,000.

DCS will evaluate each project individually and determine whether an adjustment in administration dollars is required.

Administrative dollars will be paid to the Recipient on a reimbursement basis on actual expenses. Supporting documentation for administrative expenses must be available in the Recipient file and may be a required submission with the Recipient's administrative Request for Funds (SFN 4630). Should the Recipient have more than one source of administrative funds, CDBG funds will reimburse the Recipient proportionally to the other funding.

The DCS will hold ten (10) percent of the authorized administrative funds until the project final report has been received and approved.

Administration dollars will be allowed on projects that do not come to fruition, based on documented expenses. The amount allowed will be determined on a case-by-case basis.

11. Income verification must be completed on 100 percent of the households receiving direct benefit from CDBG activities. Acceptable verification consists of: income tax forms for the last 12-month period or income tax forms closest to verification date, SSA 1099 forms; and State of North Dakota Department of Human Services/Social Service Income Statement. Other sources of documentation must be first approved by the DCS.

B. Statement of Assurances

The applicant hereby assures and certifies that:

1. Resolution of Authority

Its governing body has duly adopted or passed as an official act a resolution, motion or similar action authorizing the submission of the application, including all understandings and assurances contained herein, and directing and authorizing the signatory to additional information as may be required.

2. Access to Records

It will give the State of North Dakota, DCS, State Auditor's Office, and the Comptroller General of the United States, through any authorized representatives, access to and the right to examine all records, books, papers, or documents related to the grant.

3. Legal Authority

It possesses legal authority to apply for the grant and to execute the proposed project under North Dakota law and, if selected to receive a CDBG, will make all efforts necessary to assure timely and effective implementation of the project activities described in the attached application.

4. Financial Management

It will comply with the applicable requirements of Office of Management and Budget (OMB) 2 CFR Part 200 Uniform Guidance or any equivalent procedures and requirements that the DCS may prescribe. The circular is the basis for a number of specific requirements on the financial management cost principles and recordkeeping of CDBG funds. The directive applies to cash depositories, bonding insurance, recordkeeping, program income, property management, procurement, allowability of costs closeout, audit, and other requirements.

5. HUD Disclosure

It will comply with HUD Disclosure Requirements (Subpart C of 24 CFR Part 12) prior to receiving a financial award from the Division of Community Services.

6. Assessments for Public Improvements

It will not attempt to recover any capital costs of public improvements assisted in whole or part with CDBG funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless:

- a. CDBG funds are used to pay the portion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than CDBG funds; or
- b. For purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of very low income, the applicant certifies that it lacks sufficient CDBG funds to comply with the requirements of clause (a), above.

7. Citizen Participation

The applicant will:

- a. Provide for and encourage citizen participation, particularly by low and moderate income persons who reside in slum or blighted areas and areas in which CDBG/CDFI funds are proposed to be used;
- b. Ensure that citizens will be given reasonable and timely access to local meetings, information, and records relating to the unit of local government's proposed and actual use of CDBG/CDFI funds;
- c. Furnish citizens information, including but not limited to:
 - (1) The amount of CDBG/CDFI funds expected to be made available for the current fiscal year (including the grant and anticipated program income);
 - (2) The range of activities that may be undertaken with the CDBG funds;
 - (3) The estimated amount of the CDBG/CDFI funds proposed to be used for activities that will meet the national objective of benefit to LMI persons; and
 - (4) The proposed CDBG/CDFI activities likely to result in displacement and the unit of general local government's anti-displacement and relocation plans required under § 570.488.
- d. Provide technical assistance to groups representative of persons of low and moderate income that request assistance in developing proposals in accordance with the procedures developed by the state. Such assistance need not include providing funds to such groups;
- e. Provide for a minimum of two public hearings, each at a different stage of the program, for the purpose of obtaining citizens' views and responding to proposals and

questions. Together the hearings must cover community development and housing needs, development of proposed activities and a review of program performance. The first public hearing is to cover community development and housing needs and must be held no earlier than 180 days prior to submitting an application to the state. The second public hearing is to cover a review of program performance. There must be reasonable notice of hearings and they must be held at times and locations convenient to potential or actual beneficiaries, with accommodations for the handicapped. Public hearings shall be conducted in a manner to meet the needs of non-English speaking residents where a significant number of non-English speaking residents can reasonably be expected to participate. The Citizen Participation Plan and Public Notice and Notice of Public Hearing format found in the CDBG Supplement to the Action Plan is required to be adopted by each city and county.

- f. Provide citizens with reasonable advance notice of, and opportunity to comment on, proposed activities in an application to the state and, for grants already made, activities which are proposed to be added, deleted or substantially changed from the unit of general local government's application to the state. Substantially changed means changes made in terms of purpose, scope, location or beneficiaries as defined by criteria established by the state; and
- g. Provide citizens the address, phone number, and times for submitting complaints and grievances, and provide timely written answers to written complaints and grievances, within 15 working days where practicable.

8. Building Standards

The grantee must assure that activities involving new building construction, alterations, or rehabilitation comply with the State Building Code (NDCC Chapter 54-21.3), Uniform Building Code and Uniform Mechanical Code and Section 54-21.3-04.1 requires compliance with the Americans with Disabilities Act Guidelines (ADAAG). For new construction of multi-family dwellings containing four or more units, the grantee must assure compliance with the Fair Housing Accessibility Guidelines for implementation of the accessibility requirements of the Fair Housing Act.

9. Conflict of Interest

- a. Conflicts prohibited. Except for eligible administrative or personnel costs, the general rule is that no persons described in paragraph (b) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this subpart or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure and for one year thereafter.
- b. Persons covered. The conflict of interest provisions for paragraph (a) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the state, or of a unit of general local government, or of any designated public agencies, or subrecipients which are receiving CDBG funds.

- c. Exceptions: Thresholds requirements. Upon written request by the State, an exception to the provisions of paragraph (a) of this section involving an employee, agent, consultant, officer, or elected official or appointed official of the state may be granted by HUD on a case-by-case basis. In all other cases, the state may grant such an exception upon written request of the unit of general local government provided the state shall fully document its determination in compliance with all requirements of this paragraph including the state's position with respect to each factor to be considered for exceptions and such documentation shall be available for review by the public and by HUD. An exception may be granted after it is determined that such an exception will serve to further the purpose of the Act and the effective and efficient administration of the program or project of the state or unit of general local government as appropriate. An exception may be considered only after the unit of general local government has provided the following and the state has considered all factors for the exception found in 570.489 (h)(5):
- (1) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
 - (2) An opinion of the attorney for the state or the unit of general local government, as appropriate, that the interest for which the exception is sought would not violate state or local law.
- d. Factors to be considered for exceptions. In determining whether to grant a requested exception after the requirements of paragraph (c) of this section have been satisfactorily met, the cumulative effect of the following factors, where applicable, shall be considered:
- (1) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;
 - (2) Whether an opportunity was provided for open competitive bidding or negotiation;
 - (3) Whether the person affected is a member of a group or class of low or moderate income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
 - (4) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted activity in question;
 - (5) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b) of this section;
 - (6) Whether undue hardship will result either to the State or the unit of general local government or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

- (7) Any other relevant considerations.

10. Anti-Displacement

In the event an applicant is awarded CDBG funds by the State, it will:

- a. Follow a residential anti-displacement and relocation assistance plan which shall:

- (1) In the event of such displacement, provide that:

- (a) Governmental agencies or private developers shall provide within the same community comparable replacement dwellings for the same number of occupants as could have been housed in the occupied and vacant occupiable low and moderate income dwelling units demolished or converted to a use other than for housing for low and moderate income persons, and provide that such replacement housing may include existing housing assisted with project based assistance provided under section 8 of the United States Housing Act of 1937;

- (b) Such comparable replacement dwellings shall be designed to remain affordable to persons of low and moderate income for 10 years from the time of initial occupancy;

- (c) Relocation benefits shall be provided for all low or moderate income persons who occupied housing demolished or converted to a use other than for low or moderate income housing, including reimbursement for actual and reasonable moving expenses, security deposits, credit checks, and other moving-related expenses, including any interim living costs; and, in the case of displaced persons of low and moderate income, provide either:

- (i) Compensation sufficient to ensure that, for a 5-year period, the displaced families shall not bear, after relocation, a ratio of shelter costs to income that exceeds 30 percent; or

- (ii) If elected by a family, a lump-sum payment equal to the capitalized value of the benefits available under subclause (i) to permit the household to secure participation in a housing cooperative or mutual housing association.

- (d) Persons displaced shall be relocated into comparable replacement housing that is:

- (i) Decent, safe, and sanitary;
- (ii) Adequate in size to accommodate the occupants;
- (iii) Functionally equivalent; and
- (iv) In an area not subject to unreasonably adverse environmental conditions.

- (2) Persons displaced shall have the right to elect, as an alternative to the benefits under this subsection to receive benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 if such persons

determine that it is in their best interest to do so; and

- (3) Where a claim for assistance under subparagraph (1)(d) is denied by grantees, the claimant may appeal to the State, and that the decision of the State shall be final unless a court determines the decision was arbitrary and capricious.

11. Displacement and Relocation

It will minimize displacement as a result of activities assisted with CDBG funds.

It will comply with:

- a. Sections 301 and 302 of Title III (Uniform Real Property Acquisition Policy) of the Uniform Relocation Assistance and Real Property Policies Act of 1970 (as amended 1986) and will comply with Sections 303 and 304 of the Title III, and HUD implementing instructions contained in 24 CFR Part 42. The grantee must inform affected persons of their rights and of the acquisition policies and procedures set forth in the regulations of 24 CFR, Part 42 and 24 CFR 570.602(b); and
- b. Title II (Uniform Relocation Assistance) of the Uniform Relocation Assistance and Property Acquisition Act of 1970 (as amended 1986) and HUD implementing regulations of 24 CFR Part 41 and 24 CFR 570.602(a) which require the Grantee to provide relocation payments and offer relocation assistance as described in Section 205 of the Uniform Relocation Assistance Act to all persons displaced as a result of acquisition of real property for an activity assisted under the CDBG Program. Such payments and assistance must be provided in a fair, consistent, and equitable manner that ensures that the relocation process does not result in a different or separate treatment of such persons on account of race, color, religion, national origin, sex or source of income. The grantee must assure that, within a reasonable period of time prior to displacement, decent, safe and sanitary replacement dwellings will be available to all displaced families and individuals and that the range of choices available to such persons will not vary on account of their race, color, religion, national origin, sex or source of income.
- c. Where necessary, will comply with section 104(d) of the Housing and Community Development Act of 1974, as amended, which requires the replacement of low and moderate income housing units that are demolished or converted to another use in connection with an assisted activity and the provision of specified relocation assistance to certain low and moderate income persons.

12. Civil Rights

It will comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant received Federal financial assistance and will immediately take any measures necessary to effectuate this assurance. If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the applicant, this assurance shall obligate the applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal

financial assistance is extended, or for another purpose involving the provision of similar services or benefits.

13. Excessive Force Policy

The grantee adopts and will enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil right demonstrations and the grantee will enforce applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

14. Equal Opportunity

It will comply with:

- a. Section 109 of the Housing and Community Development Act of 1974 (ACT), as amended, and the regulations issued pursuant thereto (24 CFR 570.601), which provides that no person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds provided under the act;
- b. The Age Discrimination Act of 1975, as amended (42 U.S.C. 6101 et seq.) The act provides that no person shall be excluded from participation, denied program benefits or subjected to discrimination on the basis of age under any program or activity receiving federal funding assistance;
- c. Section 504 of the Rehabilitation Act of 1973, amended (29 U.S.C. 794). The act provides that no otherwise qualified individual shall, solely, by reason of his or her handicap be excluded from participation, denied program benefits or subjected to discrimination on the basis of age under any program or activity receiving federal funding assistance.

The grant recipient must complete or update a Self-Evaluation, in accordance with 24 CFR Part B of the Federal Register. An example of a Self-Evaluation guidebook will be provided upon request;

- d. Section 3 of the Housing and Community Development Act of 1968 (12 U.S.C. 170(u)) (24 CFR Part 135). Section 3 of the Housing and Urban Development Act of 1968 requires, in connection with the planning and carrying out of any project assisted under the Act, to the greatest extent feasible, that opportunities for training and employment be given to lower-income persons residing within the unit of local government or the non-metropolitan county in which the project is located, and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part, by persons residing in the project area. The grantee must assure good faith efforts toward compliance with the statutory directive of Section 3; and
- e. Executive Order 11246, as amended by Executive Orders 11375 and 12086, and the regulations issued pursuant thereto (24 CFR Part 130 and 41 CFR Chapter 60) prohibit a CDBG recipient and subcontractors, if any, from discriminating against any employee or applicant for employment because of race, color, religion, sex or

national origin. The grantee and subcontractors, if any, must take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action must include, but not be limited to, the following: employment; upgrading; demotion or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship. The grantee and subcontractors must post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause. For contracts over \$10,000, the grantee or subcontractors will send to each applicable labor union a notice of the above requirements, the grantee and subcontractors will comply with relevant rules, regulations and orders of the U.S. Secretary of Labor. The grantee or subcontractors must make their books and records available to State and federal officials for purposes of investigation to ascertain compliance.

- g. Executive Order 13166 eliminates, to the extent possible, limited English proficiency as a barrier to full and meaningful participation by beneficiaries in all federally assisted and federally conducted programs and activities.

15. Fair Housing

It will affirmatively further fair housing and will comply with:

- a. Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.), as amended. The law states that it is the policy of the United States to provide for fair housing throughout the United States and prohibits any person from discriminating in the sale or rental of housing, the financing of housing or the provision of brokerage services, including in any way making unavailable or denying a dwelling to any person, because of race, color, religion, sex, national origin, familial status or disability. CDBG grantees must also administer programs and activities relating to housing and community development in a manner that affirmatively promotes fair housing and furthers the purposes of Title VIII; and
- ix. Executive Order 11063, as amended by Executive Order 12259, requires CDBG recipients to take all actions necessary and appropriate to prevent discrimination because of race, color, religion, creed, sex or national origin; in the sale, leasing, rental and other disposition of residential property and related facilities (including land to be developed for residential use); or in the use of occupancy thereof if such property and related facilities are, among other things, provided in whole or in part with the aid of loans, advances, grants or contributions from the federal government.

16. Labor Standards

It will comply with:

- a. Section 110 of the Housing and Community Development Act of 1975, as amended, 24 CFR 570.605, and State regulations regarding the administration and enforcement of labor standards. Section 110 requires that all laborers and mechanics employed by contractors or subcontractors on construction work assisted under the Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276-a-276a-5). By reason of the foregoing requirement

the Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.) also applies. However, these requirements apply to rehabilitation of residential property only if such property is designed for residential use for eight or more families;

- i) Davis-Bacon Act, as amended (40 U.S.C. a- et seq.), Section 2; June 13, 1934, as amended (48 Stat. 948, 40 U.S.C. 276(C), popularly known as The Copeland Anti-Kickback Act. The Act mandates that all laborers and mechanics be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account except "permissible" salary deductions, the full amounts due at the time of payments, computed at wage rates not less than those contained in the wage determination issued by the U.S. Department of Labor. Weekly compliance statements and payrolls are required to be submitted to the federally-funded recipient by the contractor;
- c) Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.) According to the Act, no contract work may involve or require laborers or mechanics to work in excess of eight hours in a calendar day, or in excess of 40 hours in a work week, unless compensation of not less than one and one-half times the basic rate is paid for the overtime hours. If this Act is violated, the contract or subcontractor is liable to any affected employee for unpaid damages as well as to the United State for liquidated damages; and
- d) Federal Fair Labor Standards Act, (29 U.S.C.S. 201 et seq.). The act requires that covered employees be paid at least the minimum prescribed wage, and also that they be paid one and one-half times their basic wage rate for all hours worked in excess of the prescribed work-week.

17. EPA Listing of Violating Facilities

It will ensure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the program are not listed on the U.S. Environmental Protection Agency's (EPA) List of Violating Facilities and that it will notify the Department of Commerce of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by EPA.

18. Environmental Impact

It will comply with:

- a) Section 104(f) of the Housing and Community Development Act of 1974, as amended through 1981. This section expresses the intent that "the policies of the National Environmental Policy Act of 1969 and other provisions of law which further the purposes of such Act be most effectively implemented in connection with the expenditure of funds under" the Act. Such other provisions of law which further the purpose of the National Environmental Policy Act of 1969 are specified in regulations issued pursuant to Section 104(f) of the Act and contained in 24 CFR Part 58; and
- ii) The National Environmental Policy Act of 1969 (42 U.S.C. Section 4321, et seq. and 24 CFR Part 58). The purpose of this Act is to attain the widest use of the environment without degradation, risk to health or safety or other undesirable and unintended consequences. Environmental review procedures are a necessary part of this process. The grantee must certify that the proposed project will not significantly impact the environment and that the grantee has complied with environmental

regulations and fulfilled its obligations to give public notice of the funding request, environmental findings and compliance performance.

Its chief executive officer or other officer of applicant approved by the State:

- (1) Consents to assume the status of responsible federal official under the National Environmental Policy Act of 1969 (NEPA) and other provisions of federal law, as specified in 24 CFR Part 58, which further the purposes of NEPA, insofar as the provisions of such federal law apply to the North Dakota Community Development Block Grant Program; and
- (2) Is authorized and consents on behalf of the applicant and himself to accept the jurisdiction of the federal courts for the purpose of enforcement of his responsibilities as such an official.

19. Floodplain Management and Wetlands Protection

It will comply with:

- a. The Flood Disaster Protection Act of 1973, Public Law 93-234, 87 Stat. 975, approved December 31, 1973. Section 102(a) required, on and after March 2, 1974, the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Secretary of the Department of HUD as an area having special flood hazards. The phrase "Federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance;
- b. Executive Order 11988, May 24, 1978: Floodplain Management (42 F.R. 26951, et seq.) The intent of this Executive Order is to (1) avoid, to the extent possible, adverse impacts associated with the occupancy and modification of floodplains and (2) avoid direct or indirect support of floodplain development wherever there is a practical alternative. If the grantee proposes to conduct, support or allow an action to be located in the floodplain, the grantee must consider alternatives to avoid adverse effects and incompatible involvement in the floodplains. If siting in a floodplain is the only practical alternative, the grantee must, prior to taking an action: (1) design or modify its actions in order to minimize a potential harm to the floodplain; and (2) prepare and circulate a notice containing an explanation of why the action is proposed to be located in a floodplain; and
- c. Executive Order 11990, May 24, 1977: Protection of Wetlands (42 F.R. 26951, et seq.). The intent of this Executive Order is to avoid adverse impacts associated with the destruction or modification of wetlands and direct or indirect support of new construction in wetlands, wherever there is a practical alternative. The grantee must avoid undertaking or providing assistance for new construction located in wetlands unless there is no practical alternative to such construction and the proposed action includes all practical measures to minimize harm to wetlands which may result from such use.

20. Historic Preservation

It will comply with:

- a. Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470, as amended) through completion of the procedures outlined in 36 CFR 800 and 36 CFR 63. Compliance with these procedures should include:
 - (1) Consulting with the State Historic Preservation Office (SHPO) to identify properties listed in or eligible for inclusion in the National Register of Historic Places that exist with a proposed CDBG project's area of potential environmental impact; and
 - (2) Consulting, as needed with the SHPO, Keeper of the National Register of Historic Places, and the Advisory Council on Historic Preservation to evaluate the significance of historic or prehistoric properties which could be affected by CDBG work and to determine how to avoid or mitigate adverse effects to significant properties from project work.

21. Farmlands Protection

It will comply with the Farmland Protection Policy Act (1981) (PL 97-98, Dec. 22, 1981) (Subtitle I Sec. 1539-1554) which requires recipients of federal assistance to minimize the extent to which their projects contribute to the unnecessary and irreversible commitment of farmland to nonagricultural uses.

22. Lead-Based Paint

It will comply with Sections 1012 and 1013 of Title X of the Housing and Community Development Act of 1992. The new regulation appears within Title 24 of the Code of Federal Regulations as part 35. (24 CFR 35). The purpose of this regulation is to protect young children from lead-based paint hazards in housing that is financially assisted by the Federal government or sold by the government. This regulation applies only to structures built prior to 1978.

23. Solid Waste

It will comply with the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et seq.). The purpose of this Act is to promote the protection of health and the environment and to conserve valuable material and energy resources.

24. Air Quality

It will comply with the Clean Air Act (42 U.S.C. 7401, et seq.) which prohibits engaging in, supporting in any way or providing financial assistance for licensing or permitting, or approving any activity which does not conform to the North Dakota Air Pollution Control Rules (NDCC Article 33-15), which includes standards for asbestos and other hazardous air pollutants, and the State implementation plan for the control of air pollution.

25. Water Quality

It will comply with:

- a. The Safe Drinking Water Act of 1974 (42 U.S.C. Section 201, 300(f) et seq. and U.S.C. Section 349), as amended, particularly Section 1424(e)(42 U.S.C. Section 300H-303(e)) which is intended to protect underground sources of water. No commitment for federal financial assistance can be entered into for any project which the U.S. Environmental Protection Agency determines may contaminate an aquifer which is the sole or principal drinking water source for an area; and
- b. The Federal Water Pollution Control Act of 1972, as amended, including The Clean Water Act of 1977, Public Law 92-212 (33 U.S.C. Section 1251, et seq.) which provides for the restoration and maintenance of the chemical, physical and biological integrity of the nation's water.

26. Noise, Facility Siting

It will comply with HUD Environmental Standards (24 CFR, Part 51, Environmental Criteria and Standards and 44 F.R. 40860-40866, July 12, 1979) which prohibit HUD support for most new construction of noise-sensitive uses on sites having unacceptable noise exposure. HUD assistance for the construction of new noise-sensitive uses is prohibited in general for projects with unacceptable noise exposures and is discouraged for projects with normally unacceptable noise exposure. Additionally, projects may not be located near facilities handling materials of an explosive or hazardous nature, or in airport clear zones.

27. Wildlife

It will comply with:

- a. The Endangered Species Act of 1973, as amended (16 U.S.C. 1531 et seq.). The intent of this Act is to ensure that all federally assisted projects seek to preserve endangered or threatened species. Federally authorized and funded projects must not jeopardize the continued existence of endangered and threatened species or result in the destruction of or modification of habitat of such species which is determined by the U.S. Department of the Interior, after consultation with the state, to be critical; and
- b. The Fish and Wildlife Coordination Act of 1958, as amended, (U.S.C. 661 et seq.) which requires that wildlife conservation receives equal consideration and is coordinated with other features of water resource development programs.

SECTION VI

Final Grant Application Submission Requirements

A. Application Requirements

This section describes the application submission requirements applicable to all Public Facilities, Housing and Economic Development projects. Each region will have additional application requirements.

Each region utilizing score sheets in their review of any project will be required to submit individual review committee member's score sheets for each project recommended for funding. The score sheet must identify the board person scoring the application. The scores must be summarized and totaled, and that sheet must also be submitted to our office. A copy of the board minutes approving the project must be submitted to the DCS before the DCS will give final approval and prepare a Financial Award.

Each applicant must:

1. Provide a map which delineates the boundaries of the entire jurisdiction and identifies the location of the proposed activity. In most cases a map is not included in the business plan for economic development projects.
2. Conduct a local Community Needs Assessment in accordance with the requirements described in the application package.
3. Provide evidence that a minimum of one public hearing was conducted no earlier than 180 days prior to submitting the application to the state. A second public hearing will be required prior to grant closeout. The format is on the DCS website <https://www.communityservices.nd.gov/uploads/17/SFN52663PublicNoticeandNoticeofPublicHearing.pdf> and required to be adopted by each city and county. The evidence of public hearing must include an affidavit of publication, a list of the persons attending and minutes of the public hearing.
4. Complete the Resolution of Sponsorship.
5. Acknowledge by signature the Applicant Assurance Certifications.
6. Indicate the activity(s) it will undertake to "affirmatively further fair housing" in accordance with Title VIII of the Civil Rights Act of 1968, as amended. This activity will be made a part of the Financial Award.
7. Justify which national objective is to be achieved for each proposed activity in accordance with the definitions in Section I. Income surveys will be accepted only if they meet the following criteria:

Surveys must be completed prior to the submission of pre-applications and must be completed according to the guidelines included on the DCS website. <https://www.communityservices.nd.gov/communitydevelopment/> under additional

resources. This guidance contains complete guidelines to be used in completing income surveys.

8. Complete the requirements of Subpart C of 24 CFR Part 12 "Accountability in the Provisions of HUD Assistance." (HUD Disclosure Report on the DCS website at <https://www.communityservices.nd.gov/uploads/17/SFN52659FinalApplication.pdf>)
9. All final applications must be submitted by the deadline date identified in Section IV H. with the original signatures to the DCS.
10. A Housing Rehabilitation Program Application or a form containing equivalent information for each potential household must be submitted with the application. A Housing Rehabilitation Program Application Summary Sheet must also be submitted.
11. All multi-family housing rehabilitation applicants that participate in Project Based Assistance Programs must complete a release of information form and include it in their application.
12. Each application must contain documentation of who prepared the application, who reviewed the application with their score and who will administer the application, if already chosen. This includes Economic Development if applicable.
13. Each applicant, requesting the Removal of Architectural Barrier(s), that has not completed a Section 504 Self Evaluation/Transition Plan will be required to submit a completed plan prior to the DCS issuing a financial award. This requirement may be waived on a case-by-case basis for emergency projects. However, the community will not be allowed to draw more than 50% of the grant funds until the plan has been submitted.
14. Each applicant for removal of architectural barriers will be required to update their Transition Plan if the project applied for is not reflected in their Section 504 Self Evaluation/Transition Plan on file with the DCS.
15. For area benefit activities (i.e., Lift Station, Water Tower Repair) a copy of the United States Census Bureau (<https://www.census.gov/>) results that contain the information required to complete the Direct/Indirect Benefit Activities form must be submitted with the application.

SECTION VII

Program Design - Economic Development

The North Dakota CDLF program for Economic Development has been designed to more effectively meet the goals set by the Governor. The program is targeted to both Primary and Retail Sector business proposals which will operate within North Dakota. CDLF assistance is intended to be used in situations where a funding gap exists and alternative sources of public and private financing are not adequate.

CDLF funding can also be used for community's slum and blighted areas, including downtown façade and streetscape improvements, and limited interior improvements. The program helps communities aid in the prevention or elimination of slums or blight in a designated area.

On a case-by-case basis, a request to waive any of the policy and procedures must be approved and granted by the Division of Community Services. The Division of Community Services will have the authority to deny any economic development project that is not well conceived and fully developed. All CDLF projects will be funded with Revolving Loan funds prior to CDBG allocation of funds.

Economic Development

A. General Economic Development Policies & Procedures

1. Section 104 (j) of Title I of the Housing and Community Development Act of 1974, as amended, permits any unit of local government to retain any program income that is realized from a CDBG award. Section 104 (j) also permits a state to require as a condition that a unit of general local government shall pay to the state any program income generated, except that the state shall waive this condition to the extent that program income is applied to continue the activity from which such income was derived.

Since the North Dakota CDLF program requires that the use of funds be proposed as a loan to a business, program income will be generated in the form of loan repayments. The state requires that program income be repaid to the State. The state will permit applicants to request a waiver of this repayment requirement in order to retain program income at the local level under the following conditions:

- a. Community Development Loan Funds are being used as a match for another federal program which requires the establishment of a loan fund to which all funds must be repaid; or
- b. The Applicant desires to use program income to make loans to continue the same activity at a later date. Activity is defined as an economic development project that meets the national objective of creating jobs for low and moderate income persons. In order for a locality to request to retain program income, all of the following must occur:
 - (1) The business generating the program income must have met all special conditions of the financial award, to include the business generating the program income and the grantee must satisfy all conditions of the financial award, to

include job creation;

- (2) A final report and audit must be completed and accepted by the DCS; and
- (3) A notice of grant closeout must be issued.

Once these steps have been completed, the locality may submit a request to retain program income for future economic development projects. The locality must submit with its request a full economic development plan in accordance with the requirements of the CDLF program. The DCS will review the economic development plan for eligibility, only. The Director of the DCS will be responsible for approving and disapproving a waiver request. The DCS reserves the right to request additional documentation if needed.

- 2. Once the program income is returned it will be redistributed to the region in which the funds originated or to the Governor's Revolving Loan Fund. The program income funds will be used for economic development activities in the respective regions.
- 3. The city/county may retain 50 percent of the interest on the loan repayment after all jobs have been created and an Administrative or Final Closeout has been issued by the DCS. Until this occurs 100 percent of the interest must be returned to the State.
- 4. For a direct loan, the grantee must make provisions in the loan agreement and promissory note for the repayment of the loan by the business to the unit of general local government on a monthly basis. Exceptions to this policy will be granted by the DCS on a case-by-case basis.
- 5. A bank must be involved in financing of a CDLF project unless in a disaster situation.
- 6. Applicants may apply for loans (both interim and long term) and grants for activities which are carried out by public or private nonprofit entities, including (a) acquisition of real property; (b) acquisition, construction, reconstruction, rehabilitation, or installation of 1) public facilities (except for building for the general conduct of government), site improvements (water, sewer, roads, railroad spurs), and utilities; 2) commercial or industrial buildings or structures and other commercial or industrial real property improvements; and 3) planning.
- 7. In the event that CDLF are used to provide for the purchase of common or preferred stock, the grantee must make provisions for the redemption of the stock and repayment to the CDLF. The terms of the preferred stock arrangement must clearly indicate the par value of the stock and the dividend to be achieved before redeeming the stock.
- 8. CDLF dollars may be used to finance general operating costs. General operating costs of a business will be eligible with the exception of travel, entertainment, research and development, donations and pre-startup costs (i.e., legal fees for incorporation, consulting for business plan development). The terms of the loan will be 5 years or less (including any deferment period). The interest rate will be fixed for the term of the loan. Interest will begin accruing at the time principal payments begin. Principal and interest payments will begin 30 days after the funds are fully advanced or 24 months from the financial award date, whichever comes first.

CDLF funds will provide no more than 50% of the financing of the total operating costs up to \$500,000 for primary sector business and up to \$300,000 for retail/service/tourism businesses. All loans must be secured with assets, personal guarantees or any other reasonable source of available collateral.

Funds will be released as follows: The initial Request for Funds will be based on the projected financial needs of the business (not to exceed 2 months). Advances will be contingent upon the company meeting their projections. To receive funds, an inter-creditor agreement must be completed stipulating the criteria to be met for the advances. Any changes to the inter-creditor agreement must be done in writing and signed by all parties. Monthly financial statements will also be required and must be in accordance with GAAP. The grant administrator will be required to submit the financial statements and an analysis for funding with each Request for Funds.

9. The North Dakota CDLF Program will not assist projects that facilitate the relocation of industrial or commercial facilities within the state, unless the region finds such relocation does not adversely affect the level of unemployment, available jobs or the economic base of the area from which the industrial or commercial plant or facility is to be re-located. In order to satisfy this requirement, the grant applicant must submit sufficient evidence that:
 - a. The relocation will not have a significant economic effect on the community of original site location, and/or
 - b. The city/county of original site location cannot provide similar facilities and/or conditions as offered by the city/county where the business is proposing to relocate.
10. The cost per job for CDLF should be at or below \$35,000. Please consult with DCS.
11. Only those jobs proposed to be created within the first two years will receive consideration during the review process. The two-year period begins with the date of the financial award.
12. At least 51 percent of the jobs to be created or retained must be held or made available to low and moderate income persons or the employee resides in a census tract where no less than 70 percent of the residents are low and moderate income persons. LMI status is based on family gross income at the time of hiring. It is not based on the salary to be paid.

Each applicant is required to provide evidence that the business has contacted Job Service of North Dakota if 51% of the jobs created are not filled by low and moderate income individuals.

Where the public facility or improvement is undertaken principally for the benefit of one or more particular businesses, but where other businesses might also benefit from the assisted activity, the requirement may be met by aggregating only the jobs created or retained by those businesses for which the facility/improvement is principally undertaken, provided that the cost (in CDLF funds) for the facility/improvement is less than

\$10,000 per permanent full-time equivalent job to be created or retained by those businesses.

In any case where the cost per job to be created or retained is \$10,000 or more, the requirement must be met by aggregating the jobs created or retained as a result of the public facility or improvement by all businesses in the service area of the facility/improvement. This aggregation must include businesses which, as a result of the public facility/improvement, locate or expand in the service area of the facility/improvement between the date the recipient identifies the activity in its final statement and the date one year after the physical completion of the facility/improvement.

13. Only permanent jobs may be considered in determining proposed jobs to be created or retained. All jobs must be on a "full time equivalent (FTE)" basis. Full time is based on 32 hours per week. In converting part time jobs to full time, the applicant must indicate the hours of employment for each part time position. Jobs created prior to a Financial Award will not be counted as new jobs.

Seasonal jobs may be considered only if the business can demonstrate that the duration of the season will be long enough for the job to be considered as a person's principal occupation. Jobs taken by students who are legal dependents or by persons such as farmers and school teachers employed during their off season, cannot be considered as a principal occupation. The applicant must also demonstrate that the job itself is a permanent position. Eligible seasonal jobs must also be converted to full time equivalents. FTE must be based on hours worked and length of the season. For instance, four persons working full time for three months would equal one FTE.

14. For an activity that retains jobs, the unit of general local government must document that the jobs would actually be lost without the CDLF assistance and that either or both of the following conditions apply with respect to at least 51 percent of the jobs at the time the CDLF assistance is provided: The job is known to be held by a low or moderate income person; or the job can reasonably be expected to turn over within the following two years and that it will be filled by or that steps will be taken to ensure that it is made available to a low or moderate income person upon turnover.

Applicants proposing job retention must undertake a survey of those retained individuals to determine their household income and status as a full or part time employee. A copy of each survey must be submitted with the original application. A sample survey form is included on the DCS website.

15. An applicant may apply for economic development funds for a project that proposes to provide area benefit. This is an activity, the benefits of which are available to all the residents in a particular area, where at least 51 percent of the residents are low and moderate income persons. Such an area need not be coterminous with census tracts or other officially recognized boundaries, but must be the entire area served by the activity. Units of general local government may, at the discretion of the state, use either HUD provided data comparing census data with appropriate low and moderate income levels or survey data that is methodologically sound. An activity that serves an area that is not primarily residential in character shall not qualify under this criterion.

The project must provide goods or services to residents of an area, such that the number of low and moderate income person residing in the areas served by the assisted businesses amounts to at least one low and moderate income person per \$350 of CDLF funds used.

Where CDLF assistance for an activity is expected both to create or retain jobs and to provide goods or services to residents of an area, the grantee may elect to count the activity under either the jobs standard or the area resident's standard, but not both.

16. Refinancing of existing debt and interest buydown will not be accepted.
17. Each applicant must identify the sources and uses of matching funds. Matching funds may come from a variety of sources, such as new investments by a firm to be assisted, bank loans, loans to be repaid to a state or federal loan program, or grants. Applicants must include documentation committing matching dollars that at least indicates funds are available contingent upon the receipt of CDLF. Applicants must meet a minimum leverage requirement of 1:1. Match dollars that would not incur any Title I dollars can be expended up to six months prior to the date of the DCS financial award. To ensure compliance with the federal environmental regulations, consultation with the DCS should commence prior to any commitment of funds. For economic development infrastructure projects, a waiver of the 1:1 match will be considered on a case-by-case basis and must receive DCS approval.

The following will not be considered as match:

- a. In-kind services;
 - b. Refinancing of existing debt; and
 - c. An operating line of credit - unless it can be proved that it will be spent within the budget period.
18. All loans must be secured with fixed assets (i.e. land, buildings, and equipment), personal guarantees, or any other reasonable source of available collateral.

Applicants must include documentation for the value of the collateral offered and a description of all security positions held by lenders and any liens which may apply to the collateral.
 19. An equity investment which equals a minimum of 10 percent of the total project cost must be made by the principal(s). Unless in the case of nonprofit corporations where equity requirements may be less, however, they will be determined on their own merits. This equity requirement may be met through a direct cash injection or through tangible balance sheet equity, as defined by generally acceptable accounting principles. The equity must be available upon receipt of the full application.

Equity is defined as capital that has no guaranteed or mandatory repayment or has no definite timetable for repayment of the capital investment, and cannot be withdrawn at the contributor's option without the permission of the superior debt holders. In the event a source of grant funds is proposed as equity, the funds must be firmly committed.

20. In the process of reviewing an application and developing a funding recommendation, the applicant may be required to secure a first, shared first, or second security position on the assets, or other forms of collateral for the project. A third position may be considered, on a case-by-case basis. Approval must be requested from DCS for this to occur.
21. Each applicant must provide a signed letter of commitment from the business that upon award of CDLF to the applicant, it will locate or expand its business in the applicant's jurisdiction.
22. Applicants may request consideration of an interest free period or deferment of payments of principal and/or interest.
23. Community Development Loan Fund Terms:
 - a. Fixed Assets ¥ Up to 25 years. (Will be on a case-by-case basis)
 - b. Equipment ¥ equipment will not exceed 10 years. Under no circumstances will terms be extended longer than 15 years. The actual terms, to include any deferment of interest and/or principal, will be based on the recommendation of the staff review committee.
 - c. Inventory ¥ The loan may carry a maximum term of five (5) years, to include the deferment period.
 - d. Operating Cost Financing – The loan will be for a period of no more than 5 years to include the deferment period. Maximum participation will be \$500,000 for primary sector and \$300,000 for retail/service/tourism businesses.
 - e. Infrastructure Projects ¥ Up to 15 years. (Will be determined on a case-by-case basis)

B. Economic Development Funding Set-Asides

Primary Sector: "Primary sector business" means an individual, corporation, limited liability company, partnership, or association certified by the ND Department of Commerce Division of Economic Development and Finance, which through the employment of knowledge or labor adds value to a product, process, or service which results in the creation of new wealth.

"Primary sector business" includes tourism but does not include production agriculture.

"Production agriculture" means the production of crops and livestock on or near a farm as part of the regular farm enterprise directed by a farm operator and the farm operator's partners. The term does not include an investor-owned livestock feeding or milking operation located apart from a farm headquarters which is managed by employees.

Retail Sector: Those businesses involved in the direct sale of goods, commodities, activities, or services to the consumer. Retail also includes tourism related activities.

1. Funding Cycle

Primary and Retail - Funding cycles will remain open year-round and in accordance with timely distribution of funds listed in Section IV.

2. Infrastructure Projects - All public improvement projects funded under the CDBG Economic Development category shall procure plans, drawings and specifications for the work from a licensed architect or registered professional engineer with an estimated project cost of \$200,000 or more.

A copy of the State Health Department's letter of design approval must be submitted for all water and sewer projects prior to the first draw down of project funds.

C. Business Plan

NOTE: All business plan information and financial exhibits will be considered confidential, for evaluation purposes only, and will not, except as required by law, be provided to any third person, firm, corporation or public entity without the express written consent of the business.

Each applicant must submit a business plan for each business or entity to receive direct assistance, whether for-profit or nonprofit. Each business plan must contain sufficient information in order to obtain an adequate understanding of the business to be assisted, including the products or services offered, estimated market potential, management experience of principals, current financial posture, and details of the proposed venture. The business plan components contained in this section are required for CDLF economic development applications involving loans, grants, or public improvements directly assisting for-profit or nonprofit entities.

Applications involving more than one business will require a longer review period. Each business included in an application will be evaluated separately.

The business plan must include the following elements and must provide sufficient detail for adequate analysis:

1. Sample Business Plan Format

A well thought out business plan is important when requesting financial assistance from the North Dakota Development Fund. This outline represents a general approach; business plans should be tailored to the specific business project.

Executive Summary – should concisely describe the key elements of the business plan.

- Business location and plan description.
- Discussion of the product, market and competition.
- Expertise of the management team (attach resumes).
- Summary of historical and financial projections.
- Amount of financial assistance requested.
- Form of and purpose for the financial assistance.
- Complete uses and sources of funds.
- Business goals and objectives.

2. The Company

A general description of the business, including the product or service.

- Tax identification number.
- Historic development of the business, including such items as:
 - o Name, date and place (state) of formation, and legal structure (e.g., proprietorship, partnership, corporation).
 - o Significant changes (include dates) in ownership, structure, new products or lines, acquisitions.
 - o Subsidiaries and percentage of ownership, including minority interests.
 - o Principals and the roles they played in the formation of the company.

3. The Product/Service/Jobs-describe the present product or service lines, including:

- Relative impact of each product or service to the sales projections.
- Product evaluation (use, quality, performance).
- Compare to competitors' product lines, and competitive advantages over other producers.
- Demand for the product(s).
- General description of the project, the purpose for which it is undertaken, projected job creation, and salary/wage rates for all employees.

4. Management

- Organizational chart.
 - o Key individuals (include supervisory personnel having special value to the organization – Responsibilities).
- Personnel resumes (describing skills and experience as they relate to activities of the business).
- Present salaries (include other compensation such as stock options and bonuses).
- Other employees:
 - o Number of employees at year end, total payroll expenses for each of previous three years (breakdown by wages, benefits).
 - o Method of compensation.
 - o Departmental/divisional breakdown of work force.
 - o Planned staff additions.

5. Ownership

- Names, addresses and business affiliations of principal holders of subject's common stock and other types of equity securities (include details on holdings).
- Degree to which principal holders are involved in management.
- Principal non-management holders.
- Names of board directors, areas of expertise, and the role of the board when business is operational.
- Amount of stock currently authorized and issued.

6. Marketing Plan

- Describe the industry and the industry outlook. Identify the principal markets (commercial/industrial, consumer, government, international). Include the current industry size as well as its anticipated size in the next two years. Explain the sources of the projections.
- Describe major characteristics of the industry.

- Describe the effects of major social, economic, technological or regulatory trends on the industry.
- Describe major customers, including: names, products or services sold to each; percentage of annual sales volume for each customer over previous three years; duration and condition of contracts in place.
- Describe the market and its major segments. Describe principal market participants and their performance. Identify the firm's target market. For each customer, include the requirements of each and the current ways of filling these requirements. Also include information on the buying habits of the customers and the impact on the customer using the product or service.
- Describe the companies with which the business competes and how the business compares with these competitive companies. This is a more detailed narrative than that contained in the description of the product or service, above.
- Describe prospective customers and their reaction to the firm and any of the firm's products or services they have seen or tested.
- Marketing strategies. Describe the firm's marketing strategy, including overall strategy; pricing policy; method of selling, distributing and servicing the product; geographic penetration; field/product support; advertising; public relations and promotion and prioritization.
- Selling activities. Describe how the firm will identify prospective customers and how and in what order the firm will contact the relevant decision-makers. Also describe the sales effort the firm will have (e.g., sales channels and terms, number of salespersons, number of sales contacts, anticipated time, initial order size) and estimated sales and market share.

7. Technology

- Describe the technical status of the product (idea stage, development stage, prototype stage) and the relevant activities, milestones, and other steps necessary to bring the product into production.
- Describe the present patent or copyright position. Include how much is patented and how much can be patented (e.g., how comprehensive and effective the patents or copyrights will be). Include a list of patents, copyrights, licenses or statements of proprietary interest in the product or product line.
- Describe new technologies that may become practical in the next two years which may affect the product.
- Describe new products (derived from first generation products) the firm plans to develop to meet changing market needs.
- Describe regulatory or approval requirements and status, and discuss any other technical and legal considerations that may be relevant to the technological development of the product.
- Describe current and future plans for research and development efforts.

8. Production/Operating Plan

Explain how the firm will perform production or delivery of service. Describe capacity and status in terms of:

- Physical facilities. Owned or leased, size and location, existing facilities (sales volume and unit capacity), expansion capabilities and capital equipment (types and quantities). Include a facilities plan and description of planned capital improvements and a timetable for those improvements.

- Suppliers: Name/location of principal suppliers, length of lead time required, usual terms of purchase, contracts (amounts, duration and conditions) and subcontractors.
- Labor supply (current and planned). Number of employees, unionization, stability (seasonal or cyclical), and fringe benefits (insurance, profit sharing, pension).
- Key patents (provide profile).
- Technologies/skills required to develop and manufacture the products (provide listing/description).
- Cost breakdown for material, labor and manufacturing overhead for each product, plus cost versus volume curves for each product.
- Manufacturing processes – block and work flow diagram, if helpful.
- Describe production or operating advantages. Discuss whether they are expected to continue.
- Specify standard product costs at different volume levels.
- Present a schedule of work for the next one to two years.

9. Financial

- Accountant – name, address
- Legal counsel – name, address
- Banker – name, location, telephone number, and contact officer.
- A funding request detailing the desired financing, including uses and sources of funds. If phased financing, describe phases, projected timing and detailed uses and sources of funds.
- Amount to be raised from debt and amount from equity.
- Plans to “go public”. (Relate this to future value and liquidity of investments.)
- Company historical financial statements and tax returns for the previous three years.
- Three years projected financial statements (years one and two should be monthly; year three quarterly). Projections should include profit and loss, balance sheet and cashflow statements. Include key assumptions made in the proformas and how these assumptions reflect industry performance. Three years projected capital expenditures including leases and acquisitions.
- An aging of accounts receivable and an aging of accounts payable.
- Personal financial statements and three years of tax returns of principal(s).

SECTION VIII

Program Design - Public Facilities

The Division of Community Services will have the authority to deny any public facility project that is not well conceived and fully developed.

A. Public Facilities Special Requirements

1. Requirement for Public Improvements

All public improvement projects funded under the CDBG Public Facilities category shall procure plans, drawings and specifications for the work from a licensed architect or registered professional engineer with an estimated project cost of \$200,000 or more.

A copy of the State Health Department's letter of design approval must be submitted for all water and sewer projects prior to the first draw down of project funds.

2. Requirement for Infrastructure

All infrastructure projects will require a preliminary engineering/architectural report. This requirement may be waived on a case-by-case basis.

3. Requirement for projects purchasing equipment

No engineering/architectural report is required; however cost estimates are required.

4. Contents of a preliminary engineering/architectural report are as follows:

- (a) Name, address, telephone of the person who prepared the report.
- (b) Date the report was prepared.
- (c) Age of the existing facility (if a replacement project).
- (d) Description of the problem.
- (e) Detailed discussion of alternatives and the scope of work for the proposed activity.
- (f) Detailed cost estimate (by line item) for the proposed project. (If scope of work includes more activities than proposed for the CDBG part of the project, please separate these activities and costs.)
- (g) Discuss the long-term operation and maintenance plan for the proposed facility. Include in the discussion future operation and maintenance costs. The discussion must provide a description of the plan to technically and financially maintain the proposed public facility project, or the total system of which the project is a component, for the long term after construction.

It is highly recommended that each applicant proposing significant water, sewer or solid waste disposal activities discuss the proposed project with the State Health Department prior to submitting the preliminary engineering report in order to prevent any disagreements in the design of the solution.

B. Special Assessments for Public Improvements

1. Public improvements initially assisted with CDBG funds. Where CDBG funds are used to pay all or part of the cost of a public improvement, special assessments may be imposed as follows:
 - a. Special assessments to recover the CDBG funds may be made only against properties owned and occupied by persons not of low and moderate income. These assessments constitute program income.
 - (1) Special assessments to recover the non-CDBG portion may be made, provided that CDBG funds are used to pay the special assessment on behalf of all properties owned and occupied by low and moderate income persons; except that CDBG funds need not be used to pay the special assessments on behalf of properties owned and occupied by moderate income persons if, when permitted by the state, the unit of general local government certifies that it does not have sufficient CDBG funds to pay the assessments on behalf of all of the low and moderate income owner-occupant persons. Funds collected through such special assessments are not program income.
- ix. Public improvements not initially assisted with CDBG funds. CDBG funds may be used to pay special assessments levied against property when this form of assessment is used to recover the capital cost of eligible public improvements initially financed solely from sources other than CDBG funds. The payment of special assessments with CDBG funds constitutes CDBG assistance to the public improvement. Therefore, CDBG funds may be used to pay special assessments, provided that:
 - (1) The installation of the public improvements was carried out in compliance with requirements applicable to activities assisted under this subpart, including labor, environmental and citizen participation requirements;
 - (2) The installation of the public improvement meets a criterion for national objectives.
 - (3) The requirements of § 570.482(a)(ii) are met.

SECTION IX

Program Design - Housing

This section describes specific requirements applicable to basic Rehabilitation and New Construction Housing activities. The Division of Community Services will have the authority to deny any housing project that is not well conceived and fully developed.

A. Housing Policy and Procedures

1. Applicants are encouraged to determine the eligibility of potential household recipients by considering total net worth in addition to gross income.
2. Applicants must include in their application evidence of the following:
 - a. All residents of the city/county were notified of the availability of CDBG funds.
 - b. All eligible residents were given the opportunity to apply for program assistance.
 - c. The applicant review process was conducted in a manner which eliminates conflict of interest. This is accomplished by removing from the decision-making process anyone who is a direct applicant, or related to an applicant.
3. The Section 8 Housing Quality Standards (HQS) Checklist must be used to identify housing rehabilitation needs. All inspectors must be Section 8 HQS Certified or be an individual who has demonstrated knowledge of the State Building Code. If the inspector is not HQS certified, the application must include the inspector's qualifications demonstrating knowledge of the State Building Code. The State requires that all rehabilitation work must meet Section 8 Housing Quality Standards or the State Building Code, whichever is more restrictive. DCS may grant a waiver of the required use of the Section 8 HQS Checklist on a case-by-case basis for emergency housing repairs. This request must be submitted to the DCS along with justification.
4. For the rehabilitation of manufactured homes, the units must conform to the following requirements in order to be eligible for rehabilitation with CDBG funds:
 - a. The unit and the land it rests on are in common ownerships;
 - b. Upon completion of rehabilitation activities, the unit will be attached to a foundation which cannot reasonably be relocated, and must be placed on the site in a stable manner and be free from hazards such as sliding or wind damage.
DCS may waive these requirements when it finds, based on information provided by the grantee, that no alternative affordable housing is available for residents of such units in the community.
5. North Dakota CDBG Affordable Rent Policy for Multi-Dwelling Units
 - a. Rental units rehabilitated totally or in part with CDBG funds must be occupied by low and moderate income persons at affordable rents. Affordable rent is defined as

30 percent of the gross household income as determined by Section 8 of Title I of the Housing and Community Development Act of 1974.

- ii. A "majority" of the units in a building after rehabilitation must be occupied by low and moderate income persons at affordable rents.
- 6. In the event that financial assistance is provided to a non-low and moderate income property owner for the benefit of a low and moderate income renter, the grantee must secure a written agreement from the owner to:
 - a. Limit rent increases for five years to the rate of inflation; and
 - b. Continue to rent to low and moderate income persons for a period of five years.
- 7. In the event a city or county chooses to provide a loan for housing activities, any repayments will be retained by the State to be used to continue the same activity.

B. Creation of New Housing Units

- 1. CDBG funds cannot generally be used for the construction of new permanent residential structures or for any program to finance new construction, except for:
 - a. Last resort housing provisions in relocation;
 - b. Provision of assistance through Community Based Development Organization (CBDO); or
 - c. Activities which facilitate the development of housing, including clearance, site and public improvements, and property acquisition.

For further guidance refer to CPD Notice 07-08 dated November 21, 2007.

- 2. Detailed information must be provided concerning financial feasibility, management, tenant occupancy, start-up costs, preliminary architectural plans, cost estimates, and ownership or nonprofit data.
- 3. Any activity carried out with CDBG funds that involves the acquisition or rehabilitation of property to provide housing is considered to benefit persons of low and moderate income only to the extent such housing will, upon completion, be occupied by such persons at affordable rents. In addition, a "majority" of the units in a multi-dwelling building must be occupied by low and moderate income persons at affordable rents.

C. Relocation (temporary or permanent):

Contact the DCS for the North Dakota CDBG Displacement Policy and for information on the Uniform Relocation Act.

D. Housing Revolving Loan Fund

1. CDBG funds may be used for Housing projects that will generate program income. Single family housing rehabilitation activities will be on a grant basis only.
2. All projects being considered as a revolving loan fund project must be presented to the DCS for approval prior to the Regional Council scoring and ranking the project.
3. One hundred percent (100%) of the program income generated through loan repayments will be repaid to the State.
4. Once program income is returned, it will be redistributed for Housing activities to the region in which the funds originated.

SECTION X

Program Design - Governor's Fund for Community Development

The Governor's Fund for Community Development will be approximately \$1,659,447.

The following policies/procedures have been established to access the dollars:

1. Request for the Governor's Fund are accepted anytime throughout the year. All requests must go through their respective Regional Council. The Application/Business Plan must be reviewed and approved by the Regional Review Committee.
2. Regional Councils will submit all requests to the Division of Community Services. The proposed activity must be CDBG eligible and meet a national objective. The Program Design for Economic Development (Section VII of the CDBG PDS) must be followed.
3. The focus of the fund will be to fund primary sector projects. "Primary sector business" means an individual, corporation, limited liability company, partnership, or association certified by the ND Department of Commerce Division of Economic Development and Finance, which through the employment of knowledge or labor adds value to a product, process, or service which results in the creation of new wealth. Primary sector does not include "production agriculture."
4. The fund will also focus on retail sector projects. The definition of retail sector is: those businesses involved in the direct sale of goods, commodities, activities, or services to the consumer. Retail also includes tourism related activities.
5. The decision to fund Economic Development related project(s) will be based on the significant impact to the state's economy and must meet one of the following criteria: (1) does the project create jobs; (2) is the business viable; (3) will the project have a positive impact on the community and state; and (4) will the business create new wealth in the community and state.
6. The funds may be used to fund emergency projects and special needs housing for the homeless. The decision to fund emergency project(s) will also be based on the projects ability to alleviate an immediate health or safety concern within the community. Construction contracts cannot be executed nor can work begin on emergency projects prior to receiving the Financial Award and Environmental Release of Funds from the State.

All requests to the Governor's fund for emergency projects will include the Unit of General Local Government's (UGLG) financial statements, documentation that the UGLG has contacted other appropriate funding agencies, such as, ND Health Department's Drinking Water SRF and/or Clean Water SRF, USDA Rural Development, FEMA, etc. A preliminary engineer's report including an opinion of costs also needs to accompany the request.

7. The funds may also be used for permanent supportive housing (PSH) to address long term homelessness. The decision to fund a PSH project will be based on the project's 1) proposed impact on long term homelessness; 2) the supportive services coupled with the

housing units and; 3) demonstrated local support for the project via cash match or other forms of financial support.

8. The decision to fund existing multi-family housing project(s) will be based on a community needs assessment and/or market analysis to maintain existing stock and continue to provide decent affordable housing for low to moderate income people.
9. SFN 53734 "Governor's Fund" needs to be completed and submitted with each request for funding from the Governor's Set- Aside for Community Development.
11. Administrative funds will be awarded from the Governor's Fund based on the same formula as other CDBG projects. If funding for a project is shared by the Governor's Fund and Regional Funds, administrative funds will be pro-rated. These formulas can be found on Section V of this document.
12. The Regional Councils are not required to use their CDLF funds before the Governor's Fund is accessed. However, an analysis of the Regional Council balances will occur at the time of each request to determine the possible partnering/participation of CDLF funds with the Governor's Fund.
13. The Program Income generated from loans made through the Governor's Fund will be returned to the Governor's Revolving Loan Fund.

2021
REGION I
TRI-COUNTY REGIONAL
DEVELOPMENT
COUNCIL

PO Box 697
113 4th Street East
Williston, ND 58802-0697
Phone: 701-577-1358
Fax: 701-577-1363
TTY: 800-366-6888
ND Relay Voice: 800-366-6889
ND Relay Spanish: 800-435-8590



ALTERNATIVE FORMATS FOR DISABLED
PERSONS ARE AVAILABLE UPON REQUEST

EXECUTIVE SUMMARY

This "Regional Attachment" to the North Dakota Program Distribution Statement for the Community Development Block Grant program and the Community Development Loan Fund reflects the needs of North Dakota Planning Region I and addresses the needs of the low and Low/Moderate income residents, slum and blight removal, or the urgent needs of those counties and their resident communities.

Total FY 2021 Amount Available for Distribution:	\$213,297
Allocations by emphasis area:	
Public Facility	\$0
Housing Rehabilitation, Housing Opportunity, & Multi-Jurisdictional Program	\$213,297
Economic Development	\$0
Other Eligible Activities	\$0
Total FY 2021 Funds Available for Distribution	\$213,297

Initial new project applications will be limited to \$100,000 of CDBG project funds (excluding eligible administration). If any funds remain in the Public Facility or Housing allocations after the Scoring and Ranking, the Review Committee will consider amendment requests for the remaining balance after July 1st, 2021. All active public facilities and active housing projects will be eligible for review. Additional dollars, if available, will be allocated to projects based on demonstrated need and on a "first-come first-serve" basis. The Review Committee may review Emergency and Other Eligible Activities Supporting Economic Development proposals throughout the year at regularly scheduled bi-monthly Board Meetings.

Economic development proposals, if any, can be accepted at any time during the year and may be funded through the state revolving loan fund programs.

APPLICATION DEADLINES

Public Facility

May 14, 2021	Pre-applications due at Tri-County Regional Development Office
May 27, 2021	Presentations to Tri-County Review Committee and pre-application scoring by Tri-County Review Committee
Nov 27, 2021	Final applications submitted to DCS

Housing Rehabilitation

May 14, 2021	Pre-applications due at Tri-County Regional Development Office
May 27, 2021	Presentations to Tri-County Review Committee and pre-application scoring by Tri-County Review Committee
Nov 27, 2021	Final applications submitted to DCS

Emergency Activities

Applications are accepted at any time. Public Facility local match requirements may be waived at the discretion of the Review Committee.

Economic Development

Economic development projects, in addition to the regional funds available, may also be funded from those funds revolved from previous projects, or returned funds from other projects. Applications are accepted at any time.

Other Eligible Activities

Applications will be accepted throughout the year. Proposals will be reviewed and evaluated for potential grant or loan funding at regularly held board meetings. Recommendations for funding, if any, are subject to board approval and availability of funding.

APPLICATION SUBMITTAL

Applications for eligible activities will be accepted from eligible applicants (City or County units of government). Application forms are available at the Tri-County Regional Development Council office. Technical Assistance is available from Tri-County staff.

Conflict of Interest

In order to avoid a real or perceived conflict of interest, Review Committee members will abstain from voting on projects where the committee member represents the applicant.

Review Process

A. Public Facility, Housing Rehabilitation, Slum and Blight, Emergency and Other (CDBG)

1. A Review Committee made up of the Board of Directors of the Tri-County Regional Development Council will be empowered to evaluate and rank all pre-applications generated from North Dakota Planning Region I.
2. Following a review by Council staff, the Council's Review Committee will meet to review proposals, interview applicants, score/rank all eligible pre-applications, and invite full applications from successful entities.
3. Full applications, recommended for funding, will be sent to the ND Division of Community Services for HUD compliance review and development of the Financial Award.

B. Economic Development Applicants (CDLF)

1. An economic development "Request for Application" from eligible entities for eligible activities may be generated internally by the local government, private entrepreneur, local development corporation and/or with technical assistance from the regional council staff.

2. The Tri-County Regional Development Council Review Committee will be empowered to rank and evaluate all "Requests for Application" and "Full Applications" generated from North Dakota Planning Region I.
3. Applicants will be required to first submit a "Request for Application" for initial review by the Review Committee and only those applicants who are invited to submit "Full Applications" may be considered for funding.
4. The Review Committee will meet bi-monthly, or as needed, to consider eligible "Requests for Application" and to make recommendations on "Full Applications".
5. After reviewing "Full Applications", interviewing the applicant/entrepreneur, and hearing testimony from interested parties, the Review Committee will make its recommendation.
6. "Full Applications" recommended for funding will be sent to the ND Division of Community Services for HUD compliance review and development of contract agreements.

GENERAL GUIDELINES

It is the intent of the Tri-County Regional Development Council Review Committee to utilize unobligated allocation funds, if any, for the purpose of funding projects that are in any other allocation category, and are in need of additional funding; or if the funding allocation within that category has been depleted. Transfers of unobligated funds from one allocation category to another may be made in accordance with the State Program Distribution Statement. Although, it is anticipated that funds unobligated within any of the allocation categories will not be available, it is the intent of the Tri-County Regional Development Council to allow for other contingencies. These funds, if any, would be made available for projects based on the following definitions:

- A. Emergencies are activities needed to alleviate an immediate and urgent condition which possess a serious health, welfare or safety threat which did not become apparent or known until after the application deadline, or in the case of a funded project, where unforeseen and unexpected circumstances require additional CDBG funds which, if not available, would hinder the completion of the project. Construction contracts cannot be executed nor can work begin on Emergency Projects prior to receiving the Financial Award and Environmental Release of Funds from the State.
- B. Applications for emergencies can be submitted throughout the 2021 grant year at any time. The Review Committee will review applications.
- C. Other is for other activities which do not fit into any other category but which are eligible for CDBG assistance. Any proposal within this category must meet one of the national objectives of the program.

Application Submission Requirements

Emergency and Other Applications: The application submission requirements will be based on the type of application; if the applicant has previously applied for CDBG funds in this calendar year only limited additional information may be required.

Review and Selection Process

Emergency and Other Applications: The review and selection process will be based on the type of application; if the applicant has previously applied for CDBG funds in this calendar year only limited additional information may be required.

Scoring Criteria

Emergency and Other Applications: No point system; decisions will be subjective based on the availability of funds, need, commitment, appropriateness and benefit to low/Low/Moderate income.

Conflict of Interest

In order to avoid a real or perceived conflict of interest, Review Committee members will abstain from voting on projects where the committee member represents the applicant.

IMPLEMENTATION SCHEDULE

Public Facility

- | | |
|--------------|---|
| May 14, 2021 | Pre-applications due at Tri-County Regional Development Council office |
| May 27, 2021 | Presentations to Tri-County Review Committee and pre-application scoring by Tri-County Review Committee |
| Nov 27, 2021 | Final applications submitted to DCS. |

Housing Rehabilitation

- | | |
|--------------|---|
| May 14, 2021 | Pre-applications due at Tri-County Regional Development Council office |
| May 27, 2021 | Presentations to Tri-County Review Committee and pre-application scoring by Tri-County Review Committee |
| Nov 27, 2021 | Final applications submitted to DCS. |

Emergency Activities

Applications are accepted at any time. Emergency applications (original and one copy required) will be accepted anytime based on the availability of unobligated funds, if any.

Economic Development

"Request for Applications" and "Full Applications" for economic development proposals will be accepted at any time, although applicants should be aware that the Council staff will attempt to adhere to a deadline of at least 15 days prior to the bi-monthly Review Committee meeting. Applicants will be notified in advance if meeting dates and times change. Review Committee meetings are tentatively scheduled for the last Friday of every other month. This schedule is subject to change. Applicants may contact the Tri-County staff for more information.

PUBLIC FACILITY GUIDELINES

Application Submission Requirements

A two-step process will be utilized to determine the highest priority public facility projects in North Dakota Planning Region I. Pre-applications for public facility monies must be completed and received by the regional council by the deadline date. To apply for funding consideration, eligible applicants must complete the pre-application forms and required attachments that include:

- Application Cover Page
- Project Narrative
- Project Area Map
- Preliminary Engineer's or Architect's Report¹
- Resolution of Sponsorship
- Low/Low/Moderate Income Benefit Documentation

¹Please consult Tri-County staff for the required format.

Pre-applications for eligible activities will be accepted from eligible applicants (City or County units of government). Application forms are available at the Tri-County Regional Development Council office. Technical Assistance is available from Tri-County staff. The minimum amount an applicant may apply for is \$75,000.00.

Any public facility project which has been estimated to cost at least \$200,000 or more is required to have a set of plans, drawings, and/or specifications prepared by a licensed architect or registered engineer.

If after the completion of the pre-application review process a project is invited to submit a final application, the additional items needed to complete a final application include:

- Applicant Assurance Certification
- Fair Housing Certification
- Community Development Needs Assessment
- Firm Commitment of Other/Matching Funds
- HUD Disclosure Report
- Resolution of Excessive Force²
- Citizen Participation Plan²
- Code of Conduct
- Front Cover Sheet
- Resolution of Sponsorship
- Assistance Plan (if applicable)
- Release of Information (if applicable)
- Recommendation for Funding
- Evidence of One Public Hearing must include signed meeting minutes and Affidavit of Publication that includes the newspaper clipping
- The applicant must also have a DUNS #

¹Please consult Tri-County staff for the required format.

²The Displacement Plan, Resolution of Excessive Force, and Citizen Participation Plan are only required if the applicant has not previously submitted these documents to the ND Division of Community Services or if it has amended the plans since the original submission.

All applications recommended for funding and which meet the above requirements will be delivered to the ND Division of Community Services for a HUD and State compliance review and for final grant award agreements.

All successful applicants are required to complete a Section 504 Self Evaluation/Transition Plan prior to project closeout.

Asbestos testing is a requirement for all construction projects. It is recommended that this be done by the applicant prior to submitting an application as this can significantly change the cost of the project. Asbestos testing prior to the application is not a covered cost of CDBG.

Review and Selection Process

- A. A Review Committee made up of the Board of Directors of the Tri-County Regional Development Council will be empowered to evaluate and rank all pre-applications generated from North Dakota Planning Region I.
- B. Only proposals which meet the full requirements of the application (including minimum matching funds), and determined to be submitted by an eligible applicant for an eligible activity will be considered.
- C. Council staff will tally all "objective" scoring criteria for the pre-applications prior to being reviewed by the Review Committee.
- D. The Review Committee will hold a CDBG Review meeting at which time all proposals will be presented. Representative(s) of the applicants may be present for the Review Committee to interview and present their proposals.
- E. After all proposals have been reviewed by the committee, committee members will score all "subjective" scoring criteria for each public facility proposal. Those scores will then be totaled and averaged to determine ranking.
- F. After rankings have been determined, the committee will consider a recommended amount to award to each project according to ranking starting from highest to lowest. The committee reserves the right to adjust the amount of each award from the amount requested, and to determine the amount awarded, if any, to public facility projects as it deems appropriate.
- G. The committee will establish funding levels for each project in order of ranking, but if not enough funds are available to fund an application, the committee may:
 1. Offer to the applicant the funds remaining in the allocation, and if it is not accepted, offer the funds to the next eligible applicant in order of ranking until the funds are expended; or,
 2. The Review Committee may transfer unobligated funds to another allocation for immediate or later distribution within the guidelines of the State Program Distribution Statement; or

3. Any combination of the above

Scoring Criteria - Public Facilities

Scoring criteria will be divided into two categories; scores that are "objective" in nature and require no personal judgment and scores that are "subjective" in nature and will require personal judgment by an individual.

A. Objective Scoring (650 points Maximum)

1. Project Type: (maximum 150 points)

Installation of water and/or sewer facilities	150 Points
Rehabilitation of slum or blighted buildings	125 Points
Fire protection facilities/equipment	115 Points
Install flood & drainage facilities	95 Points
Street construction/reconstruction	80 Points
Community Center	75 Points
Construction/repair of Senior Citizen Centers	70 Points
Removal of architectural barriers	60 Points
All other eligible CDBG projects	50 Points

2. Score 2 points for each Low to Moderate percentage point above 50%. A project will be awarded two additional points for every percentage point above 50%. (maximum of 100 points)

3. Percentage of minorities living in project area – taken from most current U.S. Census Date: (maximum of 100 points)

Communities with above 76% minority population	100 points
Communities with 51% to 75% minority population	75 points
Communities with 26% to 50% minority population	50 points
Communities with below 26% minority population	25 points

4. Score 2 points for each percentage point of total project costs paid out of Local Funds or other funds. Do not include CDBG or administration funds requested. (100 points maximum)

5. CDBG cost per Low/Moderate/Low income person to benefit: (maximum 50 points)

\$250 or below	50 Points
\$251 - \$500	40 Points
\$501 - \$1,000	30 Points
\$1,001 - \$1,500	20 Points
\$1,501 - \$2,000	10 Points
\$2,001 & above	0 Points



6. Public Facilities funding received from CDBG in prior years:
(maximum of 50 points)

No Prior Funding	50 Points
5 Years Prior	40 Points
4 Years Prior	30 Points
3 Years Prior	20 Points
2 Years Prior	10 Points
1 Year Prior	0 Points

7. Project Readiness: (maximum of 100 points)

Complete plans and proof of other funding committed	100 points
Complete plans and other funds located – not committed	50 points
Complete plans and other funding not located	20 points
Other	0 points

B. Subjective Scoring (400 points Maximum)

The following criteria are guidelines for the review committee to utilize when making subjective scoring determinations with regard to public facility pre-applications. These criteria will be utilized by each of the committee members to arrive at a subjective score within the range of a maximum score of 400 points and a minimum score of 1 point.

- The degree to which the problem presents a direct threat to the public's health and safety.
- The immediacy of the problem in terms of solving it.
- Efforts of the community to alleviate the problem.
- Efforts of the community toward economic development.
- Does the community have sufficient infrastructure to support its economic development efforts.
- Does the proposed activity appear to be the most effective long-term solution to the problem.
- Is the project effective/appropriate when compared with similar projects in the region.
- Whether the proposed project is necessary to comply with court orders or State or Federal requirements.
- The need for outside financial assistance to complete the project.

Matching Funds Requirements

Due to limited funds available and to attempt to address as many of the priority projects as possible and to demonstrate a commitment by each applicant in alleviating their own problems; the Tri-County Regional Development Council will require a minimum local funding match. The match

must be committed by the applicant or the entity for which the applicant is submitting an application for and it must be in writing.

The minimum local match percentage is 25% of the total project. The applicant will be required to pay the project administration costs from their local match accordingly:

- a) 15% of approved CDBG project funds, with a minimum of \$ 5,000 per project. Project administration fees may be adjusted according to the scope of work of the project and financial condition of the applicant.

Although specific match amounts are recommended only, the local match is required to cover any applicable engineering/architectural fees and project administration costs. The engineering and/or architectural fees needs to be documented in the application for budgeting purposes.

Emergency Public Facility match requirements may be waived at the discretion of the Review Committee. Local match requirements on non-emergency project applications or amendments may be waived based on demonstrated financial hardship and at the discretion of the Review Committee. Applicants that may not have the means to meet the match recommendation for CDBG funds must provide documentation in writing demonstrating the lack of available funds.

HOUSING

HOUSING REHABILITATION

Application Submission Requirements

A two-step process will be utilized to determine the highest priority housing projects in North Dakota Planning Region I. Pre-applications for housing monies must be completed and received by the regional council by the deadline date. To apply for funding consideration, eligible applicants must complete the pre-application forms and required attachments which include:

- Application Cover Page
- Project Narrative and Objective Scoring Worksheet
- Individual Housing Applications & Summary Sheet
- For Rehabilitation Activities: (See Rehabilitation Notes Below)*
- Section 8 HQS Inspection
- Lead-Based Paint Risk Assessment
- Project Area Map
- Resolution of Sponsorship

Pre-applications for eligible activities will be accepted from eligible applicants (City or County units of government). Application forms are available at the Tri-County Regional Development Council office. Technical Assistance is available from Tri-County staff. The minimum and maximum amounts an applicant may apply for under Single Family or Multi Family projects is as follows:

Single Family Project	
Minimum	\$200,000
Maximum	\$500,000

Multi-Family Project

Minimum	\$100,000
Maximum	\$500,000

A city or county applying for financial assistance on a multi-family housing unit must include with the pre-application documentation which discloses any/all amounts held in reserve by the applicant. The amount held in reserve may determine the amount of grant the applicant can be eligible for. The Tri-County Regional Development Council may not accept and review any pre-applications for housing assistance that does not include documentation of the reserve account.

If the applicant has funds in the reserve account that are pledged for another project or activity, the applicant must provide documentation (board minutes) that discloses the planned activity and the amount obligated for the activity.

If it has been determined the applicant has funds in the reserve account to pay for some of the proposed project activities, the Board of Directors, at its discretion, may require the applicant to apply the reserve funds against the cost of the proposed project.

If after the completion of the pre-application review process a project is invited to submit a final application, the additional items needed to complete a final application include:

- Applicant Assurance Certification
- Fair Housing Certification
- Community Development Needs Assessment
- Firm Commitment of Other/Matching Funds
- HUD Disclosure Report
- Resolution of Excessive Force²
- Citizen Participation Plan²
- Code of Conduct
- Front Cover Sheet
- Resolution of Sponsorship
- Assistance Plan (if applicable)
- Release of Information (if applicable)
- Recommendation for Funding
- Evidence of One Public Hearing must include signed meeting minutes and Affidavit of Publication that includes the newspaper clipping
- The applicant must also have a DUNS #

¹Please consult Tri-County staff for the required format.

²The Displacement Plan, Resolution of Excessive Force, and Citizen Participation Plan are only required if the applicant has not previously submitted these documents to the ND Division of Community Services or if it has amended the plans since the original submission.

All applications recommended for funding and which meet the above requirements will be delivered to the ND Division of Community Services for a HUD and State compliance review and for final grant award agreements.

All housing applicants are required to complete a Section 504 Self Evaluation/Transition Plan prior to project closeout.

*Rehabilitation Notes: Housing rehabilitation applicants are advised of The Lead Safe Housing Regulation issued by the Department of HUD requiring a lead-based paint risk assessment and subsequent notification, evaluation and reduction of lead-based paint hazards in federally subsidized residential housing built prior to 1978. Applicants are advised that the Regulation will substantially increase the costs of rehabilitation activities and should conduct HQS inspections and Lead-based paint risk assessments prior to pre-application submission and/or be prepared to commit additional funding to the proposed project. Certified/licensed lead-based paint contractors are required to accomplish the work and must be identified.

Asbestos testing is now a requirement for all housing rehabilitation projects of five (5) units or more. It is recommended that this be done by the applicant prior to submitting an application as this can significantly change the cost of the project. Asbestos testing prior to the application is not a covered cost of CDBG.

Review and Selection Process

- A. A Review Committee made up of the Board of Directors of the Tri-County Regional Development Council will be empowered to evaluate and rank all pre-applications generated from North Dakota Planning Region I.
- B. Only proposals which meet the full requirements of the application process and determined to be submitted by an eligible applicant for an eligible activity will be considered.
- C. Council staff will tally all "objective" scoring criteria for the applications prior to being reviewed by the Review Committee.
- D. The Review Committee will hold a CDBG Review meeting at which time all proposals will be presented. Representative(s) of the applicants may be present for the Council to interview and present their proposals.
- E. After all proposals have been reviewed by the committee; committee members will score all "subjective" scoring criteria for each housing proposal. Those scores will then be totaled and averaged to determine ranking.
- F. After rankings have been determined, the committee will consider a recommended amount to award to each project according to ranking starting from highest to lowest. The committee reserves the right to adjust the amount of each award from the amount requested, and to determine the amount awarded, if any, to public facility and housing projects as it deems appropriate.
- G. The committee will establish funding levels for each project in order of ranking, but if not enough funds are available to fund an application, the committee may:
 1. Offer to the applicant the funds remaining in the allocation, and if it is not accepted, offer the funds to the next eligible applicant in order of ranking until the funds are expended; or,
 2. The Review Committee may transfer unobligated funds to another allocation for immediate or later distribution within the guidelines of the State Program Distribution Statement; or
 3. Any combination of the above.

Scoring Criteria - Housing

A. Objective Scores (Maximum 450 points)

1. Percent of elderly, handicapped, female headed, children under 18, or minority households residing in substandard housing in the entire project area:

More than 80%	100 Points
60.1% - 80%	75 Points
40.1% - 60%	50 Points
20.1% - 40%	25 Points
1% - 20%	0 Points

2. Percent of Low/Moderate income households to benefit:

100%	100 Points
90% - 99%	75 Points
70% - 89%	50 Points
30% - 69%	25 Points
1% - 29%	0 Points

3. Other funding sources:

Over 40% of total project cost	100 Points
30% - 39%	75 Points
20% - 29%	50 Points
Less than 20%	0 Points

4. Housing funding received from CDBG in prior years:

No Prior Funding	50 Points
5 Years Prior	40 Points
4 Years Prior	30 Points
3 Years Prior	20 Points
2 Years Prior	10 Points
1 Year Prior	0 Points

5. Project Readiness:

Complete plans/specs and proof of other funding committed	100 points
Complete plans/specs and other funds located - not committed	50 points
Complete plans/specs and other funding not located	20 points
Other	0 points

B. Subjective Score (maximum 300 points)

The following criteria are guidelines for the review committee to utilize when making subjective scoring determinations with regard to housing pre-applications. These criteria will be utilized by each of the committee members to arrive at a subjective score within the range of a maximum score of 300 points and a minimum score of 1 point.

The degree to which the housing conditions present a direct threat to health and safety of the occupants and the public.

- Efforts of the community to alleviate the problem.
- Efforts of the community toward economic development.
- Does the community have sufficient infrastructure to support its economic development efforts.
- Is the project effective/appropriate when compared with similar projects in the region.
- The need for outside financial assistance to complete the project.

C. Bonus Subjective Scoring (25 points)

The following questions reflect areas that have been targeted as priorities by TCRDC. Project applications addressing the described priorities may be awarded up to 25 bonus points.

Does the project assist with home ownership activities?
Does the project assist in writing down land acquisition and/or preparation costs for the construction of affordable rental housing projects and planned unit developments for low/moderate income households?

Does the project emphasize:

- Making single family homes and apartments handicap accessible where needed,
- Modernize single family homes owned by the elderly, or
- Rehabilitate rural single and multi-family housing?
- Is the project designed to comply with the State Building Code and State Energy Code if the use of funds is for new construction?

Matching Funds Requirements

Due to limited funds available and to attempt to address as many of the priority projects as possible and to demonstrate a commitment by each applicant in alleviating their own problems; the Tri-County Regional Development Council will recommend a local funding match.

The local match may be required to fully cover any/all engineering/architectural costs and project administration costs of the project.

The applicant will be required to pay the project administration costs accordingly:

- a) 15% of approved CDBG project funds, with a minimum of \$ 5,000 per project. Project administration fees may be adjusted according to the scope of the project and financial condition of the applicant.

ECONOMIC DEVELOPMENT GUIDELINES

Application Submission Requirements

Applications for Community Development Loan Funds (CDLF) will be accepted anytime during 2021. A two-step process will be utilized to determine the best primary and/or retail sector projects in North Dakota Planning Region I. A "Request for Application" for economic development monies must be completed by an eligible applicant for a loan directly to the government entity, local development corporation or private developer. A bank must be involved in all CDLF projects. To apply for funding consideration, eligible applicants must complete the "Request for Application" forms and required attachments which include:

- Application Cover Page
- Preliminary Staffing Plan
- Source and Use of Funds Statement
- Proposed Security Position
- Principal's Proposed Equity Investment

Application Submittal

Applications for eligible activities will be accepted from eligible applicants (City or County units of government). Application forms are available at the Tri-County Regional Development Council office. Technical Assistance is available from Tri-County Staff.

If after the completion of the "Request for Application" review process a project is invited to submit a "Full Application", the additional items needed to complete that application include:

- Full Business/Marketing Plan
- Personal Financial Statement
- Commitment to Locate in Planning Region I
- Firm Commitment of Other/Matching Funds
- Resolution of Sponsorship
- Evidence of One Public Hearing
- Fair Housing Certification
- Applicant Assurance Certification
- Community Development Needs Assessment
- HUD Disclosure Report
- Proposed Grant Administrator and Qualifications
- Citizen Participation Plan¹
- Resolution of Excessive Force Plan¹

All full applications recommended for funding and which meet the above requirements will be delivered to the ND Division of Community Services for a HUD and State compliance review and for final loan agreements.

Review and Selection Process

- A. The Tri-County Regional Development Council Review Committee will be empowered to rank and evaluate all "Requests for Application" and "Full Applications" generated from North Dakota Planning Region I.
 - B. Applicants will be required to first submit a "Request for Application" for initial review by the Review Committee.
 - C. Only proposals which meet the minimum State and/or HUD requirements in the "Request for Application" and are determined to be submitted by an eligible applicant for an eligible activity and are concluded to be a viable economic venture will be invited to submit a "Full Application". A Bank must be involved in the CDLF project.
 - D. The Review Committee will meet to consider eligible "Requests for Application" and to make recommendations on "Full Applications".
 - E. After reviewing "Full Applications", interviewing the applicant/entrepreneur and hearing testimony from interested parties the Review Committee will make its recommendation.
- ¹The Displacement Plan, Resolution of Excessive Force, and Citizen Participation Plan are only required if the applicant has not previously submitted these documents to the ND Division of Community Services or if it has amended the plans since the original submission.
- F. After discussing the proposal with representative(s) of the applicant, as well as, consideration of subjective scoring criteria the Review Committee may:
 - 1. Approve the project as proposed;
 - 2. Approve with modifications or conditions;
 - 3. Withhold a decision until a later date;
 - 4. Request additional information;
 - 5. Deny the request; or
 - 6. Any combination of the above.

Evaluation Criteria - Economic Development

The Review Committee will use no structured scoring system; decisions will be subjective and will be based on the following criteria:

- Financial Strength of the Proposal
- Probability of Monetary Success
- Likelihood of Loan Repayment
- Need and Appropriateness for Funds
- Strength of Management Person/Team
- Potential Success in Marketing
- Past Expertise and Experience
- Benefit for Job Creation
- Degree of benefit to the local economy
- Benefit to low/moderate income persons

ALLOCATION OF FUNDS

Allocation amounts for each planning region in North Dakota are estimates and subject to change; and amounts may be transferred to other emphasis areas as the regional council and/or Governor determines to be proper. The level of funds awarded and terms and conditions from what is requested by individual applicants are subject to change by the Review Committee of the Tri-County Regional Development Council.

Initial funding targets for the North Dakota Planning Region I are as follows:

Total FY 2021 Amount Available for Distribution:	\$213,297
Allocations by emphasis area:	
Public Facility	\$0
Housing Rehabilitation, Housing Opportunity, & Multi-Jurisdictional Program	\$213,297
Economic Development	\$0
Other Eligible Activities	\$0

Total FY 2021 Funds Available for Distribution	\$213,297
--	-----------

Funds may be designated, but not beyond the requirements of the Governor, within the allocation limits for the following activities:

- A. Public Facilities, Housing, and Other - Eligibility, activities and projects as described in the State Action Plan.
- B. Economic Development - Eligibility, activities and projects as described in the State Action Plan.
- C. Unobligated - Unobligated funds within all allocation categories, if any, may at the option of the Tri-County Regional Development Council Board and in accordance with the State Program Distribution Statement be used for housing, public facilities, economic development, emergency projects, and other activities that are eligible for CDBG assistance.

If you require special arrangements under the Americans with Disabilities Act, contact either the Tri-County Regional Development Council at (701) 577-1358; the State Relay Service at 1-800-366-6888 or 711 (TTY); the State Relay Service at 1-800-366-6889 or 711 (Voice); or the State Relay Service at 1-800-435-8590 or 711 (Spanish).

2021

REGION II

SOURIS BASIN PLANNING COUNCIL

PO Box 2024
18 2nd St NE
Minot, ND 58702
Phone: 701.255.1982
info@sourisbasin.org
Website: sourisbasin.org
TTY: 800.366.6888
ND Relay Voice: 800.366.6889
Spanish: 800.435.8590



ALTERNATIVE FORMATS FOR DISABLED
PERSONS ARE AVAILABLE UPON REQUEST

If you have an emergency or urgent project, please call SBPC right away to discuss options and eligibility.

ALLOCATION ESTIMATES

Public Facilities 327,748

Allocations to one or more categories may be adjusted by \$20,000 without notice and at the sole discretion of the SBPC Board of Directors, in compliance with the ND CDBG Program Distribution Statement, Section IV.

SCHEDULE

Applications for emergency/urgent and general Economic Development projects will be accepted any time. Please contact SBPC for application requirements. All other applications must abide by the following schedule:

February 25, 2021	Public Hearing	9:30 am Virtual
March 31, 2021	CDBG Workshop	Available online
April 14, 2021	CDBG Q&A Session 1	9:00 am Virtual
April 29, 2021	CDBG Q&A Session 2	9:00 am Virtual
June 23, 2021	Pre-applications due *	3:00 pm SBPC office
August 11, 2021	Presentations & scoring	3:00 pm SBPC office
August 13, 2021	Invites for full applications	
November 19, 2021	Full applications due *	3:00 pm SBPC office
February 11, 2022	Applications will be submitted to the State no later than this date	

*Time extensions may be requested in writing to SBPC. Requests must state unusual or unavoidable circumstances for consideration.

It is anticipated that awarded projects may begin in early 2022. No project work or construction contracts shall be executed or begin without a Financial Award and a Release of Funds.

SBPC will implement the following schedule if a second application round is necessary: Pre-applications due 3/11/2022 at 12:00 pm CST; Presentations & scoring 4/13/2022; Invitation to complete full application 4/15/2022; and full applications due 5/20/2022.

KEY CONTACT INFORMATION

Public Facilities, Housing, Urgent Need, and general program questions	Emily	emily@sourisbasin.org
Economic Development projects	Briselda	briselda@sourisbasin.org

CONFLICT OF INTEREST

All officers, directors, delegates, council members, committee members and employees of SBPC and its committees shall avoid conflict, whether real or perceived, between individual, professional, or business interests and the decision-making capacity of SBPC.

In the event that any officer, director, delegate, council member, committee member or employee has any direct or indirect interest or relationship with any individual or organization proposing to enter into transaction with SBPC or its committees, such person shall give notice and shall thereafter refrain from voting on the transaction in which he or she has an interest and from otherwise exerting influence in any way on SBPC to affect a decision to participate or not participate in such a transaction.

ELIGIBILITY & REQUIREMENTS

Eligible applicants include incorporated cities and counties located in North Dakota Planning Region 2. Cities and counties may serve as project sponsor to a non-eligible entity.

Pre-applications are available at www.sourishasin.org/cdbg. Technical assistance is available from SBPC staff. Only those applications that are complete, meet the full requirements, and are determined to be eligible for funding will be presented for review.

The SBPC Executive Board of Directors will evaluate and score all applications, unless otherwise noted, and at its discretion, may offer applicants less than the requested funds.

Project Requirements

1. Each project must meet a national object and propose an eligible activity to be eligible.
2. At least one representative (elected official or key employee) of an applying entity must complete the CDBG Workshop webinar and questionnaire as a part of the application process. **
3. Projects must be completed in full and will not receive funding for partial completion of a project.
4. Upon submission of a full application, the project must be ready to begin in 4 months or less.
5. Administrative funds are 15 percent of CDBG funds granted and must be paid for with non-CDBG funds. (See exception for Economic Development – Local Foods Projects)
6. Each project must include a budget for Environmental Reviews by a subject-matter expert and must be paid for with non-CDBG funds. An environmental review is the process of reviewing a project and its potential environmental impacts to determine whether it meets federal, state, and local environmental standards. The environmental review process is required for all HUD-assisted projects to ensure that the proposed project does not negatively impact the surrounding environment and that the property site itself will not have an adverse environmental or health effect on end users. Not every project is subject to a full environmental review (i.e., every project's environmental impact must be examined, but the extent of this examination varies), but every project must comply with the National Environmental Policy Act (NEPA), HUD Environmental Review Procedures 58.5 and 58.6, and other related Federal and state environmental laws.
7. Housing and Public Facilities projects must have plans, drawings and specifications by a licensed architect or engineer and shall be paid for with non-CDBG funds. ***

8. Economic Development Projects

- a. A bank must be involved in the financing of a project unless in a disaster situation.
- b. Loans must be secured with fixed assets, personal guarantees, or any other reasonable source of available collateral.
- c. The cost per job shall not exceed \$35,000.
- d. Must create and/or save permanent jobs.
- e. 51 percent of jobs created or saved must be held by or made available to low- and moderate-income persons.
- f. 1:1 leverage match.
- g. 10 percent equity investment.

**Emergency and urgent need projects are excused from this requirement.

***Applicants may request a waiver to use CDBG funds. These requests must be sent in writing with the pre-application and show significant financial hardship to be considered. Additional documents that may be required for consideration include financial reports, bank statements, etc.

Final applications will be reviewed by SBPC employees for accuracy and submitted to the North Dakota Division of Community Services (DCS) for compliance review and development of grant agreements. Final applications must not deviate from the pre-application in scope, matching funds, or implementation schedule.

Project Activities, Guidelines and Examples

1. Emergency or urgent need projects include activities alleviating an immediate and urgent condition that poses a serious health, welfare, or safety threat, resulting in the inability of a community to provide essential and basic services. At a minimum, the threat cannot have occurred or become apparent more than 18 months prior to submission of an application.

No point system will be used for emergency or urgent applications. Funding will be requested from the Governor's Fund. DCS will determine eligibility and appropriateness based on availability of funds and need. Funding will be at the discretion of the Governor's office and DCS. Applicants must provide evidence that it is unable to finance the activity on its own and other sources of funding are not available. Construction contracts cannot be executed nor can work begin on emergency projects prior to receiving the Financial Award and Environmental Release of Funds from the State.

2. Public Facilities are eligible activities, as described in the State PDS, to include:
 - a. city or county infrastructure installation or rehab (e.g. water towers, lagoons, lift stations, trunk infrastructure, streets, etc.) CDBG is not eligible for city or county government use facilities unless it is a removal of architectural barrier.
 - b. public safety (e.g., fire halls, trucks, ambulances, and related equipment)
 - c. removal of architectural barriers (see further description below)
3. Housing eligible activities, as described in the State PDS, to include:
 - a. Single-family housing rehabilitation
 - b. Projects addressing multi-family housing, including rehabilitation or repair; or eligible costs for new construction to provide affordable housing.

4. Removal of architectural barriers are special projects conducted in publicly and privately owned, non-residential buildings and facilities to improve the mobility and accessibility of elderly persons and/or persons with disabilities.

Each applicant for removal of architectural barriers will be required to update their Transition Plan if the project applied for is not reflected in their existing Section 504 Self Evaluation/Transition Plan on file.

5. Economic Development projects are funded through the Community Development Loan Fund (CDLF) program and will be treated as an interest-bearing loan.

Applicants shall submit a loan application and SBPC employees will review applications for accuracy. Only those that meet the full requirements and are determined eligible will be presented to the Souris Basin Loan Review Committee (SBLRC).

The SBLRC reviews and evaluates all loan applications and makes recommendations to the SBPC Executive Board of Directors. Upon review and recommendation of funding for an application, applicants will be invited to submit a full CDBG application.

Decisions of the SBLRC will be subjective based upon expertise, employee input, application content, review of the credit memo and risk rating, and DCS guidance.

Local Foods Projects

SBPC has identified projects improving and maintaining access to fresh and healthy foods a priority of economic significance for rural communities for this funding cycle. Economic development projects improving or maintaining access to fresh and healthy foods may be submitted at any time and may be eligible for grant funding up to \$50,000. Determination will be made on a case-by-case basis. These projects shall apply using the CDBG Pre-application and will be reviewed by the Board of Directors. An administrative fee of 10 percent of the total project costs will be charged, not to exceed \$10,000. The administrative fee may be paid through CDBG funds.

6. Other activities which do not fit into any other category, but which are eligible for CDBG assistance.

Project Scoring

LMI projects must benefit at least 51 percent low- and moderate-income persons to be eligible. To determine if your project meets this national objective, please contact SBPC.

Objective Scoring Criteria for LMI projects	Maximum Points
Percentage of LMI benefit: 1 point for every percentage of LMI benefit ***	100
Total population to benefit (based upon most recent census or income survey)	
25 individuals or less	10
26-100 individuals	30
101-500 individuals	50
501+ individuals	70

Matching funds: 1 point for each percentage of non-CDBG funds	50
Public Facilities project	50
Housing project	30
Other eligible CDBG activity	10

***Projects exclusively benefiting low- and moderate-income persons, senior citizens, persons with disabilities or removal of architectural barriers will receive 100% LMI benefit. All housing projects will receive points based upon a targeted benefit.

Subjective Scoring Criteria for all projects	Maximum Points
Project appropriateness; effective, long-term solution	30
Past performance, communication and/or responsiveness	10
Commitment to project (matching funds, likeliness of completion, etc.)	20
Readiness, community and regional benefit, public health and safety benefit	40

ALLOCATIONS, ADJUSTMENTS AND TRANSFERS

After project scoring is complete, the SBPC Executive Board of Directors will consider the amount of the recommended award for each project according to ranking. The SBPC Executive Board of Directors reserves the right to adjust the amount of each award from the amount requested as it determines appropriate, and to apply conditions to the award. Lower-ranked projects requesting more funding than what is available are not entitled to grant awards even if funds remain in the category. The SBPC Executive Board of Directors may retain or transfer the balance of allocated funds to any category for current or future applicants, including emergency and economic development projects.

If, after making its award recommendations, funds remain in one or more categories, the SBPC Executive Board of Directors may, in no particular order:

1. Offer all or part of the remaining allocation to applicants in order of ranking until all or part of the allocation is obligated,
2. Transfer all or part of the unobligated balance of the allocation to another category,
3. Retain the unobligated balance for future awards in the same category or transfer to another category,
4. Award all or part of the remaining allocation to an open project, or
5. Any combination of the above.

2021

REGION III

NORTH CENTRAL PLANNING COUNCIL

PO Box 651
Devils Lake, ND 58301
Phone: 701-662-8131
Fax: 701-662-8132
sandyncpc@gondtc.com
www.northcentralplanningcouncil.com
TTY: 800-366-6888
ND Relay Voice: 800-366-6889
Spanish: 800-435-8590



ALTERNATIVE FORMATS FOR DISABLED
PERSONS ARE AVAILABLE UPON REQUEST

ALLOCATION OF FUNDS

The following are based on the actual amount of funds available from the North Dakota Division of Community Services (DCS).

2021 Regional Funds Available	\$269,321
Allocated as follows:	
Housing	\$ 0
Public Facilities	\$269,321
Main Street Slum & Blight	\$ 0

Other Funds Available – Economic Development CDLF projects, based on Region III fund balance.

Eligible projects and activities include those described in the 2021 State Program Distribution Statement.

Application Information

Any county or city having questions on the eligibility of a project may contact North Central Planning Council staff.

Pre-application and final application forms may be obtained from:

North Central Planning Council
417 5th St NE
PO Box 651
Devils Lake, ND 58301
Telephone - 662-8131

Or from the NCPC website at: <http://www.northcentralplanningcouncil.com/cdbg-forms.html>

IMPLEMENTATION SCHEDULE

Public Facilities and Housing

April 1, 2021	Pre-Applications available (online and by request).
June 18, 2021	Submission deadline for pre-applications (original and one copy must be postmarked on or before deadline date).
August 19, 2021	Pre-applications will be reviewed, scored, and recommended funding amounts determined.
August 27, 2021	Applicants notified of results.
February 19, 2022	Final applications due to ND Department of Commerce Division of Community Services.

Emergency Projects

Open Applications for Emergency will be accepted any time.

Economic Development

Open Applications for Economic Development will be accepted at any time. Economic Development Projects, when approved, are funded through the Community Development Loan Fund (CDLF).

GOALS AND REQUIREMENTS

North Central Planning Council has established goals and requirements for each emphasis area. To be eligible to receive funding, pre-applications and notices of intent must address at least one of the program goals, be an eligible activity and meet a national objective.

HOUSING

- | | |
|--------------|--|
| Goals | <ol style="list-style-type: none">1. Site preparation for new low-income units.2. Acquisition and site preparation for multi-family units.3. Activities that support construction of new single family LMI housing (site work, utility hook ups etc.)4. Rehabilitation of single family and multi-family units. |
| Requirements | <ol style="list-style-type: none">1. \$100,000 minimum for City/County Multi-family projects.2. \$200,000 minimum for City/County Single Family projects.3. 100% benefit to LMI for single family housing rehab. All others must be at least 51% LMI.4. No local match required.5. Engineering/Architectural costs, when present, and CDBG administration are to be paid by grant recipient. Administrative costs will be 15% of total project costs with a minimum of \$15,000.**6. The project must conform to all "lead base paint" requirements in place at the time of the award. Lead testing is a requirement for all construction projects. It is recommended that this be done by the applicant prior to submitting an application as this can significantly change the cost of a project.7. Asbestos testing is a requirement for all construction projects. It is recommended that this be done by the applicant prior to submitting an application as this can significantly change the cost of the project. Asbestos testing prior to the application is not a covered cost of CDBG.8. Removal of Architectural Barriers (handicapped accessibility) projects require a Section 504 self-evaluation transition plan be submitted with the pre-application.9. Housing quality standards inspection forms and resident income verification forms are required with a pre-application. |

PUBLIC FACILITIES

- | | |
|--------------|---|
| Goals | <ol style="list-style-type: none">1. Upgrade infrastructure (i.e., water, sewer, or community facilities).2. Expand infrastructure where growth takes place.3. Removal of architectural barriers. |
| Requirements | <ol style="list-style-type: none">1. CDBG funds are grant funds.2. At least 51% benefit to LMI, special assessments or limited clientele.3. \$75,000 minimum.4. No local match required.5. Engineering/Architectural costs, when present, and CDBG administration are to be paid by grant recipient. Administrative costs will be 10% of total project costs, with a minimum of \$7,500.**6. Asbestos testing is a requirement for all construction projects. It is recommended that this be done by the applicant prior to submitting an application as this can significantly change the cost of the project. Asbestos testing prior to the application is not a covered cost of CDBG.7. Removal of Architectural Barriers (handicapped accessibility) projects require a Section 504 self-evaluation transition plan to be submitted with the pre-application. |

ECONOMIC DEVELOPMENT

- | | |
|--------------|---|
| Goals | <ol style="list-style-type: none">1. Job creation (primary sector, retail, tourism)2. Value-added manufacturing activities3. Diversification4. Retention and expansion of existing business5. Use of vacant buildings/facilities |
| Requirements | <ol style="list-style-type: none">1. Grant and/or loan funds available for economic development.2. Retail Sector & Tourism - \$50,000 minimum, \$300,000 maximum as funds allow.3. Primary Sector - \$100,000 minimum, \$500,000 maximum as funds allow.3. 10% owner equity required.4. 1:1 match requirement.5. Grant funds available at the discretion of the NCPC/CDLF Review Board6. Administration of 10%, minimum \$5,000; Economic Development Construction - 15% of CDBG project funds requested. |

SLUM AND BLIGHT – Economic Development

APPLICATIONS FOR NEW SLUM AND BLIGHT MAIN ST. PROJECTS WILL NOT BE TAKEN IN 2021

URGENT NEED

Urgent need and all other application submission requirements will utilize the submission requirements and deadlines established for public facilities and housing projects, depending on project type. Eligible activities in this category are those that demonstrate an immediate threat to health and safety.

EMERGENCY PROJECTS

Eligible activities in this category are those that alleviate a condition that poses a serious health, welfare, or safety threat or that may result in a loss of jobs and/or the inability of the community to provide essential services to its jurisdiction area. The project will need to meet the eligibility requirements and have concurrence that the project constitutes an Emergency Project from the North Dakota Division of Community Services (DCS). No funding is set-aside for Emergency Projects. However, funding for an Emergency Project may be allocated at the time of the application from funding unallocated, returned funds, or funds transferred from another emphasis area. Funding decisions including transfer from one allocation to another will be made by the Executive Board at their monthly meeting. CDBG funding for emergency projects can be up to 100% of the total project. Emergency Public Facility match requirements may be waived at the discretion of the Review Committee.

Construction Contracts cannot be executed nor can work begin on Emergency Projects prior to receiving the Financial Award and Environmental Release of Funds from the State.

****Applicants must request a waiver to use CDBG funds. These requests must be sent in writing with the pre-application and show significant financial hardship to be considered. Additional documents that may be required for consideration include financial reports, bank statements, etc.**

TRANSFER OF FUNDS

The transfer of allocations from one funding category to another is allowed as needed and will follow the requirements and guideline of the State PDS.

GRANT APPLICATION GUIDELINES

A. Housing and Public Facilities

1. Applicants will submit a pre-application by June 18, 2021. To be in consideration, the minimum requirements of a pre-application must be met.
2. Applicants who have been invited for a full application may add to the proposal shown in the pre-application, but only if the addition is within the same emphasis area, addresses the same problem and the amount of CDBG funds is not increased to more than identified in the pre-application.
4. Public facilities pre-applications should include a preliminary architect/engineering report as required by state law. If an architect or engineer is not used and a report is not included, the applicant must state the reasons why. All public facility projects exceeding \$200,000 must comply with the North Dakota Program Distribution Statement.
5. Engineering/architectural costs, when present, and CDBG Administration are to be paid by local funds.

6. Asbestos testing is a requirement for all construction projects. It is recommended that this be done by the applicant prior to submitting an application as this can significantly change the cost of the project. Asbestos testing prior to the application is not a covered cost of CDBG.
7. Removal of Architectural Barriers (handicapped accessibility) projects require a Section 504 self-evaluation transition plan to be submitted with a pre-application.
8. Housing projects require housing quality standards inspection forms and resident income verification forms are required with a pre-application.
9. Housing projects must conform to all "lead base paint" requirements in place at the time of the award. Lead testing is a requirement for all construction projects. It is recommended that this be done by the applicant prior to submitting a pre-application as this can significantly change the cost of a project.

GRANT REVIEW AND SELECTION PROCESS

A. Public Facilities and Housing

1. The NCPC Executive Board will serve as the CDBG Review Board. Prior to Scoring and Ranking, each member of the CDBG Review Board will sign a "Conflict of Interest Disclosure." The disclosure states that if they have a conflict of interest with any application being reviewed, that they do not take part in the ranking or discussion of that application.
2. The CDBG Review Board will be responsible for reviewing, scoring, ranking, and making grant award recommendations.
3. Upon receiving proposals, Council staff will review each for eligibility and completeness prior to the CDBG Review Board meeting on August 19, 2021. Proposals must meet all requirement of the pre-application to be reviewed.
4. Representative(s) of applicants will be given the opportunity to present their proposal to the Board at the meeting, with up to 10 minutes each for presentations and questions from the committee and staff.
5. After all proposals have been reviewed by the Ranking Committee, the Board Members will score each application with points and formulas described in the scoring and ranking criteria section.
6. After rankings have been determined, the Board will consider the amount requested for each project according to ranking. The Board reserves the right to adjust the amount of each award from the amount requested as it determines appropriate.
7. The Board will establish funding levels for each project in order of ranking, if there are not enough funds are available to fund an application, the Board may:

- a. Offer to the applicant the funds remaining in the allocation, and if it is not accepted, offer the funds to the next eligible applicant in order of ranking until the funds are expended; or
 - b. Adjust the regional allocation to reflect needs by emphasis area on the timeline permitted by the State Program Distribution Statement.
- 8. Pre-applicants recommended for funding will be invited to submit final applications. Final applications which staff determines are different to the extent that the pre-application score may be reduced will be re-scored, re-ranked and funding levels altered as the Board deems necessary.
- 9. If an applicant fails to meet the requirements of the full application within a reasonable period of time (typically 90 days from notification), the CDBG Review Board reserves the right to withdraw its recommendation of funds and recommend to another suitably ranked project.
- 10. All final applications recommended for funding will be delivered to the Division of Community Services for review as to their compliance with Federal and State requirements and for final Financial Award.
- 11. The City or County has the responsibility to obtain a lead-based paint and asbestos certified contractor and risk assessor. If one is not available, the County or City must relinquish their grant allocation back to CDBG to fund other eligible projects.

B. Economic Development

- 1. Funding recommendations under the economic development allocation, to be called the North Central Community Development Loan Fund (NCCDLF) will be made by the North Central Planning Council CDLF Review Board.
- 2. Prior to submitting a full-application, applicants must submit a Request for Financial Assistance and required documents to North Central Planning Council to be reviewed by staff to determine eligibility. If eligible NCPC Staff will prepare the project for the Review Board.
- 3. The NCPC-CDLF Review Board will meet as needed to review all final and complete applications. The applicant will be adequately notified of the time and place of the meeting.
- 4. Prior to consideration by the CDLF Review Board of the final application, staff will review the final application and prepare recommendations regarding denial or approval, terms, conditions, and other matters.
- 5. After discussing the proposal with representative(s) of the applicant as well as consideration of staff recommendations, the CDLF Review Board may:
 - a. approve as proposed,

- b. approve with modifications or conditions,
 - c. agree to withhold a decision until a later date, or
 - d. deny the request.
6. Applications recommended for approval will be forwarded to the Division of Community Services for review as to their compliance with Federal and State requirements and for final grant award agreements.

SCORING AND RANKING CRITERIA

A. Public Facilities - Maximum 400 points.

1. Project Need - Maximum 100 points

Based on project need, the committee will score each proposal using the following criteria:

- a. High Need; 70-100 points will be applied to proposals that:
 Address an already demonstrated significant problem which clearly affects health and/or safety;

 Address a significant problem which in the immediate future is likely to affect health and/or safety; or

 Address a situation in which all or the most critical services otherwise available cannot be provided because of architectural barriers or other physical impediments to the handicapped.
- b. Moderate Need; 40-69 points will be applied to proposals that:

 Address a potentially significant problem which could clearly and significantly affect health and/or safety, but the likelihood or immediacy is not clear or apparent;

 Address an immediate problem of health and/or safety but where no life-threatening or serious health/safety problems can be anticipated; or

 Address a situation in which services to the handicapped can be provided, but not fully or only with major inconvenience and/or additional costs.
- c. Low Need; 0-39 points will be applied to proposals that:

 Have not shown that immediate or serious health and/or safety problems exist; or
 The applicant has not shown that services to the handicapped cannot be provided with any more than minor inconvenience and/or costs.

2. Local Commitment - Maximum 100 points

Based on local commitment each application will be scored on the perceived commitment. The following criteria will be considered:

- a. Strong Commitment: 65 – 100 points will be awarded to projects that demonstrate the applicant is asking for minimum amount of grant funds. This can be shown by demonstrating the following:

Project cannot proceed without the requested funds;

Applicant can show it is without additional existing funds to fully fund a project;

Other potential sources of funding assistance have been explored but no other sources of grants or affordable loans are likely or available to meet the immediate need;

The problem is:

- I. Long standing or existing but the applicant has made all reasonable efforts to obtain local or other financing to address the problem; or
 - II. Immediate and unexpected not reasonably foreseen by the applicant.
- b. Moderate Commitment: 35 – 64 points will be awarded to application which show grant funds are needed to proceed with the projects and which meet most, but not all, of the criteria in 2.a. (above).
- c. Low Commitment: 0 – 34 points will be awarded to applications that do not show grant funds are needed to proceed with the project and which other funds are available, or which meet few of the criteria in 2.a. (above).

3. Low and Moderate Benefit - Maximum 100 points

One point for each percent of LMI to benefit will be applied. Projects to assist exclusively low- and moderate-income persons, senior citizens, handicapped accessibility or removal of architectural barriers will receive 100% LMI benefit. Otherwise LMI benefit will be determined from American Community Survey 5-Year 2015 Low- and Moderate-Income Summary Data or from approved survey method results.

4. Minority Living In Project Area – Maximum 100 points.

One point for each percent of minority population to benefit will be applied. The minority percentage will be determined from census data or from approved survey method results.

B. Housing – Maximum 400 Points

1. Project Need – Maximum 100 points

Based on project need, the committee will score each proposal using the following criteria:

- a. High Need: 70-100 points will be applied to proposals that:
 - Address an already demonstrated significant problem which clearly affects health and/or safety;
 - Address a significant problem which in the immediate future is likely to affect health and/or safety;
 - Address a situation in which architectural barriers or other physical impediments to the handicapped are present in the home; or
 - Address a potential fair housing problem of segregating minority populations.
- b. Moderate Need: 40-69 points will be applied to proposals that:
 - Address a potentially significant problem which could clearly and significantly affect health and/or safety, but the likelihood or immediacy is not clear or apparent;
 - Address an immediate problem of health and/or safety but where no life-threatening or serious health/safety problems can be anticipated; or
 - Address a situation in which architectural barriers or other physical impediments are present but only as an inconvenience.
- c. Low Need: 0-39 points will be applied to proposals that:
 - If the applicant has not shown that immediate or serious health and/or safety problems exist.

2. Local Commitment – Maximum 100 points

Based on local commitment each application will be scored on the perceived commitment. The following criteria will be considered:

- a. Strong Commitment: 65 – 100 points will be awarded to projects that demonstrate the applicant is asking for minimum amount of grant funds. This can be shown by demonstrating the following:
 - Project cannot proceed without the requested funds;
 - Applicant can show it is without additional existing funds to fully fund a project;
 - Other potential sources of funding assistance have been explored but no other sources of grants or affordable loans are likely or available to meet the immediate need;

The problem is:

- I. Long standing or existing but the applicant has made all reasonable efforts to obtain local or other financing to address the problem; or
- II. Immediate and unexpected not reasonably foreseen by the applicant.

- b. Moderate Commitment: 35 - 64 points will be awarded to application which show grant funds are needed to proceed with the projects and which meet most, but not all, of the criteria in 2.a. (above).
- c. Low Commitment: 0 - 34 points will be awarded to applications that do not show grant funds are needed to proceed with the project and which other funds are available, or which meet few of the criteria in 2.a. (above).

3. Low and Moderate Benefit – Maximum 100 points

One point for each percent of LMI to benefit will be applied. Projects to assist exclusively low- and moderate-income persons, senior citizens, handicapped accessibility or removal of architectural barriers will receive 100% LMI benefits. Otherwise LMI benefit will be determined from American Community Survey 5-Year 2015 Low- and Moderate-Income Summary Data or from approved survey method results.

4. Minority Living in Project Area – Maximum 100 points

One point for each percent of minority population to benefit will be applied. The minority percentage will be determined from census data or from approved survey method results.

5. Bonus Points – Maximum 50 points

Homeownership – 10 points

- a. 10 points will be given if the project is designed to help homeowners to obtain home financing or will assist with other home ownership activities.

Rehabilitation – 10 points

- a. 10 points will be given if the project is designed to make single/multifamily homes and apartments handicapped accessible where needed or rehabilitating single family homes owned by the elderly or rehabilitating rural single family and multi-family housing.

Construction – 20 points

- a. Use CDBG funds to help with Infrastructure for Construction of affordable rental housing projects and planned unit developments for low- and moderate-income households.
- b. Design all State administered housing programs to require compliance with the State building code and State energy code in the use of funds for new construction.

Other – 10 points

- a. Project leverages at least 15-25 percent local or private investment where not in conflict with program regulations.

C. Economic Development

No point system will be utilized for economic development (CDLF) requests; however decisions will be based on the following:

1. Financial strength
2. Likelihood of success
3. Likelihood of repay ability
4. Need and appropriateness for funds and terms
5. Management strength, expertise, and past performance
6. Marketing
7. Degree of likely benefit to the economy and very low and low income persons

2021

REGION IV

RED RIVER REGIONAL COUNCIL

Chase Building
516 Cooper Avenue, Suite 101
Grafton, ND 58237
Phone: 701-352-3550
Email: dawn@redriverrc.com TTY: 800-366-6888
ND Relay Voice: 800-366-6889 Spanish: 800-435-8590



ALTERNATIVE FORMATS FOR DISABLED
PERSONS ARE AVAILABLE UPON REQUEST

The Red River Regional Council (RRRC) is a four-county, voluntary association of governments. The RRRC provides assistance in community, physical, and economic development to cities and counties in Grand Forks, Nelson, Pembina and Walsh counties in northeastern ND. This is ND sub state Planning Region IV. The members of the RRRC include representatives from the four-county region. Membership is designed to provide broad representation of governmental and economic interests.

2021 FUNDING ALLOCATION

The funding allocation for 2021 is \$202,892.00. Following is the allocation breakdown

Total FY 2021 funding	\$202,892.00
Allocation by emphasis area:	
Public Facilities	\$ 0
Housing	\$202,892.00
Emergency/Other	\$ 0
Economic Development – CDLF and ED Infrastructure	\$ 0

Economic Development proposals that are approved for funding will be funded from revolved CDLF funds.

IMPLEMENTATION SCHEDULE FOR 2021 PUBLIC FACILITIES AND HOUSING

June 23, 2021	Pre-application deadline*
August 18, 2021	CDBG Review Committee meeting (scoring/ranking) of pre-applications and recommendation to Board of Directors
February 18, 2022	Final date for completion of full applications submitted to Division of Community Services (DCS) for approval*

ECONOMIC DEVELOPMENT APPLICATIONS

Applications for Economic Development funds will be accepted at any time and will be considered if funds are available.

*At the option of the RRRC, due dates for pre and final applications may be extended. Pre-application deadlines may be extended to allow for consideration of all potential applications including emergency projects, provided all materials are available for review of the Committee for Scoring and Ranking August 18, 2021. This option may be exercised without public notice at the sole discretion of the Board of Directors if final applications are invited after February 18, 2022 due to availability of additional funds resulting from additional allocations, returned or unobligated funds, or fund transfers. In such cases, the Board of Directors may extend the final application deadline as it determines is appropriate, but not later than seven days prior to the latest date by which applications and amendments must be received by DCS.

ACRONYMS

CDBG	Community Development Block Grant
CDLF	Community Development Loan Fund
DCS	ND Department of Commerce - Division of Community Services
ED	Economic Development
FTE	Full Time Equivalent
PDS	Program Distribution Statement
RLF	Revolving Loan Fund
RRRC	Red River Regional Council
VL and LI	Very Low and Low Income

CDBG FUNDING CATEGORIES

- A. **Housing:** Housing projects as described in the State Program Distribution Statement (PDS) that address single-family and affordable multi-family developments, including rehabilitation, repair, or similar activities proposed that will better assure meeting needs, immediate and long-term viability, and health and safety issues; or conversion or eligible soft costs for new construction of providing affordable housing. Multi-family awards may be made in the form of grants, loans, or a combination.
- B. **Public Facilities:** Eligible activities as described in the State PDS to include infrastructure, public safety (e.g., fire halls, trucks, ambulances and related equipment) and removal of architectural barriers.
- C. **Emergencies:** Eligible activities needed to alleviate an immediate and urgent condition that poses a serious health, welfare or safety threat, including an event such as fire, flood or tornado resulting in severe damages that may result in a loss of jobs and/or inability of the community to provide essential services to its market area. At a minimum, the threat cannot have occurred or become apparent more than 18 months prior to submission of an application or pre-application, but generally it should not have occurred, or a solution identified, until after the regular public facility pre-application deadline.

- D. Economic Development: Eligible activities and projects as described in the State PDS. Economic development funds may be in the form of CDLF loans or grants to businesses (or related entities), or as grants and/or loans for economic development infrastructure.

MINIMUM GRANT AMOUNTS

Projects seeking CDBG funds must meet the minimum grant amount as outlined below:

Eligible Category	Grant Minimum
Public Facilities & Public Services	\$75,000
Single Family Housing	\$200,000
Multi-Family Housing	\$100,000
Economic Development – Retail Sector & Tourism	\$50,000
Economic Development – Primary Sector	\$100,000
Governor's Fund	\$100,000

GRANT APPLICATION SUBMISSION REQUIREMENTS

A. Public Facilities and Housing

1. Applicants have the option of submitting either a pre-application or full application by June 23, 2021. This is to allow applicants wishing to begin a project as soon as possible the opportunity to receive a final grant award in a timelier manner. To be considered for scoring, the minimum requirements of a preliminary application must be met. However, because scoring is based only on information required in the pre-application, full applications would have no advantage in scoring over pre-applications.
2. Generally, the only difference between pre-applications and full applications is documentation that all state and federal procedures and policies, such as public hearings, identification of community development needs, displacement policies, etc., have been fulfilled. However, pre-applicants who have been invited for a full application may change the proposal shown in the pre-application, but only if the proposal is within the same emphasis area and is intended to address the same problem identified in the pre-application. If any changes could affect the score it received in the pre-application, the CDBG Committee reserves the right to re-score, adjust rankings and alter award recipients and amounts.
3. Although specific match amounts are not required, at a minimum local match is required to fully cover engineering/architectural costs (if any) and CDBG administration costs. The match requirement may be waived in whole or part by the CDBG Committee if it can be clearly documented there are insufficient resources to pay such costs.

Administration costs as part of the local match for housing and public facility special assessment projects is 15% of the grant award. Using the grant minimum amounts noted in the chart above, the minimum amount of grant administration is:

Eligible Category	Minimum Grant Administration
Public Facilities – Special Assessment	\$11,250
Multi-Family Housing	\$15,000
Single-Family Housing	\$30,000

For Public Facility (not special assessment) projects, 10% of CDBG project funds, with a minimum of \$7,500.

If a jurisdiction has no local funds for grant administration, CDBG funds will be used for grant administration. If the estimated grant administration costs exceed the CDBG-funded costs, the jurisdiction will be required to supplement grant administration funds. Architectural/engineering costs should be documented in the application, and for purposes of budgeting, the following administration costs (paid with CDBG) should be assumed unless otherwise documented:

Housing: 15% of CDBG award and no more than \$15,000

Public Facilities: 10% of CDBG award and no more than \$10,000

Notwithstanding the above, the match amount proposed by the applicant should be determined by what is reasonable considering the resources available to the applicant. Failure to provide an adequate and reasonable match will result in a lower commitment score. Proposals requesting grant assistance for either engineering or administration, or both, will be required to submit additional budget and financial information.

4. Public Facility projects for which costs are estimated at \$75,000 or more require preparation of plans, drawings and specifications by a licensed architect or registered engineer.
5. Multi-Family Housing projects for which costs are estimated at \$100,000 or more require preparation of plans, drawings and specifications by a licensed architect or registered engineer.
6. Public Facilities projects are eligible for CDBG funds to pay for construction costs of the project if the population in the project area is 51% or greater very low and low income (VL and LI). If the population is less than 51% VL and LI, CDBG funds can only be used to pay for special assessments on behalf of VL and LI households.

B. Economic Development and Economic Development Infrastructure

1. Economic Development (CDLF) and Economic Development Infrastructure proposals will be considered at any time.
2. Final applications will not be requested or considered until eligibility has been determined by RRRC staff after submission of a pre-application.
3. Administration of 10%, unless otherwise negotiated, will be charged:

- \$5,000 for Retail Sector & Tourism projects
- \$10,000 for Primary Sector projects

4. Minimum requirements for CDLF business loans include:

- a. At least 51% of the jobs created or retained by the proposed project must be available to very low and low income people;
- b. Principal(s) must provide at least 10% of the total project in the form of equity; (the ED Committee reserves the right to increase this requirement if it deems necessary);
- c. CDLF may only participate a maximum of fifty percent of the total project;
- d. The CDLF target is \$10,000 investment per job to be created or retained (however, the Economic Development Committee retains the flexibility to allow up to \$50,000 per job maximum investment for economic development loans). For public facility improvements undertaken for the benefit of one or more businesses, the facility/ improvement must be less than \$10,000 per permanent full-time equivalent job to be created or retained by those businesses.

C. Emergency and Other: Applicants should contact the RRRC staff for guidance and instructions.

GRANT/LOAN REVIEW AND SELECTION PROCESS

A. Public Facilities and Housing

1. The RRRC's Community Development Committee will be responsible for reviewing, scoring, ranking, and making grant award recommendations. For purposes of the PDS, this committee will be referred to as the CDBG Committee. The chair of the CDBG Committee, in cases where a committee member(s) is absent or has a conflict of interest, may name an alternate(s) for the absent or in-conflict member from a pool of RRRC Board members who have served at least one year and demonstrated a record of good attendance. When possible and practical, preference should be given to those potential alternates who have no apparent conflict of interest in any known proposal.
2. Only proposals that meet the full requirements of the pre-application, and those determined by RRRC staff to be eligible, will be considered.
3. Upon receiving proposals, RRRC staff will review each for eligibility and completeness, and prior to the CDBG Committee meeting August 18, 2021, staff will send to each member a copy of the submitted proposals.
4. Staff will prepare summary reviews of each application to be given to committee members at or before their meeting on August 18, 2021.

5. Applicant representatives will be given the opportunity to present their proposal to the committee at the meeting, with up to 15 minutes each for presentations and questions from the committee and staff.
6. After all proposals have been heard and reviewed by the committee, committee members will score proposals in each subjective scoring category. Staff will apply appropriate scores for each objective category. Committee scores will be totaled and then averaged to determine ranking.
7. Although no allocation is specified for emergencies, requests may be funded on August 18, 2021 or thereafter upon approval of the committee and approval of transfer of funds from any category.
8. For scoring purposes only on housing proposals, funds spent on related items within six months prior to consideration of the request may be recognized as match.
9. After rankings have been determined, the CDBG Committee will consider the amount of the recommended award to each project according to ranking. The CDBG Committee reserves the right to adjust the amount of each award from the amount requested as it determines appropriate, and to apply conditions to the award, including time deadlines to meet the conditions. Lower-ranked projects are not necessarily entitled to grant awards even if allocated funds remain in the category. The CDBG Committee may retain or transfer the balance of allocated funds to any category for current or future applicants, including for planning proposals, emergency, other or economic development projects as deemed appropriate.
10. Projects cannot be partially completed using CDBG funds. Projects must be complete and if additional funds are necessary, local and/or other sources must be utilized.
11. If, after making its award recommendations, funds remain in one or more categories, the CDBG Committee may consider any/all of the options below (in no specific order):
 - a. Offer all or part of the remaining allocation to applicants in order of ranking until all or part of the allocation is obligated, or
 - b. Transfer all or part of the unobligated balance of the allocation to another category, or
 - c. Retain the unobligated balance for future awards (solicitation of another round of applications) in the same category or transfer to another category, or
 - d. Award all or part of the remaining allocation to an existing, previously funded but still open project, or
 - e. Any combination of the above.

12. The CDBG Committee will make its funding recommendation(s) to the RRRC Board of Directors for consent.
13. Pre-applicants recommended for funding will be invited to submit final applications. Final applications which staff determines are different to the extent that the pre- application score may be reduced will be re-scored, re-ranked and funding levels altered as the CDBG Committee deems necessary.
14. All final applications recommended for funding will be delivered to the ND Department of Commerce Division of Community Services for review, final approval and preparation of grant awards.

B. Economic Development - CDLF

1. Funding recommendations under the Economic Development allocation, to be called the Red River Community Development Loan Fund (CDLF), will be made by the RRRC Economic Development Committee.
2. Prior to submitting a full application and business plan, applicant must first submit a pre- application, which will be reviewed by staff for eligibility. Proposals that meet eligibility requirements will be invited to submit a full application.
3. The Economic Development Committee will meet approximately bi-monthly to review all final and complete applications and business plans received at least two weeks prior to the meeting. Applications received within two weeks may be considered at the option of the Economic Development Committee, and otherwise will be held over until the next meeting.
4. Prior to consideration by the Economic Development Committee, staff will review the application and business plan and prepare recommendations regarding terms, conditions, and other matters.
5. After discussing the proposal with representative(s) of the applicant as well as consideration of staff reviews and recommendations, the Economic Development Committee may:
 - a. Approve as proposed;
 - b. Approve with modifications or conditions;
 - c. Agree to withhold a decision until a later date; or,
 - d. Deny the request.
6. Applications recommended for approval will be presented to the RRRC Board of Directors for consent and if approved, forwarded to the ND Department of Commerce Division of Community Services for review, final approval and preparation of grant awards.
7. Proposals which have been rejected for funding may be resubmitted at any time, and may be reconsidered by the committee if it determines that situational or proposal

changes are significant enough that a change in determination is likely.

- B. Amendment requests to approved loans or grants include requests for additional financing; change in the terms of the loan; loan deferment; or loan write-off. Loan recipients need to make amendment requests to the City/County. The City/County needs to approve, alter or disapprove, then forward the amendment to the RRRC for concurrence; if approved, the request will be forwarded to DCS. The City/County may ask the RRRC for technical assistance.

C. Economic Development Infrastructure

1. The process for requests for economic development infrastructure projects will be the same as described in B, above (Economic Development-CDLF).
2. Awards for economic development infrastructure may be in the form of grants, loans, or a combination, as is determined to be appropriate.
3. Proposals which have been rejected for funding may be resubmitted at any time, and may be reconsidered by the committee if it determines that situational or proposal changes are significant enough that a change in determination is likely.

D. Emergency and Other

1. For emergency and other proposals eligible for CDBG assistance, the appropriate application/pre-application form shall be used. Applicants should contact staff for guidance.
2. If needed, the committee, or a subcommittee as authorized by the committee or its chair in cases where a full committee meeting is impractical due to the immediacy of an emergency, shall review each proposal and deliver any favorable recommendation to the Division of Community Services for review, final approval and preparation of grant awards.

E. Other Transfers

1. The RRRC Board of Directors reserves the right, without notification except as may be required by state or federal regulations, to modify or transfer allocations and otherwise modify or amend this statement, including but not limited to clarifications of policy, and deadline or meeting date changes.
2. The RRRC Board of Directors may assign all returned funds from 2020 or prior year grantees to whichever allocation it deems appropriate.
3. Existing grantees requesting additional CDBG funds from either the 2021 allocation or from returned or any unallocated funds may do so through the amendment procedure. Such requests for additional funds from the 2021 allocation may be considered at any time during or after the August 18, 2021 ranking session. Requests for additional funds from 2020 or earlier returned or

unallocated funds may be considered at any time.

CONFLICT OF INTEREST STATEMENT

Members of the RRRC's Community Development and Economic Development Committees review pre-applications and full applications and provide funding recommendations to the Board of Directors. To ensure committee members do not have a conflict of interest, the following steps will be taken:

1. Committee Members and RRRC Board Members must identify any personal, professional, or financial interest they may have in the application under consideration. Minutes will reflect the disclosure.
2. A CDBG Review Committee member will not score applications for which he/she has a conflict of interest, nor will he/she score applications which compete for the same funds.
3. A member of the Board of Directors with a conflict of interest will abstain from voting on relevant motions, and minutes must reflect the member's desire to abstain.

SCORING AND RANKING CRITERIA

PUBLIC FACILITIES PROJECTS – Maximum 700 points

1. NEED - Maximum 150 points

The CDBG Committee will score each pre-application or full application on the basis of perceived need.

a. High Need: 120 to 150 points will be awarded to applications which:

- address an already demonstrated significant problem which clearly affects health, and/or safety of the community or a targeted VL&LI group within the community;
- address a significant problem which in the immediate future is likely to affect health and/or safety; or
- address a situation in which all or the most critical services otherwise available cannot be provided because of architectural barriers or other physical impediments to persons with handicaps.

b. Moderate Need: 90 to 120 points will be awarded to applications which:

- address a potentially significant problem which could clearly and significantly affect health and/or safety, but the likelihood or immediacy is not clear or apparent;

- address an immediate problem of health and/or safety but where no life-threatening or serious health/safety problems can be anticipated; or
 - address a situation in which services to the handicapped can be provided, but not fully, or only with major inconvenience and/or additional costs.
- c. Low Need: 60 to 90 points will be awarded to applications which:
- address a problem which could significantly affect health and/or safety of the community, or a targeted VL&LI group within the community, but the likelihood or immediacy is not clearly documented or apparent.
 - have not shown that services to the disabled cannot be provided with any more than minor inconvenience and/or costs.
 - have not clearly shown that immediate or serious health and/or safety problems exist.

2. COMMITMENT - Maximum 125 points

The CDBG Committee will score each Application on the basis of perceived commitment. 90 to 125 points will be awarded for high commitment, 65 to 89 points for moderate commitment, and 0 to 64 points for low commitment. The following criteria will be considered:

- a. High Commitment: 90 to 125 points will be awarded to projects that demonstrate the applicant is asking for the minimum amount of grant funds and is, therefore, providing the maximum amount of local match funds. This can be shown by documenting all of the following:
- 1) project cannot proceed without the requested funds;
 - 2) applicant can show it is without additional existing funds to fully fund or increase the local match to the project;
 - 3) other potential sources of funding assistance have been explored but no other sources of grants or affordable loans are likely or available to meet the immediate need.
 - 4) the problem is:
 - i. long standing or existing but the applicant has made all reasonable efforts to obtain local or other financing to address the problem; or
 - ii. immediate and unexpected, not reasonably foreseen by the applicant.
- b. Moderate Commitment: 65 to 89 points will be awarded to Applications which show grant funds are needed to proceed with the project and which meet most, but not all, of the criteria in 2.a. (above).

- c. Low Commitment: 0 to 64 points will be awarded to Applications that do not show grant funds are needed to proceed with the project, for which other funds are available, or which meet few of the criteria in 2.a. (above).
3. **APPROPRIATENESS** - Maximum 125 points
- 100 to 125 points to projects that meet each of the following criteria; 80 to 99 points to those that meet 6 of 7;
60 to 79 points to those that meet 5 of 7;
40 to 59 points to those that meet 4 of 7;
0 to 39 points to those that meet fewer than 4 of the 7 criteria.
- the project would address the best immediate solution to the problem;
 - the project would provide the best long-term solution to the problem;
 - the project would meet all federal and state requirements and standards;
 - the project appears to be cost effective considering the number of people to benefit versus the cost as compared to other projects;
 - cost estimates appear to be reasonable and are well documented;
 - project appears ready to proceed in a timely manner, with construction beginning in a 12-month period; and
 - applicant proposes to utilize an experienced and qualified administrator.
4. **PERCENTAGE OF MINORITY LIVING IN PROJECT AREA** – (Taken from the U.S. Census Bureau located at American Community Survey Data [census.gov]) – Maximum 100 points
- | | |
|---|------------|
| Communities with above 76% minority population | 100 points |
| Communities with 51% to 75% minority population | 75 points |
| Communities with 26% to 50% minority population | 50 points |
| Communities with below 26% minority population | 25 points |
5. **PERCENTAGE OF VL and LI IN THE PROJECT AREA** – Maximum 100 points One point for every percentage point of VL and LI population will be awarded.
6. **PROJECT READINESS** – Maximum 100 points
- | | |
|--|------------|
| Complete plans and proof of other funding committed | 100 points |
| Complete plans and other funding located – not committed | 50 points |
| Complete plans, other funding not located | 20 points |
| Other | 0 points |

HOUSING – Maximum 700 points

1. **PROJECT NEED** -Maximum 150 Points
- 101-150 points will be applied to proposals that demonstrate the project will address all the following criteria:

- (1) Thorough documentation is provided for the type of housing or work proposed, utilizing assessments, census, survey, market study, occupancy rates or other reliable and pertinent statistical data; and,
 - (2) Meets both current and long-term benefit in addressing existing and future needs; and,
 - (3) Addresses, directly or indirectly, health and safety issues; and,
 - (4) The project will have significant impact on meeting the needs as documented
 - b. 51-100 points will be awarded to proposals that substantially meet most of the above criteria and no major concerns are apparent with criteria it does not clearly meet.
 - c. 0-50 points will be awarded to proposals which meet few of the above criteria, or which significantly fail to meet one or more of the criteria.
2. **FINANCIAL NEED -Maximum 150 points**
- a. 101-150 points will be applied to projects that can document all the following:
 - (1) The project cannot proceed without CDBG assistance, or failure to receive CDBG funds would significantly reduce the benefit, viability or impact, because the applicant or recipient does not have available the necessary financial resources, nor are future revenue sources likely to become available; and,
 - (2) The amount and the terms proposed or as may be offered, are reasonable and appropriate; and,
 - (3) Other potential sources of assistance have been explored and cannot provide the assistance necessary.
 - b. 51-100 points will be awarded to proposals that substantially meet most of the above criteria and no major concerns are apparent with criteria it does not clearly meet.
 - c. 0-50 points will be awarded to proposals that meet few of the above criteria, or which meet most criteria, but one or more major concerns are apparent which affect the demonstrated financial need.
3. **APPROPRIATENESS -Maximum 150 points**
- a. 101-150 points will be applied to projects that can document all the following:
 - (1) The proposed project represents a logical and cost-effective strategy for addressing the needs as documented considering the amount of funds being requested, the terms proposed, the number of people who will benefit, and the degree to which they will benefit; and,

- (2) The applicant can document the sustainability and viability of the project, as can be documented that policies proposed, and/or financial information provided indicate the feasibility of the project and the ability to assure the housing can be and will remain occupied, affordable and properly maintained; and,
 - (3) The project would meet all federal and state requirements and standards, as may apply; and,
 - (4) Cost estimates appear to be reasonable and are well documented (based on either architect/engineer estimates or multiple vendor quotes as is appropriate).
 - b. 51-100 points will be awarded to proposals that substantially meet most of the above criteria and no major concerns are apparent with criteria it does not clearly meet.
 - c. 0-50 points will be awarded to proposals that meet few of the above criteria, or which meet most criteria, but one or more major concerns are apparent which affect the appropriateness.
- 4 PERCENTAGE OF MINORITY LIVING IN PROJECT AREA – (Taken from the U.S. Census Bureau located at American Community Survey Data [census.gov]) – Maximum 100 points
- | | |
|--|-----|
| Communities with above 76% minority population points | 100 |
| Communities with 51% to 75% minority population points | 75 |
| Communities with 26% to 50% minority population points | 50 |
| Communities with below 26% minority population points | 25 |
- 5 PERCENTAGE OF VL and LI IN THE PROJECT AREA - Maximum 100 points One point for every percentage point of VL and LI population will be awarded.
- 6 PROJECT READINESS – Maximum 50 points
- | | |
|--|-----------|
| Homes identified and other funding committed | 50 points |
| Homes identified and other funding located – not committed | 40 points |
| Homes identified and other funding not located | 30 points |
| Other | 0 points |

EMERGENCY

No point system will be utilized for emergency requests; decisions regarding funding will be based on the project need, commitment, and appropriateness as well as availability of funds.

ECONOMIC DEVELOPMENT

1. No point system will be utilized for economic development (CDLF) requests; however, decisions will be based on the following:
 - a. Financial strength and reasonableness;
 - b. Likelihood of success;
 - c. Likelihood of ability to repay;
 - d. Need and appropriateness for funds and terms;
 - e. Management strength, expertise and past performance;
 - f. Marketing; and,
 - g. Degree of likely benefit to the economy, VL/LI persons, and/or anticipated impact of addressing national objectives as defined in the state program statement.
2. No point system will be utilized for economic development infrastructure requests; however, decisions will be based on the following:
 - a. Degree to which the infrastructure fits into the community's overall economic development strategy.
 - b. Need and appropriateness for funds and terms.
 - c. Degree of likely benefit to the economy, VL/LI persons, and/or anticipated impact of addressing national objectives as defined in the state program statement.

2021

REGION V

LAKE AGASSIZ
REGIONAL COUNCIL

417 Main Avenue
Fargo, ND 58103
Phone: 701-235-1197
Fax: 701-235-6706
info@lakeagassiz.com
TTY: 800-366-6888
ND Relay Voice: 800-366-6889
Spanish/Español: 800-435-8590



ALTERNATIVE FORMATS FOR DISABLED
PERSONS ARE AVAILABLE UPON REQUEST

ALLOCATION OF FUNDS

The region served by Lake Agassiz Regional Council is anticipated to be allocated \$290,445 in FY 2021. This amount will be distributed among eligible projects and programs of activities in the following manner:

Public Facilities – Low-to-Moderate Income Benefit	\$100,000
Public Facilities - Urgent Need	\$0
Housing Rehabilitation	\$0
Other Housing Activities	\$190,445
Removal of Architectural Barriers	\$0
Elimination of Slum and Blight	\$0
Community Development Loan Fund*	\$0
Planning Activities**	\$0
Main Street***	\$0
Emergency Public Facilities	\$0
Total	<u>\$290,445</u>

* The Community Development Loan Fund is supplemented by repayments to the region's portion of the State Revolving Loan Fund. Contact LARC to find out how much funding is available in the CDLF.

** Planning Activities cannot be funded in FY 2021.

*** Main Street cannot be funded in FY 2021.

EMERGENCY PUBLIC FACILITY APPLICATIONS

In the event of a public facility emergency not addressed with the Urgent Need set-aside, funding may be obtained by assigning any unallocated public facility funds or funds returned or transferred from other emphasis areas at the discretion of the Lake Agassiz Regional Council Board. The funding recommendation will then be submitted to DCS for concurrence. The board will recommend funds based on documentation of the emergency and evidence that CDBG funds are required to assist in remedying the problem. The public facilities scoring process will be waived for emergency applications.

Construction Contracts cannot be executed nor can work begin on Emergency Projects prior to receiving the Financial Award and Environmental Release of Funds from the State.

ELIGIBLE ACTIVITIES

All activities listed as eligible in the North Dakota Community Development Block Grant Program Distribution Statement are eligible in the Lake Agassiz Regional Council Community Development Block Grant Program Distribution Statement. A copy of the North Dakota Community Development Block Grant Program Distribution Statement may be obtained by

contacting the Lake Agassiz Regional Council, 417 Main Avenue, Fargo, ND 58103, telephone (701) 235-1197 or the ND Department of Commerce website

PROJECT REQUIREMENTS

1. Each project must fulfill a national objective and be an eligible activity.

2. Administrative fees are based upon a percentage of only the CDBG award. These are capped after a certain award size. The administrative fees are listed in the table below:

Project Type	Admin Fee	Max Admin Fee
Infrastructure Public Facilities ≤ \$200,000	12%	\$15,000
Infrastructure Public Facilities > \$200,000	Flat \$17,500	---
Non-infrastructure Public Facilities ≤ \$250,000	13%	\$20,000
Non-infrastructure public facilities > \$250,000	Flat \$25,000	---
Removal of architectural barriers	15%	\$20,000
Special assessment projects ≤ \$200,000	16%	\$20,000
Special assessment projects > \$200,000	Flat \$25,000	---
Housing projects of all types	15%	\$15,000
Main Street commercial rehab	15%	\$15,000

3. Administrative fees are to be paid with local funds.

4. All public infrastructure projects must have a licensed professional engineer create plans, drawings, specifications, and reports. They shall be paid for with non-CDBG funds.

5. All building projects must have an architect or similar professional create plans, drawings, and specifications. They shall be paid for with non-CDBG funds.

6. Economic development loans through the Community Development Loan Fund must meet the following:

- A bank must be involved in the financing of a project unless in a disaster situation;
- Loans must be secured with fixed assets, personal guarantees, or any other reasonable source of available collateral;
- The project must create or retain permanent jobs, 51% of which must be held or made available to LMI persons or the project must provide a basic good or service to a LMI community.

- CDLF funds may not exceed \$35,000 per job created or retained.
- If the project is providing a basic good or service to an LMI community assistance may not exceed \$350 per LMI person in the community

CONFLICT OF INTEREST

All officers, directors, delegates, council members, committee members and staff members of Lake Agassiz Regional Council and its component committees shall avoid conflict, whether real or perceived, between individual, professional, or business interests and the interests and decision-making capacity of the Council.

In the event that any officer, director, delegate, council member, committee member or staff member has any direct or indirect interest or any direct or indirect relationship with any individual or organization which proposes to enter into any transaction with the Council or its component committees, such person shall give notice of such interest or relationship to the Council and shall thereafter refrain from discussing or voting on the transaction in which he or she has an interest and from otherwise exerting influence in any way on the Council or its components to affect a decision to participate or not to participate in such a transaction.

TRANSFERS WITHOUT NOTICE

After scoring and ranking has taken place, transfers of \$20,000 and less may be made among funding categories without public notice. Transfers of greater than \$20,000 must have a public notice before it is to take effect.

LARC will be limited to two transfers per fiscal year. DCS will be notified in writing within 10 days of a Board decision to transfer funds. Minutes of the board decision will accompany the notification.

IMPLEMENTATION SCHEDULE

Public Facilities, Housing, Elimination of Slum and Blight, Removal of Architectural Barriers:

May 19, 2021	Pre-applications due at Lake Agassiz Regional Council office
June 16, 2021	Scoring and Ranking meeting held at Lake Agassiz Regional Council Board where recommendations for funding are made.
June 18, 2021	Written Notice to Communities of Recommendations for Funding
December 16, 2021	Final Applications for those projects reviewed at Scoring and Ranking meeting must be submitted to DCS
June 15, 2022	Final date for submitting Final Applications for projects reviewed after the scoring and ranking meeting to DCS.

Community Development Loan Fund:

Applications are accepted at any time during the year.

Planning Activities:

Applications for Planning Activities will not be accepted during FY 2021.

Main Street:

Applications for Main Street will not be accepted during FY 2021.

SUBMISSION REQUIREMENTS AND SELECTION PROCESS

Housing Rehabilitation

Housing Rehabilitation activities include the rehabilitation of existing structures occupied (either owned or rented) by low-and-moderate income households.

Submission Process - Housing Rehabilitation

1. Obtain and complete a FY 2021 Pre-Application form. This was mailed to all communities and counties in Region V and is also available online at www.lakeagassiz.com under the "Community Development" tab.
2. May 19, 2021 – Deadline for pre-applications and all required supplementary information. Pre-applications must be received in LARC offices by 5:00 p.m. Applications submitted via e-mail or fax must be followed by signed original copies.
3. May 20, 2021 – June 9, 2021 - LARC reviews pre-applications to determine eligibility and completes objective scoring.
4. June 16, 2021 – LARC Board of Directors convenes to review staff scoring, hear project presentations, rank need for each project, and decides which pre-applications may proceed.
5. June 18, 2021 – LARC staff notifies applicants of the recommendations for funding.
6. June 15, 2022 – Final date for completion of full applications and submittal to the Division of Community Services.

Selection Process - Housing Rehabilitation (550 points maximum)

The Lake Agassiz Regional Council Staff will assign points to housing rehabilitation projects in the following manner (maximum 350 points):

1. Proposed number of households to be assisted with project funds.

More than 15	100 points
10-15	75 points
Under 10	50 points

2. Percentage of housing units in the community built prior to 1979, according to the most recent Census data available at the time of the pre-application.

70% or greater	50 points
60 - 69.9%	40 points
50 - 59.9%	30 points
40 - 49.9%	20 points
< 40%	10 points

3. Which of the following activities does the community undertake to encourage housing maintenance and improvement?

City has adopted Building Code	20 points
Community clean-up/fix-up events	20 points
Enforcement of nuisance ordinance	20 points
Existing housing rehabilitation incentives	20 points

4. Are there employment opportunities within the community or within a reasonable commuting radius of the community, which have created a demand for additional and/or upgraded housing as measured by local vacancy rates?

Yes, within the community	50 points
Yes, within commuting distance	25 points
No	0 points

5. Percentage of very low-income households assisted by the project

>50%	50 points
25-50%	25 points
<25%	10 points

6. Percentage of minority households assisted by the project

>25%	10 points
<25%	0 points

7. Will the project be bid out by the end of this calendar year?

Yes	10 points
No	0 points

The LARC Board of Directors will assign up to 200 points for the perceived need of each project in the following manner:

Each housing rehabilitation applicant will be invited to present a 10 minute summary of its project including a description of the need for rehabilitation, current local efforts to upgrade housing, growth of the community, if applicable, and a general description of beneficiaries (e.g. low-income households, elderly, female heads of households, etc.). After all presentations have been heard, each board member will assign need points to each project in increments of 40 points, with 200 points the highest score and 40 points the lowest. Projects may be placed anywhere along the scale, and no two applicants may receive the same score. The need points of each project will be added together and averaged to arrive at a final need score.

The score for the need criterion will then be added to the objective score to arrive at a final score.

A tie score will be broken by written ballot of the Board. The Board will be polled, with the Chairman abstaining from the vote. If a tie again results, the Chairman will cast the deciding vote.

Projects will be displayed in rank order. Projects must attain a minimum score of 310 points in order to receive funding. Projects that receive the minimum score or higher will be funded in full, plus applicable administrative costs. Should funds be insufficient to fund any application in full, the board may:

1. Offer the remaining funds in the allocation to the applicant; if the applicant declines the offer, the board will offer the remaining funds to the next eligible applicant in rank order;
2. Transfer unobligated funds from other categories and offer awards as described above;
3. Transfer funds to any other category for immediate or later distribution; or
4. Any combination of the above.

Should there be no set-aside for housing in a given year, qualified housing applications may be funded in full or in part only if funds are available in other categories after projects in those categories have been ranked and recommended for funding.

Preapplications recommended for funding will be invited to submit full applications. A full application must not deviate in general project scope, proportion of local match, if any, or implementation schedule as described in the pre-application. An applicant that has been invited to submit a full application may choose not to go forward with a full application, in which case the next highest ranked project, if any, will receive an invitation to submit a full application, subject to the size of the funding request and funds available.

Should the board reject a preapplication(s) when funds are clearly available in the Housing Rehabilitation category, it will provide a written explanation to the preapplicant and the DCS.

Several alternatives will be considered by the Board for redistribution of funds turned back from funded projects for reasons such as cost under-runs or the inability to use all allocated funds (such as in special assessment type projects).

1. Prior to June 1, 2022 funds may be:
 - Offered to current year unfunded Housing Rehabilitation applicants in rank order.
 - Transferred to Public Facilities – LMI Benefit Activities and offered to current year applicants in rank order.
 - Transferred to Public Facilities – Urgent Need and offered to current year unfunded applicants in rank order.
 - Transferred to Removal of Architectural Barriers and offered to current year unfunded applicants in rank order.
 - Transferred to Other Housing Projects and offered to current year unfunded applicants in rank order.
 - Transferred to Elimination of Slum and Blight and offered to current year unfunded applicants in rank order.
 - Transferred to a previously funded project in any category that demonstrates a need for additional funding.
 - Held for emergency applications up to May 15, 2022.

Should no applications for Housing Rehabilitation be received, the Board may transfer housing set-aside funds to any of the other categories at the June 16, 2021 scoring and ranking meeting.

Other Housing Activities

Other housing activities include those housing activities eligible for CDBG funding that would not constitute rehab. Examples include acquisition of land and/or structures for the construction or preservation of affordable housing. Benefit must be realized to low and very low-income households.

Submission Process – Other Housing Activities

1. Obtain and complete a FY 2021 Pre-Application form. This was mailed to all communities and counties in Region V and is also available online at www.lakeagassiz.com under the "Community Development" tab.
2. May 19, 2021 – Deadline for pre-applications and all required supplementary information. Pre-applications must be received in LARC offices by 5:00 p.m. Applications submitted via e-mail or fax must be followed by signed original copies.
3. May 20, 2021 – June 9, 2021 – LARC reviews pre-applications to determine eligibility and does staff scoring.
4. June 16, 2021 – LARC Board of Directors convenes to review staff scoring, hear project presentations, rank need for each project, and decides which pre-applications may proceed.

5. June 18, 2021 – LARC staff notifies applicants of the recommendations for funding.
6. June 15, 2022 – Final date for completion of full applications and submittal to the Division of Community Services.

Selection Process – Other Housing Activities (550 points maximum)

The Lake Agassiz Regional Council Staff will assign points to housing rehabilitation projects in the following manner (maximum 350 points):

1. Proposed number of households to be assisted with project funds.

More than 15	100 points
10-15	75 points
Under 10	50 points
2. Participation in project by other funding sources as a percentage of total project costs.

50% or more	50 points
40 - 49.9%	40 points
30 - 39.9%	30 points
20 - 29.9%	20 points
< 20%	10 points
3. The project will definitively demonstrate which of the following results:

An increase in the number of housing units available to low and moderate income households	25 points
Enforceable mechanisms to ensure the affordability of housing for low and moderate income households	25 points
Is part of an ongoing effort to increase housing opportunities in the jurisdiction	25 points
Active and ongoing participation by the local city government and/or other development organization	25 points
Active and ongoing participation by other groups, including financial institutions, charitable groups, the local business community, etc.	25 points
4. Are there employment opportunities within the community or within a reasonable commuting radius of the community, which have created a demand for additional and/or upgraded housing?

Yes, within the community	50 points
Yes, within commuting distance	25 points
No	0 points
5. Percentage of funds to benefit minorities	
>25%	10 points
<25%	0 points
6. Will a portion of the grant be obligated to an expenditure(s) by the end of the calendar year?	
Yes	15 points
No	0 points

The LARC Board of Directors will assign up to 200 points for the perceived need of each project in the following manner:

Each housing activities applicant will be invited to present a 10 minute summary of its project including a description of the need for rehabilitation, current local efforts to upgrade housing, growth of the community, if applicable, and a general description of beneficiaries (e.g. low-income households, elderly, female heads of households, etc.). After all presentations have been heard, each board member will assign need points to each project in increments of 40 points, with 200 points the highest score and 40 points the lowest. Projects may be placed anywhere along the scale, and no two applicants may receive the same score. The need points of each project will be added together and averaged to arrive at a final need score.

The score for the need criterion will then be added to the objective score to arrive at a final score.

A tie score will be broken by written ballot of the Board. The Board will be polled, with the Chairman abstaining from the vote. If a tie again results, the Chairman will cast the deciding vote.

Projects will be displayed in rank order. Projects must attain a minimum score of 310 points in order to receive funding. Projects that receive the minimum score or higher will be funded in full, plus applicable administrative costs. Should funds be insufficient to fund any application in full, the board may:

1. Offer the remaining funds in the allocation to the applicant; if the applicant declines the offer, the board will offer the remaining funds to the next eligible applicant in rank order;
2. Transfer unobligated funds from other categories and offer awards as described above;
3. Transfer funds to any other category, for immediate or later distribution; or
4. Any combination of the above.

Should there be no set-aside for other housing projects in a particular year, qualified applications may be funded in full or in part only if funds are available in other categories after projects in those categories have been ranked and recommended for funding.

Preapplications recommended for funding will be invited to submit full applications. A full application must not deviate in general project scope, proportion of local match, if any, or implementation schedule as described in the pre-application. An applicant that has been invited to submit a full application may choose not to go forward with a full application, in which case the next highest ranked project, if any, will receive an invitation to submit a full application, subject to the size of the funding request and funds available.

Should the board reject a preapplication(s) when funds are clearly available in the Other Housing Activities category, it will provide a written explanation to the preapplicant and the DCS.

Several alternatives will be considered by the Board for redistribution of funds turned back from funded projects for reasons such as cost under-runs or the inability to use all allocated funds (such as in special assessment type projects).

1. Prior to June 1, 2022 funds may be:

- Offered to current year unfunded Other Housing Activities applicants in rank order.
- Transferred to Housing Rehabilitation and offered to current year applicants in rank order.
- Transferred to Public Facilities – LMI Benefit Activities and offered to current year applicants in rank order.
- Transferred to Public Facilities – Urgent Need and offered to current year unfunded applicants in rank order.
- Transferred to Removal of Architectural Barriers and offered to current year unfunded applicants in rank order.
- Transferred to Elimination of Slum and Blight and offered to current year unfunded applicants in rank order.
- Transferred to a previously funded project in any category that demonstrates a need for additional funding.
- Held for emergency applications up to May 15, 2022.

Should no applications for Other Housing Activities be received, the Board may transfer housing set-aside funds to any of the other categories at the June 16, 2021 scoring and ranking meeting.

Public Facilities –LMI Benefit Activities

Definition – Projects that benefit low-and-moderate income households, as defined by HUD, through direct payment of special assessments to such households or by the reduction of overall project costs in a benefiting area that is comprised of a total population that is at least 51% low-and-moderate income.

Submission Process – LMI Benefit Activities

1. Obtain and complete a FY 2021 Pre-Application form. This was mailed to all communities and counties in Region V and is also available or online at www.lakeagassiz.com under the "Community Development" tab.
2. May 19, 2021 – Due date for pre-applications and all required supplementary information. Pre-applications must be received in LARC offices by 5:00 p.m. Applications submitted via e-mail or fax must be followed by signed original copies.
3. May 20, 2021 – June 9, 2021 – LARC staff determines eligibility, reviews and scores pre-applications.
4. June 16, 2021 – LARC Board of Directors convenes to review staff scoring, hear project presentations, rank need for each project and develop funding recommendations.
5. June 18, 2021 – LARC staff notifies applicants of recommendations for funding.
6. June 15, 2022 – Final date for completion of full applications and submittal to the Division of Community Services.

Selection Process – LMI Benefit Activities (800 points maximum)

The Lake Agassiz Regional Council staff will assign points to Public Facilities – LMI Benefit pre-applications in the following manner (Maximum 520 points):

- | | |
|--|------------|
| 1. Project type (projects cannot include deferred maintenance activities) | |
| Water System Expansion Activities
(including but not limited to development of or access to new source, new water reservoir construction that increases capacity, water treatment plant expansion) | 150 points |
| Sanitary Sewer System Expansion Activities
(including but not limited to lagoon cell construction or expansion that increases treatment capacity, lift station rehabilitation or new construction that increases capacity, expansion of sanitary sewer distribution system) | 150 points |
| Sanitary Sewer System Rehabilitation Activities
(including but not limited to sewer main replacement) | 120 points |

or relining, lift station rehabilitation or replacement that does not increase capacity, lagoon repair or replacement that does not increase capacity)	
Flood Mitigation and Protection (including surface drainage improvement, storm sewer main improvement or expansion, storm sewer lift station rehabilitation or expansion, dike construction)	120 points
Water System Rehabilitation Activities (including but not limited to water main replacement, water treatment plant rehabilitation, water reservoir replacement that does not increase capacity)	120 points
Fire Protection Activities	80 points
Community Center Activities	70 points
Other CDBG Eligible Activities	60 points
2. Low-and-moderate income to benefit from the project	
100.0%	100 points
51.0% to 99.9%	90 points
Under 51.0%	Not Eligible
3. Minority benefit of the project	
>25%	20 points
<25%	0 points
4. Project matching funds	
Assign 3 points for each percentage of total project costs paid from local or other sources	125 points max
5. Will the project be bid out by the end of this calendar year?	
Yes	25 points
No	0 points
6. Number of prior unsuccessful pre-applications for this project	
Two or more	50 points
One	25 points
None	0 points

7 Number of community's successful CDBG Public Facilities applications for other projects within the past five years:

None	50 points
One	25 points
Two or more	0 points

The LARC Board of Directors will assign up to 280 points for the perceived need of each project. In determining need for a project, the board may take into account a number of factors including an applicant's water and sewer rates, mill levy, bonded indebtedness and level of reserve funds. The board will assign the need in the following manner:

Each public facilities applicant will be invited to present a 10 minute summary of its project including a description of the problem, the severity of the problem, the local capacity to fund the project, current rates (as applicable) and benefit to the community. After all presentations have been heard, each board member will assign need points to each project in increments of 40 points, with 280 points the highest score and 40 points the lowest. Projects may be placed anywhere along the scale, and no two applicants may receive the same score. The need points of each project will be added together and averaged to arrive at a final need score.

The score for the need criterion will then be added to the objective score to arrive at a final score.

A tie score will be broken by written ballot of the Board. The Board will be polled, with the Chairman abstaining from the vote. If a tie again results, the Chairman will cast the deciding vote.

Projects will be displayed in rank order. Projects must attain a minimum score of 450 points in order to receive funding. Projects that receive the minimum score or higher, will be funded in rank order in full, plus applicable administrative costs. Should funds be insufficient to fund any application in full, the board may:

1. Offer the remaining funds in the allocation to the applicant; if the applicant declines the offer, the board will offer the remaining funds to the next eligible applicant in rank order;
2. Transfer unobligated funds from other categories and offer awards as described above;
3. Transfer funds to any other category for immediate or later distribution; or
4. Any combination of the above.

Pre-applications recommended for funding will be invited to submit full applications. Full applications must not deviate in general project scope, proportion of matching funds commitments or planned implementation schedule as identified in the respective pre-applications. An applicant which has been invited to submit a full application may choose not to go forward with a full application, in which case the next highest ranked project, if any, will

receive an invitation to submit a full application, subject to the size of the funding request and funds available.

Several alternatives will be considered by the Board for redistribution of funds turned back from funded projects for reasons such as cost under-runs or the inability to use all allocated funds (such as in special assessment type projects).

Prior to June 1, 2022 funds may be:

- Offered to current year unfunded Public Facilities LMI applicants in rank order
- Transferred to Public Facilities – Urgent Need and offered to current year unfunded applicants in rank order
- Transferred to Removal of Architectural Barriers and offered to current year unfunded applicants in rank order.
- Transferred to Other Housing Projects and offered to current year unfunded applicants in rank order.
- Transferred to Elimination of Slum and Blight and offered to current year unfunded applicants in rank order.
- Transferred to Housing Rehabilitation and offered to current year unfunded applicants in rank order.
- Transferred to a previously funded project in any category that demonstrates a need for additional funding.
- Held for emergency applications up to May 15, 2022.

Should no applications for LMI Benefit be received, the Board may transfer public facilities set-aside funds to any of the other categories, including the Community Development Loan Fund at the June 16, 2021 scoring and ranking meeting.

Public Facilities – Urgent Need Activities

Upon local certification, an activity that is designed to alleviate existing condition(s) which pose a serious and immediate threat to the health or welfare of the community, which are of recent origin or which recently became urgent, which the applicant is unable to finance on its own and for which other sources of financing are not available. A problem is considered to be of recent origin if it developed or became urgent within the 18 months preceding the Urgent Need Certification by the unit of general local government.

Submission Process – Urgent Need

1. Obtain and complete a FY 2021 Pre-Application form. This was mailed to all communities and counties in Region V and is also available or online at www.lakeagassiz.com under the "Community Development" tab.
2. May 19, 2021 – Due date for pre-applications and all required supplementary information. Pre-applications must be received in LARC offices by 5:00 p.m. Applications submitted via e-mail or fax must be followed by signed original copies.
3. May 20, 2021 – June 9, 2021 - LARC staff determines eligibility, reviews and scores pre-applications.
4. June 16, 2021– LARC Board of Directors convenes to review staff scoring, hear project presentations, rank need for each project and develop funding recommendations.
5. June 18, 2021 – LARC staff notifies applicants of recommendations for funding.
6. June 15, 2022 – Final date for completion of full applications and submittal to the Division of Community Services.

Selection Process – Urgent Need (560 points maximum)

The Lake Agassiz Regional Council staff will assign points to Public Facilities – Urgent Need pre-applications in the following manner (Maximum 360 points):

1. Project matching funds

Assign 3 points for each percentage of total project cost paid from local or other sources.	175 points max
---	----------------
2. Percentage of minorities to benefit from the project

>25%	10 points
<25%	0 points
3. Will the project be bid out by the end of this calendar year?

Yes	175 points
No	0 points

The LARC Board of Directors will assign up to 200 points for the perceived need of each project. In determining need for a project, the board may take into account a number of factors including an applicant's water and sewer rates, mill levy, bonded indebtedness and level of reserve funds. The board will assign the need in the following manner:

Each Public Facilities – Urgent Need applicant will be invited to present a 10 minute summary of its project including a description and discussion of the severity of the problem, including the immediate threat to health and welfare of the community, the local capacity to

fund the project and benefit to the community. After all presentations have been heard, each board member will assign need points to each project in increments of 40 points, with 200 points the highest score and 40 points the lowest. Projects may be placed anywhere along the scale, and no two applicants may receive the same score. The need points of each project will be added together and averaged to arrive at a final need score.

The score for the need criterion will then be added to the objective score to arrive at a final score.

A tie score will be broken by written ballot of the Board. The Board will be polled, with the Chairman abstaining from the vote. If a tie again results, the Chairman will cast the deciding vote.

Projects will be displayed in rank order. Projects must attain a minimum score of 295 points in order to receive funding. Projects that receive the minimum score or higher, will be funded in full plus applicable administrative costs. Should funds be insufficient to fund any application in full, the board may:

1. Offer the remaining funds in the allocation to the applicant; if the applicant declines the offer, the board will offer the remaining funds to the next eligible applicant in rank order;
2. Transfer unobligated funds from other categories and offer awards as described above;
3. Transfer funds to any other category for immediate or later distribution; or
4. Any combination of the above.

Should there be no set-aside for Public Facilities-Urgent Need in a particular year, qualified urgent need applications may be funded in full or in part only if funds are available in other categories after projects in those categories have been ranked and recommended for funding.

Pre-applications recommended for funding will be invited to submit full applications. Full applications must not deviate in general project scope, proportion of matching funds or planned implementation schedule as identified in the respective pre-applications. An applicant who has been invited to submit a full application may choose not to go forward with a full application, in which case the next highest ranked project will receive an invitation to submit a full application subject to the size of the request and availability of funds.

Should the board reject a preapplication(s) when funds are clearly available in the Public Facilities – Urgent Need category, it will provide a written explanation to the preapplicant and the DCS.

The Board will consider several alternatives for redistribution of funds turned back from funded projects for reasons such as cost under-runs or the inability to use all allocated funds.

Prior to June 1, 2022 funds may be:

- Offered to current year unfunded Urgent Need applicants in rank order.
- Transferred to Public Facilities – LMI Benefit and offered to current year unfunded applicants in rank order.

- Transferred to Removal of Architectural Barriers and offered to current year unfunded applicants in rank order.
- Transferred to Elimination of Slum and Blight and offered to current year unfunded applicants in rank order.
- Transferred to Other Housing Projects and offered to current year unfunded applicants in rank order.
- Transferred to Housing Rehabilitation and offered to current year unfunded applicants in rank order.
- Transferred to a previously funded project in any category that demonstrates a need for additional funding.
- Held for emergency applications up to May 28, 2021.

Removal of Architectural Barriers (ROAB)

An architectural barrier is defined as any architectural feature of a building that limits the access and mobility of disabled persons. Eligible buildings for this program include publicly owned buildings or buildings that are used by the local entity of government for reasons including but not limited to public meetings and voting.

Submission Requirements – Architectural Barriers

1. Obtain and complete a FY 2021 Pre-Application form. This was mailed to all communities and counties in Region V and is also available online at www.lakeagassiz.com under the "Community Development" tab.
2. May 19, 2021 – Due date for pre-applications and all required supplementary information. Pre-applications must be received in LARC offices by 5:00 p.m. Applications submitted via e-mail or fax must be followed by signed original copies.
3. May 20, 2021 – June 9, 2021 - LARC staff determines eligibility, reviews and scores pre-applications.
4. June 16, 2021 – LARC Board of Directors convenes to review staff scoring, hear project presentations, rank need for each project and develop funding recommendations.
5. June 18, 2021 – LARC staff notifies applicants of recommendations for funding.
6. June 15, 2022 – Final date for completion of full applications and submittal to the Division of Community Services.

Selection Process – Architectural Barriers (550 points maximum)

The Lake Agassiz Regional Council staff will award points in the following manner:
(Maximum 350 points)

1. Applicant has completed an ADA/504 Transition Plan

Yes	50 points
No	0 points

2. The project is a priority need identified in the applicant's ADA/504 Transition Plan (submitted with the pre-application or on file at LARC).

Yes	50 points
Not a priority	25 points
No Transition Plan	0 points

3. Matching Funds:

75% or more of total project costs	125 points
50-74% of total project costs	100 points
25-49% of total project costs	50 points
< 25% of total project costs	25 points

4. The project will affect a public structure that is frequently used by the public (for example, courthouse, city hall, public polling place, library, etc.)

Yes	100 points
No	0 points

5. Percentage of minority to be assisted by the project

>25%	10 points
<25%	0 points

6. Will the project be bid out by the end of this calendar year?

Yes	15 points
No	0 points

The LARC Board of Directors will assign up to 200 points for the perceived need of each project in the following manner:

Each removal of architectural barriers applicant will be invited to present a 10 minute summary of its project including a description of the work to be done, the applicant's prior efforts to accomplish ADA compliance and the local capacity to fund the project.

After all presentations have been heard, each board member will assign need points to each project in increments of 40 points, with 200 points the highest score and 40 points the lowest. Projects may be placed anywhere along the scale, and no two applicants may receive the same score. The need points of each project will be added together and averaged to arrive at a final need score.

The score for the need criterion will then be added to the objective score to arrive at a final score.

A tie score will be broken by written ballot. The Board will be polled, with the Chairman abstaining from the vote. If a tie again results, the Chairman will cast the deciding vote.

Projects will be displayed in rank order. Projects must attain a minimum score of 320 points in order to receive funding. Projects that receive the minimum score or higher will be funded in rank order in full, plus applicable administrative costs. Should funds be insufficient to fund any application in full, the board may:

1. Offer the remaining funds in the allocation to the applicant; if the applicant declines the offer, the board will offer the remaining funds to the next eligible applicant in rank order;
2. Transfer unobligated funds from other categories and offer awards as described above;
3. Transfer funds to any other category for immediate or later distribution; or
4. Any combination of the above.

Should there be no set-aside for ROAB in a particular year, qualified ROAB applications may be funded in full or in part only if funds are available in other categories after projects in those categories have been ranked and recommended for funding.

Preapplications recommended for funding will be invited to submit full applications. Full applications must not deviate in general project scope, proportion of local match or implementation schedule, as identified in the pre-application. An applicant who has been invited to submit a full application may choose not to go forward with a full application, in which case the next highest ranked project, if any, will receive an invitation to submit a full application, subject to the size of the funding request and funds available.

Should the board reject a preapplication(s) when funds are clearly available in Removal of Architectural Barriers category, it will provide a written explanation to the preapplicant and the DCS.

The following alternatives will be considered by the Board for redistribution of funds turned back from funded projects for reasons such as cost under-runs or the inability to use all allocated funds.

Prior to June 1, 2022 funds may be:

- Offered to current year unfunded Removal of Architectural Barriers applicants in rank order.
- Transferred to Public Facilities LMI Benefit and offered to current year unfunded applicants in rank order.
- Transferred to Public Facilities – Urgent Need and offered to current year unfunded applicants in rank order.
- Transferred to Elimination of Slum and Blight and offered to current year unfunded applicants in rank order.
- Transferred to Housing Rehabilitation and offered to current year unfunded applicants in rank order.
- Transferred to Other Housing Projects and offered to current year unfunded applicants in rank order.
- Transferred to a previously funded project in any category that demonstrates a need for additional funding.
- Held for emergency applications up to May 15, 2022.

Elimination of Slums and Blight (ESB)

The focus of activities under this national objective is a change in the physical environment of a deteriorating area. Qualified activities include prevention or elimination of slums and blight on an area basis, on a spot basis or the project must be in an urban renewal area.

Submission Requirements – Elimination of Slums and Blight

1. Obtain and complete a FY 2021 Pre-Application form. This was mailed to all communities and counties in Region V and is also available online at www.lakeagassiz.com under the "Community Development" tab.
2. May 19, 2021 – Due date for pre-applications and all required supplementary information. Pre-applications must be received in LARC offices by 5:00 p.m. Applications submitted via e-mail or fax must be followed by signed original copies.
3. May 20, 2021 – June 9, 2021 - LARC staff determines eligibility, reviews and scores pre-applications
4. June 16, 2021 – LARC Board of Directors convenes to review staff scoring, hear project presentations, rank need for each project and develop funding recommendations.
5. June 18, 2021 – LARC staff notifies applicants of recommendations for funding

6. June 15, 2022 – Final date for completion of full applications and submittal to the Division of Community Services.

Selection Process – Elimination of Slums and Blight (650 points maximum)

The Lake Agassiz Regional Council staff will award points in the following manner:
(Maximum 450 points)

1. Proposed number of structures to be affected by the project

Three or more	100 points
Two	75 points
One	50 points
2. Matching Funds:

75% or more of total project costs	50 points
50-74% of total project costs	40 points
25-49% of total project costs	25 points
< 25% of total project costs	0 points
3. Type of structure to be affected

Commercial Structure	100 points
Residential Structure	50 points
4. Proposed solution

Restoration	75 points
Removal	50 points
5. The planned future use for the space is

Commercial or residential development	100 points
A park or recreation area	75 points
A vacant lot	50 points
6. Percentage of minority to benefit from the project

>25%	10 points
<25%	0 points
7. Will the project bid out by the end of this calendar year?

Yes	15 points
No	0 points

The LARC Board of Directors will assign up to 200 points for the perceived need of each project in the following manner:

Each elimination of slum and blight applicant will be invited to present a 10 minute summary of its project including a description of the work to be done, the applicant's prior efforts to remedy the deterioration and the local capacity to fund the project.

After all presentations have been heard, each board member will assign need points to each project in increments of 40 points, with 200 points the highest score and 40 points the lowest. Projects may be placed anywhere along the scale, and no two applicants may receive the same score. The need points of each project will be added together and averaged to arrive at a final need score.

The score for the need criterion will then be added to the objective score to arrive at a final score.

A tie score will be broken by written ballot. The Board will be polled, with the Chairman abstaining from the vote. If a tie again results, the Chairman will cast the deciding vote.

Projects will be displayed in rank order. Projects must attain a minimum score of 400 points in order to receive funding. Projects that receive the minimum score or higher will be funded in rank order in full, plus applicable administrative costs. Should funds be insufficient to fund any application in full, the board may:

1. Offer the remaining funds in the allocation to the applicant; if the applicant declines the offer, the board will offer the remaining funds to the next eligible applicant in rank order;
2. Transfer unobligated funds from other categories and offer awards as described above;
3. Transfer funds to any other category for immediate or later distribution; or
4. Any combination of the above.

Should there be no set-aside for ESB in a particular year, qualified ESB applications may be funded in full or in part only if funds are available in other categories after projects in those categories have been ranked and recommended for funding.

Preapplications recommended for funding will be invited to submit full applications. Full applications must not deviate in general project scope, proportion of local match or implementation schedule, as identified in the pre-application. An applicant who has been invited to submit a full application may choose not to go forward with a full application, in which case the next highest ranked project, if any, will receive an invitation to submit a full application, subject to the size of the funding request and funds available.

Should the board reject a preapplication(s) when funds are clearly available in the elimination of slum and blight category, it will provide a written explanation to the preapplicant and the DCS.

The following alternatives will be considered by the Board for redistribution of funds turned back from funded projects for reasons such as cost under-runs or the inability to use all allocated funds.

Prior to June 1, 2022 funds may be:

- Offered to current year unfunded Elimination of Slum and Blight Applicants in rank order.
- Transferred to Public Facilities – LMI Benefit and offered to current year unfunded applicants in rank order.
- Transferred to Public Facilities – Urgent Need and offered to current year unfunded applicants in rank order.
- Transferred to Removal of Architectural Barriers and offered to current year unfunded applicants in rank order.
- Transferred to Housing Rehabilitation and offered to current year unfunded applicants in rank order.
- Transferred to Other Housing Projects and offered to current year unfunded applicants in rank order.
- Transferred to a previously funded project in any category that demonstrates a need for additional funding.
- Held for emergency applications up to May 15, 2022.

Should no applications for Elimination of Slum and Blight be received, the Board may transfer ESB set-aside funds to any of the other categories, including the Community Development Loan Fund at the June 16, 2021 scoring and ranking meeting.

Community Development Loan Fund (CDLF)

The Community Development Loan Fund consists of (1) funds set-aside for loans and equity investments in for-profit businesses and (2) funds repaid to DCS from loans and equity investments made in prior fiscal years. These funds retain their federal status.

Seven types of activities are eligible for funding through the Community Development Loan Fund: 1) direct loans or equity investments in for-profit businesses including loans for fixed assets and inventory; 2) loans to non-profit corporations which operate business enterprises or which serve as an avenue through which assistance is provided to for-profit businesses; 3) loans to for-profit businesses for development of infrastructure owned and maintained by the for-profit entity; 4) grants for the development of municipally owned infrastructure which directly serves new or expanding for-profit businesses; 5) grants to new or expanding for-profit businesses or non-profits; and 6) grants and/or loans to businesses for façade and streetscape improvements.

renovation of closed or abandoned buildings, energy system improvements or retrofitting, and preservation of architectural or historical design features. An application may be submitted at any time during the year.

Submission Process and Requirements to CDLF for Loans and Equity Investments

1. An Applicant (the business to be assisted) submits a full application that consists of a complete business plan (LARC may provide a format) and supplementary information including, but not limited to historical financial statements of the business, 3 years of business tax returns, as applicable, 3 years of personal tax returns of the principals, financial pro formas, including cash flow statements, income statements and balance sheets, a description of the project, anticipated use of funds, other sources of financing including owner equity and a projection of jobs to be created and/or retained as a result of the project. Applicant must also demonstrate that all other sources of funds are committed to the project, contingent upon CDLF funding.
2. The sponsoring jurisdiction (a city or county) passes a resolution of sponsorship and holds a public hearing on the request for CDLF funds.
3. LARC staff prepares a credit analysis and a recommendation to the LARC Loan Committee² based upon the following factors:
 - a. Need for Community Development Loan Fund Program assistance and appropriateness of the proposed use of funds;
 - b. Cash flow and the ability to meet debt service requirements;
 - c. Strength of the balance sheet and profit and loss statement (existing businesses);
 - d. Reasonableness and credibility of pro forma financial statements (existing and new businesses);
 - e. Financial strength of principals;
 - f. Appropriateness of the proposed terms of the Community Development Loan Fund request;
 - g. Management strength and expertise;
 - h. Past performance of the firm or principal(s);
 - i. Other sources or lack of other sources of funding;
 - j. Marketing; and

² The LARC Loan Committee membership is comprised of one LARC Board Member from each of the Lake Agassiz Region's six counties and any other LARC board members who demonstrate an interest in the work of the Committee. The Committee currently has seven members.

- k. Cost per job based on the amount of Community Development Loan Funds requested;
 - l. Community benefit.
4. The LARC Loan Committee reviews the credit analysis and staff recommendation.
 5. The LARC Loan Committee review may result in any of the following actions:
 - a. The committee may approve funding as recommended;
 - b. The committee may approve funding with conditions;
 - c. The committee may ask the business to restructure its financial package for reconsideration; or
 - d. The committee may recommend that the application not be funded and not be allowed to restructure its financial package for further consideration.
 6. Upon approval by the LARC Loan Committee, the application materials, business plan and accompanying documentation, staff review, and loan committee recommendation and minutes are submitted to DCS for final approval.

Submission Process and Requirements for CDBG Infrastructure and Public Facilities Grants to Local Units of Government

1. LARC staff determines that a proposal for infrastructure improvements or public facilities will meet the job creation and community benefit objectives of the Community Development Loan Fund and that the project will qualify for grant assistance. Applications may be submitted at any time during the year.
2. Applicant jurisdiction (city or county) completes and submits a full application for a CDLF Infrastructure Grant (with assistance from LARC staff, if needed) that includes all of the following items:
 - a. CDBG public facilities application form;
 - b. Preliminary engineering report;
 - c. Staff review;
 - d. Assessment(s) of benefiting company(ies);
 - e. Business plan(s) of benefiting company(ies) including 3 years historical financial statements and pro forma financial projections, as applicable;
 - f. Letter(s) of commitment from benefiting company(ies);

- g. Job creation and retention form for each benefiting company;
 - h. Hiring plan for each benefiting company;
 - i. Business assessment of beneficiary (Attachment B) for each benefiting company.
3. The sponsoring jurisdiction (a city or county) passes a resolution of sponsorship and holds a public hearing on the request for CDLF funds.
 4. LARC staff prepares a written recommendation to the LARC Loan Committee. The Loan Committee makes a funding recommendation based on the information contained in the application, including the job creation and public benefit aspects of the project, the amount of the local share and the staff recommendation.
 5. Upon approval by the LARC Loan Committee, the application materials, business plan and accompanying documentation, staff review, and loan committee recommendation are submitted to DCS for final approval.

2021

REGION VI

SOUTH CENTRAL DAKOTA REGIONAL COUNCIL

429 2nd St SW, Suite 208
PO Box 903
Jamestown, ND 58402-0903
Phone: 701-952-8050
Email: tredlin@scdrc.org
TTY: 800-366-6888
ND Relay Voice: 800-366-6889
Spanish: 800-435-8590



ALTERNATIVE FORMATS FOR DISABLED
PERSONS ARE AVAILABLE UPON REQUEST

135

South Central Dakota Regional Council is a nine-county, voluntary association of governments formed pursuant to the North Dakota Century Code. The Regional Council provides assistance in business and economic development to Barnes, Dickey, Foster, Griggs, LaMoure, Logan, McIntosh, Stutsman and Wells counties in South Central North Dakota.

The Board of Director members of the Regional Council include 28 representatives from the nine-county area. Membership is designed to give broad representation of governmental and economic interest. The members consist of one mayor and one county commissioner from each of the nine counties. In addition, there are two members representing urban communities with populations over 5,000 – Jamestown and Valley City, along with economic developers, private sector, Soil Conservation District and University delegates.

Public Facilities/Housing/Planning

Friday, February 26, 2021	Public Needs Hearing will be held at 1 pm online via GoTo Meeting #437-446-917
Friday, May 14, 2021	Deadline for Pre-application submission: on or before 5 p.m. Friday, May 14 th , 2021.
Wednesday, June 23, 2021	Pre-applications will be reviewed, ranked, and recommended grant amounts determined. Applicants are expected to attend SRC meeting to make a presentation, answer questions and provide clarification. Each applicant will be allowed approximately 15 minutes for a presentation and questions from SRC members and Regional Council staff.
Friday, July 30, 2021	Final applications are due to the Regional Council. The original application must be received in the Regional Council office on or before 5:00 p.m. Friday, July 30, 2021.
December 23, 2021	Final Applications to be submitted to DCS.

Economic Development/Emergency

No Deadline	Applications for economic development and emergency funds are accepted at any time.
-------------	---

ALLOCATION OF FUNDS *2021 Funds have not been allocated. The following amounts have been estimated for the 2021 program year.

2021 Total Amount Anticipated for Distribution	\$269,321.00
Public Facilities	\$269,321.00
Housing	\$ 0.00
Planning	\$ 0.00
Economic Development and Emergency	\$ 0.00
Total	\$269,321.00

AWARD PROCESS FOR PUBLIC FACILITIES/HOUSING

The South Central Dakota Regional Council will appoint a committee to review, score, and recommend projects for funding at its March, 2021 quarterly full Board of Directors meeting. The committee will consist of one representative from each of the member counties. If an appointed member cannot attend the Scoring and Ranking committee meeting, he or she will inform the Regional Council of his or her alternate county representative and the alternate will need to be approved by the board.

After the SCDRC Scoring & Ranking Committee (SRC) meets on June 23, 2021, decisions including transfers from one allocation to another will be made at the July 21, 2021 Board of Directors quarterly meeting. However, in the event a timelier decision needs to be made, the Executive Director and the President of the Regional Council Board have been authorized by the Board of Directors to make any necessary decisions. In case of a conflict of interest by the Executive Director and/or President, the decision will be made by three (3) other SRC Members. The Economic Development allocation, to be called the Community Development Loan Fund (CDLF), is under the authority of the Regional Council Loan Funds Committee.

To be eligible for a grant, the activity must benefit a population of 51% or more low- to moderate income (LMI) people based on the HUD-approved data per the American Community Survey or serve a limited clientele population. If your entity has less than 51% LMI individuals and/or families, the project may be eligible under special assessment. Please contact the Regional Council for census data at 701-952-8050. This requirement applies to Public Facilities. Housing is a direct benefit activity. However, to be eligible in multi-family projects at least 51% of the unit and/or units must be occupied by LMI persons; and in single-family projects 100% of the homes rehabbed need to be occupied by LMI persons. A prospective applicant may conduct, at its expense, an "Income Survey" to establish LMI population.

Review process for public facilities and housing:

1. Regional Council staff will review all Pre-applications for eligibility (as described in the State Action Plan & the Pre-App Instructions) and completeness, posing any questions to applicant as soon as possible.
2. Pre-applications will be submitted to Scoring & Ranking Committee (SRC) members for review prior to the SRC June 23, 2021 meeting.
3. City/County Housing Single Family Projects (this amount is not per house)
Minimum Amount \$200,000; Maximum Amount \$500,000.
City/County Housing Multi-Family Projects
Minimum Amount \$100,000; Maximum Amount \$500,000.
4. Applicants are expected to attend the SRC meeting to make a presentation, answer questions, and provide clarification. Each applicant will be allowed approximately 15 minutes for a presentation and questions from SRC members and Regional Council staff.
5. After all presentations are complete; the SRC will discuss the projects and their merits.
6. After the applications have been reviewed and discussed, the SRC members will individually score them utilizing the scoring criteria contained in this document.
7. After the scores have been added, the high and low scores out of the 9 will be eliminated and an average score will be determined out of 7 scores. Rankings will be determined.

the SRC will recommend an award amount to each project according to ranking. The SRC reserves the right to adjust the amount awarded to the projects during this process. If there are no projects presented or the projects presented do not use the entire allocation, the committee can move allocated funds from that activity to another. In the event a project does not move forward, the committee may reallocate that funding.

8. In the event of a scoring tie, the SRC will determine the funding sequence by means of a written ballot.
9. Each applicant will be informed of the proposed disposition of its application. Applicants awarded funding must provide the information, assurances, and documentation necessary to show compliance with State and Federal guidelines. This is accomplished by completing a Full Application.
10. The Full Application requires information necessary to determine if the project is in compliance with all federal and state requirements. The Division of Community Services (DCS), ND Department of Commerce, will review Full Applications for such compliance and prepare the final financial award. It is possible that a "Scored and Ranked Project" will not be approved for a Final Application. In such an event, the highest ranked project, able to support the increased funding, will be allocated additional funding. This process will continue until the full allocation to Region VI has been awarded. Final allocations are approved by the Executive Board of South Central Dakota Regional Council.

Public Facility Grants

Eligible activities as described in the State Program Distribution Statement include infrastructure, public safety and removal of architectural barriers. A special project directed to removal of material and architectural barriers which restrict the mobility and accessibility of elderly or disabled persons to publicly owned and privately owned non-residential buildings, facilities and improvements, and the common areas of residential structures containing more than one dwelling unit. Public facility projects which include the removal or architectural barriers projects should be designed to benefit elderly or disables persons.

A local commitment, including a cash match, is required for public facilities. Some or all of the local match will be used for CDBG grant administration of up to 10 percent of CDBG funds awarded with a minimum of \$5,000 for administration. If a jurisdiction has no local funds for grant administration, the funds will come out of CDBG. The higher the local commitment, the greater the points. See the scoring sections for commitment and matching funds for points awarded.

An engineer/architect report is to be included in the public facility's Pre-application. The engineer/architect report provides information helpful in determining the project's appropriateness and cost effectiveness. An Engineer/Architect is mandated if the building project is over \$200,000.

PUBLIC FACILITIES SCORING AND RANKING CRITERIA

1. COMMITMENT

The committee will score each application on the basis of perceived commitment. 90 to 125 points will be awarded for high commitment and 65 to 89 points for moderate. The following criteria will be considered:

- a. 90 to 125 points will be awarded to projects that demonstrate the applicant is asking for the minimum amount of grant funds and is, therefore, providing the maximum amount of local match and/or other funds. This can be shown by documenting all of the following:
 - 1) project cannot proceed without the requested funds.
 - 2) applicant can show it is without additional existing funds to fully fund or increase the local match to the project.
 - 3) other potential sources of funding assistance have been explored but no other sources of grants or affordable loans are likely or available to meet the immediate need.
 - 4) the problem is:
 - i. long standing or existing and the applicant has made all reasonable efforts to obtain local or other financing to address the problem; or
 - ii. immediate and unexpected, not reasonably foreseen by the applicant.
 - b. 65 to 89 points will be awarded to applications which show grant funds are needed to proceed with the project and which meet most, but not all above criteria.
2. **APPROPRIATENESS**
 100 to 125 points to projects that meet each of the following criteria:
 80 to 99 points to those that meet 5 of 6.
 60 to 79 points to those that meet 4 of 6.
 40 to 59 points to those that meet 3 of 6.
- a. the project is the best immediate solution to the problem.
 - b. the project provides the best long-term solution to the problem.
 - c. the project meets all federal and state requirements and standards.
 - d. the project appears to be cost effective considering the number of people to benefit versus the cost (compared to other projects);
 - e. cost estimates appear to be reasonable and are well documented.
 - f. project appears ready to proceed in a timely manner, with construction beginning & completing within a 12-month period.
3. **PERCENTAGE OF MINORITY LIVING IN PROJECT AREA**
- | | |
|---|------------|
| Communities with above 76% minority population | 100 points |
| Communities with 51% to 75% minority population | 75 points |
| Communities with 26% to 50% minority population | 50 points |
| Communities with below 26% minority population | 25 points |
4. **PERCENTAGE OF LMI IN THE PROJECT AREA**
 One point will be awarded for every percentage point of LMI population served by the project.
5. **LMI AND/OR TARGET GROUPS BENEFIT**
 Two points for each percent above 51 percent LMI will be awarded. Projects to assist exclusively LMI persons, including senior citizens, removal of architectural barriers projects are eligible. LMI benefit will be determined from the HUD approved data or from approved survey method results.

6. PROJECT TYPE	
Installation of water and/or sewer facilities	150 points
Rehabilitation of slum or blighted buildings	125 points
Fire protection facilities/equipment	115 points
Install flood & drainage facilities	95 points
Street construction/reconstruction	80 points
Community Center (includes Child Care Initiative)	75 points
Removal of architectural barriers	60 points
All other eligible CDBG projects	50 points
7. TOTAL CDBG COST PER CAPITA COST	
\$0 to \$1,000	100 points
\$1,001 to \$3,000	80 points
\$3,001 to \$6,000	60 points
8. RECEIPT OF PUBLIC FACILITY CDBG FUNDS IN THE PAST	
No prior funding	100 points
5 years or more prior	80 points
within the past 4 years	60 points
within the past 3 years	40 points
within the past 2 years	20 points
within the past year	0 points
NOTE: Years are to be counted from (and including) the most recent year in which funds were awarded, up to (and including) the funding year immediately prior to the current year.	
CDBG funds from any source (including urgent need funds) are to be considered as prior funds received.	
9. PROJECT READINESS	
Complete plans, and proof of other funding committed	100 points
Complete plans, other funding located – not committed	80 points
Complete plans, other funding not located	20 points

HOUSING

Eligible projects as described in the State Program Distribution Statement that address affordable single and multi-family developments, including rehabilitation, repair, expansion, or similar activities that will better assure meeting of needs, immediate and long-term, viability and health and safety issues; or conversion or support new construction providing affordable housing will be considered. Awards may be made in the form of grants.

HOUSING SCORE SHEET

SRC will assign points to housing activities applications in the following manner:

1. Proposed number of households to be assisted by the project.	
10 and over	40 points
7-9	30 points
4-6	20 points
Under 4	10 points
2. Participation in project by other funding sources as a percentage of total project costs.	
50.0% and over	40 points
25.0% to 49.9%	20 points
Under 25.0%	0 points
3. Is there a business development project within the community or within a reasonable commuting radius of the community that is contributing to housing demand as measured by local Housing Authority?	
Yes	30 points
No	0 points
4. The project will definitively demonstrate the following results:	
An increase in the number of housing units available to low and very low-income households	20 points
Concrete mechanisms to enhance the affordability of housing for low and very low-income households.	20 points
An ongoing effort to increase housing opportunities in the locality	20 points
Active and ongoing participation by city government and/or other development organization(s).	20 points
Active and ongoing participation by other groups, including financial institutions, charitable groups, the local business community, etc.	10 points
5. Percentage of Minority Living in Project Area	
Communities with above 76% minority population	50 points
Communities with 51% to 75% minority population	30 points
Communities with 26% to 50% minority population	20 points
Communities with below 26% minority population	10 points
6. Project Readiness	
Complete plans, and proof of other funding committed	100 points
Complete plans, other funding located – not committed	80 points
Complete plans, other funding not located	20 points

7. SRC will assign up to 50 points for the perceived need of each project in the following manner:

Each applicant for housing projects will be invited to present a 5- to 10-minute summary of the project including a description of the type of project, an explanation of the need for the project, growth of the community, if applicable, other proposed financial participants and a general description of beneficiaries (low-and moderate-income households, elderly, female head of households, etc.) After all presentations have been heard, each board member will rank the projects in order of perceived need on a 10-point scale, a rank of 10 the highest and 1 the lowest. The point rankings of each project as shown above in each section will be added together and averaged to arrive at a final ranking. Applicants will then be assigned points, the highest-ranking applicant receiving 50 points, the next highest 45 points, etc., in increments of five points.

The score for the perceived need criterion will then be added to the objective score to arrive at a final score.

A tie will be broken by secret ballot of the SRC. The SRC will be polled, with the Chairperson abstaining from the vote. If a tie again results, the Chairperson will cast the deciding vote.

EMERGENCY FUNDS

Emergency projects are approved by the Governor's Office. Construction contracts cannot be executed nor can work begin on Emergency Projects prior to receiving the Financial Award and Environmental Release of Funds from the State.

Eligible activities must meet the national urgent needs objective as stated in the Federal Register. At a minimum, the threat cannot have occurred or become apparent more than 18 months prior to submission of an application or pre-application, but generally it should not have occurred, or a solution identified, until after the regular public facility pre-application deadline. The use of emergency funds due to a failure from lack of a maintenance plan by a community may not be considered urgent need. Projects will need to meet eligibility requirements and have concurrence that the project constitutes an Emergency Project from the ND Division of Community Services (DCS). Funding will be requested from the Governor's Fund. DCS will determine eligibility and appropriateness based on availability of funds and needs. Applicants must provide evidence that it is unable to finance the activity on its own and other sources of funding are not available. Emergency requests will not be ranked and scored. Emergency applications will be considered at any time. Final funding decisions are made by the State of North Dakota through the Governor's office.

Applicants should contact the Regional Council office for guidance in preparing requests/applications for emergency funding.

ECONOMIC DEVELOPMENT FUNDS

Economic Development projects will be funded with the Regional Revolving Loan Fund.

The South Central Dakota Regional Council (SCDRC) is served by a Loan Funds Committee for SCDRC Community Development Loan Fund (CDLF) review. The Economic Development

allocation, to be called the Community Development Loan Fund (CDLF), is under the authority of the Regional Council's Loan Funds Committee. The Loan Funds Committee consists of one person from each county in Region VI, who is nominated by the county. The Regional Council staff assists the Loan Funds Committee by providing guidance to the business in developing its application, assuring compliance with HUD regulations, and preparing a staff recommendation for the Loan Funds Committee. Applications to the CDLF are taken on an ongoing basis throughout the program year.

Should all available CDLF funds be committed, applicants will be informed of the status of program funding and potential timeline for future funding. Staff will also assist in researching other potential financing sources.

1. Eligible Activities - (Partial listing for a complete list refer to the State Action Plan).
 - a. Direct loans or grants to businesses including loans for fixed assets, equipment, infrastructure, inventory; and guarantees for working capital; or
 - b. Grants for the development of publicly owned infrastructure which directly serves new or expanding for profit businesses; or
 - c. Purchase of preferred stock limited to 20 percent of the total project.

2. Ineligible Activities - (Partial listing for a complete list refer to the State PDS)

- a. Interest buy downs.

3. Review Committee

The Loan Funds Committee consists of one member from each of the member counties served. The Loan Funds Committee will consider all applications for funding.

4. Application

The application checklist and complete application packet can be obtained from SCDRC. State eligibility requirements will be applied to regional projects. The staff will work with each applicant to assist in the completion of the application. The application must be completed at least fourteen (14) days prior to the upcoming monthly committee meeting at which the applicant would like its application to be considered. The committee meetings are held on the second Tuesday of each month, as needed.

5. Staff Review

The staff will review the application for completeness and program compliance. If necessary, the staff will request additional information or clarification. The staff will prepare a staff recommendation that will be sent to each Loan Funds Committee member with the application packet at least one week prior to its upcoming meeting.

Minimum program requirements include:

- a. At least 51% of the jobs created or retained by the proposed project must be available to low to moderate income people.

- b. Principal(s) must provide at least 10% of the total project in the form of cash or tangible balance sheet equity, and/or other acceptable assets.
- c. A private financing institution must be involved in all ED projects unless it is a disaster situation.
- d. CDLF may only participate to a maximum of 50% of the total project.
- e. CDLF's maximum investment (loans or equity) should be limited to \$35,000 per job created or retained and \$10,000 per job for infrastructure grants.

Upon a determination that the application does not comply with minimum requirements, a letter will be sent to the applicant identifying specifically what can be done to bring the proposal into compliance with the application requirements.

The staff may also begin the environmental review process on each application to expedite the potential drawdown of loan funds.

6. Applicant Presentation

Each applicant will present his/her application to the Loan Funds Committee and answer any additional questions from the Loan Funds Committee. The presentation and question/answer period are limited to 30 minutes.

7. Loan Committee Review

The Loan Funds Committee will review the CDLF request based on an analysis of the project. The Loan Funds Committee recommendation may come in the form of any of the following actions:

- a. The Loan Funds Committee may recommend funding as requested; or
- b. The Loan Funds Committee may recommend funding with conditions; or
- c. The Loan Funds Committee may ask the business to restructure its financial package for reconsideration; or
- d. The Loan Funds Committee may request additional information before a recommendation can be made; or
- e. The Loan Funds Committee may recommend that the application not be funded and not be allowed to restructure its financial package for further consideration.

8. Application Approval

If the application is approved by the Loan Funds Committee, the staff will organize the following:

- a. Public hearing held by sponsoring applicant jurisdiction.
- b. Completion of community application requirements.
- c. Complete full application and submit to Division of Community Services (DCS).

9. Amendment Requests

Amendment requests must be made by the loan recipient to the sponsoring unit of government, for approval, denial, or approval with alterations. The sponsoring unit of government will then forward the amendment to the Regional Council who will forward the request to the DCS.

ECONOMIC DEVELOPMENT APPLICATION

1. Pre-Application/Business Plan

- a. The pre-application includes submitting a pre-application and a business plan to the Regional Council which will be accepted any time during the program year. It shall contain all information required by the current State Action Plan.
- b. Regional Council staff will review each pre-application and business plan for compliance with Program Distribution Statement-Economic Development guidelines.
- c. Once the application has been determined complete and in compliance, the Regional Council will complete an in-depth review of it and forward the review to the Loan Funds Committee.

The Regional Council staff, when reviewing the application and business plan will focus primarily on an analysis of the following:

- Need for CDFI assistance and appropriateness of the proposed use of funds.
- Cash flow and the ability to meet current and proposed debt service requirements.
- Strength of the balance sheet, profit and loss statements.
- Financial contribution (equity commitment) and strength of the principals.
- Appropriateness of the proposed terms of CDFI assistance.
- Management strength and expertise.
- Past performance of the firm and/or principals.
- Commitment of other sources or lack of other sources of funding.
- Strengths and weaknesses of the proposed marketing activities.
- Proposed staffing plan, including cost per job based on the amount of CDFI assistance requested.

The results of the Regional Council staff review may consist of any of the following:

- The applicant and/or business may be asked to provide more information.
- The business may be asked to pursue other sources of funding before giving further consideration.
- The business may be asked to restructure the financial package.
- The business may be asked to rework/revise its business plan.
- The Regional Council staff may request a visit to the business locale and/or a meeting with the business.
- The Regional Council staff may decide that the business is not feasible as structured with the negative recommendation provided in writing.
- The Regional Council staff may decide to develop a positive funding recommendation with conditions.
- The Regional Council staff may recommend that the business not be funded and not be permitted to restructure its proposal, and
- The Regional Council staff may recommend funding as requested. The above list or potential actions are not all-inclusive and other actions may be taken as the situation may dictate.

- i. At least one week prior to the Loan Funds Committee monthly meeting the pre-application, business plan, and Regional Council staff review and recommendation for funding will be sent to each Loan Funds Committee member.

- e. The Loan Funds Committee, at its monthly meeting, will review the pre-application and business plan, meet with the business owners and/or representatives, and consider the staff recommendation. When reviewing the proposal, the committee will focus on an analysis of the following:
- Need for CDLF assistance and appropriateness of the proposed use of funds.
 - Cash flow and the ability to meet current and proposed debt service requirements.
 - Strength of the balance sheet, profit and loss statements.
 - Financial strength of the principals.
 - Appropriateness of the proposed terms of CDLF assistance.
 - Management strength and expertise.
 - Past performance of the firm and/or principals.
 - Other sources or lack of other sources of funding.
 - Strengths and weaknesses of the proposed marketing activities.
 - Proposed staffing plan, including cost per job based on amount of CDLF assistance requested.

After the meeting with the business and reviewing the proposal the committee will recommend one of the following:

- The applicant and/or business may be asked to provide more information.
- The business may be asked to pursue other sources of funding before giving further consideration.
- The business may be asked to restructure the financial package.
- The business may be asked to rework/revise its business plan.
- The Loan Funds Committee may decide that the business is not feasible as structured with the negative recommendation provided in writing.
- The Loan Funds Committee may decide to develop a positive funding recommendation with conditions.
- The Loan Funds Committee may recommend that the business not be funded and not be permitted to restructure its proposal, and
- The Loan Funds Committee may recommend funding as requested. The Committee may recommend less funding depending on the availability of funds. The above list of potential actions are not all-inclusive and other actions may be taken as the situation may dictate.

2. Full Application

- a. Following approval by the Loan Funds Committee, the full application will be generated by the Regional Council staff. It will contain all information in compliance with PDS guidelines. The Regional Council staff will then forward the full application to DCS for a compliance review and preparation of the Financial Award. Two copies of the Financial Award will be forwarded to the grantee. The signed Financial Award must be signed and returned within 60 days of the effective date of the award or the award may be terminated. Upon receipt of the Financial Award and prior to completing all environmental review requirements and receipt of an official Notice of Release of Funds, the grantee may only incur administrative costs. No construction, acquisition, or other costs may be incurred before the Release of Funds date.

- b. The loan documents (i.e., loan agreement, promissory note, security agreement, guarantee, and UCC filings) will be generated by the Regional Council staff. It will be the Regional Council's responsibility to submit these documents to the required persons/agencies for execution and/or recording.

OTHER POLICIES

A. Conflict of Interest

South Central Dakota Regional Council and its Community Development Block Grant committees will avoid conflict of interest situations, whether real or perceived. To avoid even an appearance of conflict of interest, the following policies shall be in effect:

1. Adoption of HUD Conflict of Interest Policy.

The committee shall adopt the HUD Conflict of Interest policy as its own policy.

2. Other Policies

Committee members who reside within the applicant's jurisdiction will provide disclosure at the committee meeting and shall refrain from ranking the application.

No employee, agent, consultant, officer or elected official of the state, unit of general local government, designated public agency or sub-recipient shall participate in the scoring or ranking of a project that could be supported by federal grants funds, if a conflict of interest, real or perceived exists. Such a conflict would arise when the employee, agent, consultant, officer or elected official, any member of his/her immediate family, his/her partner or an organization which employs, or is about to employ any of the above has a financial interest or other interest in the project selected for funding.

If it is not clear whether a conflict of interest, real or perceived, may exist, a committee member may abstain from voting/ranking, or may ask the chairman to determine whether abstention is advisable, or the chairman may ask other committee members to determine if abstention should be required.

DCS and South Central Dakota Regional Council reserve the right, without notification except as may be required by state or federal regulations, to modify or transfer allocations and otherwise modify or amend this statement, including but not limited to, clarifications of policy, and deadline or meeting date changes."

B. Allocations, Adjustments and Transfers

After project scoring is complete, the SCDRC Executive Board of Directors will consider the amount of the recommended award for each project according to ranking. The SCDRC Executive Board of Directors reserves the right to adjust the amount of each award from the amount requested as it determines appropriate, and to apply conditions to the award. Lower-ranked projects that exceed thresholds are not necessarily entitled to grant award even if funds remain in the category. The SCDRC Executive Board of Directors may retain or transfer the balance of allocated funds to any

category for current or future applicants, including emergency, other or economic development project as.

If, after making its award recommendations, funds remain in one or more categories, the SCDRC Executive Board of Directors may:

1. Offer all or part of the remaining allocation to applicants in order of ranking until all or part of the allocation is obligated
2. Transfer all or part of the unobligated balance of the allocation to another category,
3. Retain the unobligated balance for future awards in the same category or transfer to another category,
4. Award all or part of the remaining allocation to an open project, or
5. Any combination of the above.

ACRONYMS

CDBG	Community Development Block Grant: (U.S. Department of Housing & Urban Development) funds distributed to North Dakota
CDLF	Community Development Loan Fund
DCS	Division of Community Services: A division of the North Dakota Department of Commerce
ED	Economic Development
HUD	US Department of Housing and Urban Development
LMH	Low to Moderate Income: Relates to income status as determined by HUD
PDS	Program Distribution Statement
SRC	Scoring and Ranking Committee
RLF	Revolving Loan Fund
SCDRC	South Central Dakota Regional Council
VL & LI	Very Low and Low Income: Relates to income status of households/persons as determined by HUD

2021

REGION VII

LEWIS AND CLARK
REGIONAL
DEVELOPMENT COUNCIL

200 1st Avenue NW
Mandan, ND 58554
Phone: 701-667-7620
Fax: 701-255-7228
lcrdc@lewisandclarkrdc.com
TTY: 800-366-6888
ND Relay Voice: 800-366-6889
Spanish: 800-435-8590



ALTERNATIVE FORMATS FOR DISABLED
PERSONS ARE AVAILABLE UPON REQUEST

IMPLEMENTATION SCHEDULE

Public Facilities, Housing, Planning and Main Street

June 4, 2021	Submission deadline for pre-applications (original and one copy required, must be post-marked on or before deadline date).
June 23, 2021	Applications will be reviewed, scored and recommended funding amounts determined.
December 23, 2021	Submission deadline for final applications due to DCS.
January 2, 2022	Last date final applications are due (original only) to Lewis and Clark Regional Development Council.*

Economic Development (CDLF and ED Infrastructure) and Emergency Applications

Pre-applications and final applications will be accepted at any time and will be considered if funds are available.

*At the option of the CDBG committee, due dates for final applications may be extended. This option may be exercised at the sole discretion of the committee and with public notice if final applications are invited after June 4, 2021 due to availability of additional funds resulting from additional allocations, returned or unobligated funds, or fund transfers. In such cases, the committee may extend the final application deadline as it determines is appropriate, but not later than seven days prior to the latest date by which applications and amendments must be received by DCS.

ALLOCATION OF FUNDS

Distribution of CDBG funds by Lewis and Clark Regional Development Council will be as follows. If the final allocation changes, allocations to one or more categories may be adjusted accordingly without notice and at the sole discretion of the CDBG Committee.

Housing	\$ 100,000
Public Facilities	\$ 206,939
Emergency/Other	\$ 0
Economic Development - CDLF & ED Infrastructure	\$ 0
TOTAL	\$306,939

CDBG Funding Categories

- A. **Housing:** Housing projects are eligible projects as described in the State Program Distribution Statement that address single family and affordable multi-family developments, including rehabilitation, repair or similar activities proposed that will better assure meeting of needs, immediate and long-term viability, and health and safety issues; or conversion or eligible soft costs for new construction providing affordable housing. Awards may be made in the form of grants, loans, or a combination.

- B. **Public Facilities:** Eligible activities as described in the State Program Distribution Statement to include infrastructure, public safety (e.g., fire halls, fire trucks, ambulances and related equipment) and removal of architectural barriers.
- C. **Emergencies:** Eligible activities needed to alleviate an immediate and urgent condition that poses a serious health, welfare or safety threat, including an event such as fire, flood or tornado resulting in severe damages that may result in a loss of jobs and/or inability of the community to provide essential services to its market area. At a minimum, the threat cannot have occurred or become apparent more than 18 months prior to submission of an application or pre-application, but generally it should not have occurred, or a solution identified, until after the regular public facility pre-application deadline.
- D. **Other:** Is for other activities which do not fit in to any other category but which are eligible for CDBG assistance. Any proposal within this category must meet one of the national objectives.

CDLF Funding Categories

Economic Development: Eligible activities and projects as described in the State Program Distribution Statement. Economic development funds may be in the form of CDLF loans or grants to businesses (or related entities), or as grants and/or loans for economic development infrastructure, but a bank must be involved in the project financing of CDLF projects.

GRANT APPLICATION SUBMISSION REQUIREMENTS

A. Public Facilities and Housing

1. Applicants have the option of submitting either a pre-application or full application by June 4, 2021. This is to allow applicants wishing to begin a project as soon as possible the opportunity to receive a final grant award in a timely manner. To be considered for scoring, the minimum requirements of a preliminary application must be met. However, because scoring is based only on information required in the pre-application, full applications would have no advantage in scoring over pre-applications.
2. Generally, the only difference between pre-applications and full applications is documentation that all state and federal procedures and policies, such as public hearings, identification of community development needs, displacement policies, etc. have been fulfilled. However, pre-applicants who have been invited for a full application may change the proposal shown in the pre-application, but only if the proposal is within the same emphasis area and is intended to address the same problem identified in the pre-application. If any changes could affect the score it received in the pre-application, the Lewis and Clark CDBG Committee reserves the right to re-score, adjust rankings and alter award recipients and amounts.
3. Although specific match amounts are not required, at a minimum local match is required to fully cover engineering/architectural costs, if any, and CDBG administration costs. The match requirement may be waived in whole or part by the committee if it can be clearly documented there are insufficient resources to pay such costs. Architectural/ engineering

costs should be documented in the application, and for purposes of budgeting. The following administration costs should be assumed unless otherwise documented:

- a. For Housing and Public Facility Special Assessment projects, 15% of CDBG project funds, with a minimum of \$1,000 and maximum of \$15,000.
- b. For Public Facility projects, 10% of CDBG project funds, with a minimum of \$1,000 and maximum of \$10,000.

Notwithstanding the above, the match amount proposed by the applicant should be determined by what is reasonable considering the resources available to the applicant. Failure to provide an adequate and reasonable match will result in a lower commitment score. Proposals requesting grant assistance for either engineering or administration, or both, will be required to submit additional budget and financial information.

4. Public Facility projects for which costs are estimated at \$200,000 or more require preparation of plans, drawings and specifications by a licensed architect or registered engineer.
 5. Housing projects for which costs are estimated at \$200,000 or more require preparation of plans, drawings and specifications by a licensed architect or registered engineer.
- B. Economic Development and Economic Development Infrastructure
1. Economic Development (CDLF) and Economic Development Infrastructure proposals will be considered at any time.
 2. Final applications will not be requested or considered until eligibility has been determined by council staff after submission of a pre-application.
 3. Administration of 10%, minimum \$1,000, unless otherwise negotiated, will be charged.
- C. Emergency and Other: Applicants should contact the regional council for guidance and instructions

GRANT REVIEW AND SELECTION PROCESS

- A. Public Facilities and Housing
1. A committee composed of voting Council members serving on the Lewis and Clark CAPITAL Fund Board will be responsible for reviewing, scoring, ranking and making grant award recommendations. The chairman of the CDBG committee, in cases where a committee member(s) is absent or has a conflict of interest, may name an alternate(s) for the absent or in-conflict member from a pool of Council board members who have served at least one year and demonstrated a record of good attendance. When possible and practical, preference should be given to those potential alternates who have no apparent conflict of interest in any known proposal.

2. Only proposals that meet the full requirements of the pre-application, and those determined by Council staff to be eligible, will be considered.
3. Upon receiving proposals, Council staff will review each for eligibility and completeness, and prior to the CDBG committee meeting on June 23, 2021, staff will send to each member a copy of the submitted proposals.
4. Staff will prepare summary reviews of each application to be given to committee members at or before their meeting on June 23, 2021.
5. Applicant representatives will be given the opportunity to present their proposal to the committee at the meeting, with up to 15 minutes each for presentations and questions from the committee and staff.
6. After all proposals have been heard and reviewed by the committee, committee members will score proposals in each subjective scoring category. Staff will apply appropriate scores for each objective category. Committee scores will then be totaled, with the highest and lowest individual scores in each category for each project eliminated and the remaining scores averaged to determine ranking.
7. To be considered for, but not necessarily entitled to funding, public facilities proposals must receive a score of at least 350 points and housing at least 500. The threshold requirements may be waived upon unanimous vote of a quorum of the CDBG Committee.
8. Although no allocation is specified for emergencies, requests may be funded on June 23, 2021 or thereafter upon approval of the committee and approval of transfer of funds from any category.
9. For scoring purposes only on housing proposals, funds spent on related items within six months prior to consideration of the request may be recognized as match.
10. After rankings have been determined, the committee will consider the amount of the recommended award to each project according to ranking. The committee reserves the right to adjust the amount of each award from the amount requested as it determines appropriate, and to apply conditions to the award, including time deadlines to meet the conditions. Lower-ranked projects that exceed thresholds are not necessarily entitled to grant awards even if allocated funds remain in the category. The committee may retain or transfer the balance of allocated funds to any category for current or future applicants, including for emergency, other or economic development projects as deemed appropriate.
11. If, after making its award recommendations, projects cannot be partially completed using CDBG funds. Projects need to be complete, if additional funds are necessary local and/or other sources must be utilized. If funds remain in one or more categories, the CDBG committee may distribute funds in this order:
 - a. Offer all or part of the remaining allocation to applicants in order of ranking until all or part of the allocation is obligated, or

- b. Transfer all or part of the unobligated balance of the allocation to another category, or
 - c. Retain the unobligated balance for future awards in the same category or transfer to another category, or
 - d. Award all or part of the remaining allocation to an existing, previously funded (from the previous year) but still open project, or
 - e. Any combination of the above.
- 12. Pre-applicants recommended for funding will be invited to submit final applications. Final applications which staff determines are different to the extent that the pre-application score may be reduced will be re-scored, re-ranked and funding levels altered as the committee deems necessary.
 - 13. All final applications recommended for funding will be delivered to the Division of Community Services for review, final approval and preparation of grant awards.
- B. Economic Development—CDLF
- 1. Funding recommendations under the Economic Development allocation, to be called the Lewis and Clark Community Development Loan Fund (CDLF), will be made by the Lewis and Clark CAPITAL Fund Board.
 - 2. Prior to submitting a full application and business plan, applicant must first submit a pre-application, which will be reviewed by staff for eligibility. Proposals that meet eligibility requirements will be invited to submit a full application.
 - 3. The CAPITAL Fund Board will meet monthly to review all final and complete applications and business plans received at least two weeks prior to the meeting. Applications received within two weeks may be considered at the option of the CAPITAL Fund Board, and otherwise will be held over until the next monthly meeting.
 - 4. Prior to consideration by the CAPITAL Fund Board, staff will review the application and business plan and prepare recommendations regarding terms, conditions and other matters.
 - 5. After discussing the proposal with representative(s) of the applicant as well as consideration of staff reviews and recommendations, the CAPITAL Fund Board may:
 - a. Approve as proposed;
 - b. Approve with modifications or conditions;
 - c. Agree to withhold a decision until a later date; or,
 - d. Deny the request.
 - 6. Applications recommended for approval will be forwarded to the Division of Community Services for review, final approval and preparation of grant awards.

7. Proposals which have been rejected for funding may be resubmitted at any time, and may be reconsidered by the committee if it determines that situational or proposal changes are significant enough that a change in determination is likely.

C. Economic Development Infrastructure

1. The process for requests for economic development infrastructure projects will be the same as described in B, above (Economic Development-CDLF).
2. Awards for economic development infrastructure may be in the form of grants, loans, or a combination, as is determined to be appropriate.
3. Proposals which have been rejected for funding may be resubmitted at any time, and may be reconsidered by the committee if it determines that situational or proposal changes are significant enough that a change in determination is likely.

D. Emergency and Other

1. For emergency and other proposals eligible for CDBG assistance, the appropriate application/pre-application form shall be used. Applicants should contact staff for guidance.
2. The committee, or a subcommittee as authorized by the committee or its chair in cases where a full committee meeting is impractical due to the immediacy of an emergency, shall review each proposal and deliver any favorable recommendation to the Division of Community Services for review, final approval and preparation of grant awards.
3. Construction contracts cannot be executed nor can work begin on emergency projects prior to receiving the Financial Award and Environmental Release of Funds from the State.

F. Other Transfers

1. The committee reserves the right, without notification except as may be required by state or federal regulations, to modify or transfer allocations and otherwise modify or amend this statement, including but not limited to clarifications of policy, and deadline or meeting date changes.
2. The committee may assign all returned funds from 2020 grantees and grantees prior to 2019 to whichever allocation it deems appropriate.
3. Existing grantees requesting additional CDBG funds from either the 2021 allocation or from returned or any unallocated funds may do so through the amendment procedure. Such requests for additional funds from the 2021 allocation may be considered at any time during or after the June 23, 2021 ranking session. Requests for additional funds from 2019 or earlier returned or unallocated funds may be considered at any time.

SCORING AND RANKING CRITERIA

A. Public Facilities – Maximum 700 Points

155

1. Project Need – Maximum 150 Points

On the basis of project need, the committee will score each proposal from 0-150 points, applying 101-150 for proposals showing high need, 51-100 for moderate need and 0-50 for low need using the following criteria:

- a. 101-150 points will be applied to proposals that demonstrate the project will address all of the following criteria:
 - (1) The health and/or safety risk is significant; and,
 - (2) The risk is immediate, either existing or it is clearly and definitively documented to pose an impending threat to the health and/or safety of residents; or,
 - (3) For proposals addressing handicapped accessibility or removal of architectural barriers, most or all critical and necessary services otherwise available are not and cannot be provided.
- b. 51-100 points will be applied if:
 - (1) The health and/or safety problem is either significant or immediate, but not both; or,
 - (2) Accessibility problems pose a major inconvenience, but services and access are still available.
- c. 0-50 points will be applied if:
 - (1) The health and/or safety problem is neither significant nor immediate; or,
 - (2) Accessibility problems pose a minor inconvenience, or restrict access only to secondary services.
- d. Within the high-medium-low ranges, the committee will score projects according to:
 - (1) Relative degree of seriousness of the health and/or safety threat;
 - (2) Relative immediacy of the problem;
 - (3) Relative problems posed by accessibility limitations; and,
 - (4) Documentation of federal or state violations or unmet standards.

2. Financial Need – Maximum 75 points

On the basis of financial need, the committee will score each proposal 0-75 points, applying 51-75 points for proposals showing high need, 26-50 points for proposals showing moderate need, and 0-25 points for proposals showing low need using the following criteria:

- a. 51-75 points will be applied to projects that can document all the following:

- (1) The project cannot proceed without CDBG assistance because the applicant does not have available the necessary financial resources, future revenues are inadequate or cannot accommodate timelines necessary to undertake the project, borrowing capacity is inadequate, or cost would place an undue financial burden on the applicant and/or its citizens; and,
- (2) Other potential sources of assistance have been explored and cannot provide the assistance necessary.

b. 26-50 points will be applied if:

- (1) The project can proceed but would likely place a significant financial burden upon the applicant and its citizens; and,
- (2) Other potential sources of assistance have been explored and cannot provide the assistance necessary.

c. 0-25 points will be applied if:

- (1) The project can proceed with available or accessible financial resources and without significant financial burden; or,
- (2) No efforts can be documented that other sources of assistance have been explored or accepted.

d. Within the high-medium-low ranges, the committee will consider in its scoring:

- (1) The relative need for the funds;
- (2) Whether other federal or state funds will be leveraged by the CDBG funds that would otherwise be lost if funding is not awarded;
- (3) Documentation of need, including demonstrated efforts to secure funding assistance from other sources.

3. Local Commitment – Maximum 75 points

On the basis of local commitment, the committee will score each proposal 0-75 points, applying 51-75 points for proposals showing high commitment, 26-50 points for proposals showing moderate commitment, and 0-25 points for proposals showing low commitment using the following criteria:

a. 51-75 points will be applied to projects that can document all of the following:

- (1) No more match other than what is being committed to the project is available; and,
- (2) The applicant is not now confronting a problem or need simply because of deferred maintenance or non-action that it should have reasonably undertaken, or, if that is the case, can demonstrate it has taken actions necessary to correct the situation; and,

- (3) Past activities undertaken by the applicant indicates strong commitment to providing adequate and safe community infrastructure, public works and services; and,
 - (4) The applicant demonstrates commitment to providing adequate infrastructure and safety through tax levies, fees and utilization of borrowing capacity that are reasonable and appropriate considering the community size and demographics
- b. 26-50 points will be awarded to proposals that substantially meet most of the above criteria and no major concerns are apparent with those criteria it does not clearly meet.
 - c. 0-25 points will be awarded to proposals that meet few of the above criteria, or which meet most criteria but one or more major concerns are apparent which affect the appropriateness.
 - d. Within the high-medium-low ranges, the committee will consider in its scoring:
 - (1) The relative degree of commitment shown by the applicant;
 - (2) Documentation that the proposal has strong community support.
4. Project Appropriateness – Maximum 300 points

On the basis of project appropriateness, the committee will score each proposal 0-300 points, applying 201-300 points for proposals showing high appropriateness, 101-200 for moderate appropriateness, and 0-100 for low appropriateness using the following criteria:

- a. 201-300 points will be awarded to proposals that show the applicant has substantially met all the following criteria:
 - (1) The solution proposed, and funding requested, is logical and cost-effective considering the cost of the project related to the immediacy of the problem, the seriousness of the problem being addressed, the degree to which impacted residents will be benefited, and the number of people to benefit; and,
 - (2) The project would address the best immediate solution to the problem; and,
 - (3) The project would address the best long-term solution to the problem; and,
 - (4) The project would meet all federal and state requirements and standards, as may apply; and,
 - (5) Cost estimates appear reasonable and are well documented (based on either architect/engineer estimates or multiple vendor quotes as is appropriate); and,
 - (6) Project appears ready to proceed in a timely manner..

- b. 101-200 points will be awarded to proposals that substantially meet most of the above criteria and no major concerns are apparent with those criteria it does not clearly meet.
- c. 0-100 points will be awarded to proposals that meet few of the above criteria, or which meet most criteria but one or more major concerns are apparent which affect the appropriateness.

5. Planning – Maximum 15 Points

15 points will be applied if the applicant has a complete 504 Transition Plan submitted to the State. No (0) points will be applied if the applicant does not have a completed plan.

6. Very Low/Low Income Benefit (VL/LI) – Maximum 5 points

One point for each percent rounded 10% VL/LI to benefit above 50% will be applied. Projects to assist exclusively VL/LI persons, senior citizens, handicapped accessibility or removal of architectural barriers projects, will receive 100% VL/LI benefit. Otherwise VL/LI benefit will be determined from census data or from approved survey method results.

7. Bonus – Maximum 30 points

- a. One point will be applied for each year since a (regular program) CDBG grant was last awarded for a project within the same emphasis area, which was sited within the same political jurisdiction and owned or controlled by the same recipient, and which included primary benefit to the same population. (Maximum 15 points.)
- b. One point will be applied for each year since any (regular program) CDBG grant-assisted project, with the exception of CDLF, planning and emergencies, was last awarded for activities within the jurisdiction of the proposed grant recipient. (Maximum 15 points.)

8. Percent of Minority Living in Project Area – Maximum 50 points

- | | |
|--|-----------|
| a. Communities with 100% minority population | 50 Points |
| b. Communities with 50.1% to 99.9% minority population | 40 Points |
| c. Communities with 25% to 50% minority population | 30 Points |
| d. Communities with 5% to 24% minority population | 20 Points |
| e. Communities with below 5% minority population | 10 Points |

B. Housing Projects – Maximum 1,050 Points

1. Project Need – Maximum 150 Points

- a. 101-150 points will be applied to proposals that demonstrate the project will address all of the following criteria:

- (1) Thorough documentation is provided for the type of housing or work proposed, utilizing assessments, census, survey, market study, occupancy rates or other reliable and pertinent statistical data; and,
 - (2) Meets both current and long-term benefit in addressing existing and future needs; and,
 - (3) Addresses, directly or indirectly, health and safety issues; and,
 - (4) The project will have significant impact on meeting the needs as documented.
- b. 51-100 points will be awarded to proposals that substantially meet most of the above criteria and no major concerns are apparent with criteria it does not clearly meet.
 - c. 0-50 points will be awarded to proposals which meet few of the above criteria, or which significantly fail to meet one or more of the criteria.
2. Financial Need – Maximum 150 points
 - a. 101-150 points will be applied to projects that can document all of the following:
 - (1) The project cannot proceed without CDBG assistance, or failure to receive CDBG funds would significantly reduce the benefit, viability or impact because the applicant or recipient does not have available the necessary financial resources, nor are future revenue sources likely to become available; and,
 - (2) The amount and type of funds requested (loan, grant or a combination) and the terms proposed or as may be offered, are reasonable and appropriate; and,
 - (3) Other potential sources of assistance have been explored and cannot provide the assistance necessary.
 - b. 51-100 points will be awarded to proposals that substantially meet most of the above criteria and no major concerns are apparent with criteria it does not clearly meet.
 - c. 0-50 points will be awarded to proposals that meet few of the above criteria, or which meet most criteria but one or more major concerns are apparent which affect the demonstrated financial need.
 3. Appropriateness – Maximum 150 points
 - a. 101-150 points will be applied to projects that can document all of the following:
 - (1) The proposed project represents a logical and cost-effective strategy for addressing the needs as documented considering the amount of funds being requested, the terms proposed, the number of people who will benefit, and the degree to which they will benefit; and,
 - (2) The applicant can document the sustainability and viability of the project, as can be documented by the likelihood of repayability if loans are proposed, and

through past performance and credit rating, strength and credibility of pro forma financial statements and cash flows, value of security, and financial strength and commitment of the principals or borrowers; or whether debt service and loans are or are not involved, that policies proposed and/or financial information provided indicate the feasibility of the project and the ability to assure the housing can be and will remain occupied, affordable and properly maintained; and.

- (3) The project would meet all federal and state requirements and standards, as may apply; and,
- (4) Cost estimates appear to be reasonable and are well documented (based on either architect/engineer estimates or multiple vendor quotes as is appropriate).
- f. 51-100 points will be awarded to proposals that substantially meet most of the above criteria and no major concerns are apparent with criteria it does not clearly meet.
- g. 0-50 points will be awarded to proposals that meet few of the above criteria, or which meet most criteria but one or more major concerns are apparent which affect the appropriateness.
- 4. Leveraged and Matching Funds – Maximum 100 points

Up to 100 points will be applied based upon the amount and percentage of matching funds and if funding will leverage other funds that might otherwise be lost if CDBG funds are not awarded. Maximum points will be awarded if the match and leverage amount is significant and both certain and dependent upon CDBG funding. Lower scores will be applied based on lesser amounts of leverage and degree of certainty and dependence upon the CDBG funding.

5. Timeliness – Maximum 100 points

Up to 100 points will be applied to projects that can show the following has been met or it can be reasonably assured will soon be met:

- (1) The applicant/recipient has appropriate site control; and,
- (2) The applicant/recipient has all necessary licenses and permits; and,
- (3) Proper zoning is in place; and,
- (4) Other financing needed is available; and,
- (5) Project plans, specifications and cost estimates are complete, and,
- (6) If existing, HQS certifications are current, and if built before 1978, lead-based paint inspections have been completed and, if lead paint is identified as existing, proper methods are proposed in addressing the issue and costs are determined; and,

- (7) All other data, information, commitments, plans, and other are complete and in place.

6. Low-Income Benefit – Maximum 100 Points

Up to 100 points will be applied to projects showing the greatest benefit to low- and very-low income persons and households, including benefit and access to handicapped persons. The highest number of points will be applied if handicapped-accessible units are available and, based upon past, current and/or future occupancy by low-income persons, as shown by historical data, subsidy policies or funding regulations, a high level of low-income occupancy can be assured.

7. Community Development Impact – Maximum 100 Points

Up to 100 points will be applied to proposals that will have favorable impact upon the community's economic and community development efforts. In considering the number of points to be applied, the committee will weigh several factors, including the following:

- a. The degree of impact the project will have on the community's community development efforts, including housing and economic development.
- b. Whether it is a part of a larger or comprehensive program or project.
- c. Its relationship to a business or housing opportunity or need, such as business retention, expansion or attraction.
- d. Puts to its best use current, vacant or abandoned buildings, space or property.
- e. Relates to other housing projects or efforts that are recently completed, underway or proposed.
- f. The quality of the proposed project.
- g. Consistency with a priority identified in a Community Strategic Plan, Urban Renewal Plan, Development Plan or other related plan or strategy.

8. Services Capacity – Maximum 50 points

Up to 50 points will be applied if the applicant and/or recipient can document it has the capacity to provide other essential services to its residents benefiting from the project. Depending upon the nature of the project, this may include in-house social programs, health services, transportation, meals, personal services and other, and/or may include community services that would serve beneficiaries, such as medical, public transportation, youth and senior citizen services and programs, availability of Meals on Wheels, and handicapped accessibility at public buildings.

9. Infrastructure Capacity – Maximum 25 points

Up to 25 points will be applied if the applicant can document all primary health and safety infrastructure serving, or to serve the proposed housing units, including water sewer, solid waste disposal and fire protection services, are of high quality, readily available, and without problems or deficiencies.

10. Innovation – Maximum 25 Points

Up to 25 points may be applied to projects that propose an innovative approach to providing affordable housing.

11. Management Capacity – Maximum 25 points

Up to 25 points will be applied if the applicant and/or recipient can show strong management, marketing and administrative skills and experience, or provision of counseling and technical assistance, as the project may require, that should assure project success.

12. Community Support – Maximum 25 Points

Up to 25 points may be applied to projects that can demonstrate strong support for the proposal. This, at a minimum, should include letters of support from public or private individuals or entities, and may also include consideration of past community efforts and successes in providing affordable housing, and the level of financial, technical assistance or other community support or partnerships that are being provided for the project.

13. Percent of Minority Living in Project Area – Maximum 50 Points

a. Communities with 100% minority population	50 Points
b. Communities with 50.1% to 99.9% minority population	40 Points
c. Communities with 25% to 50% minority population	30 Points
d. Communities with 5% to 24.9% minority population	20 Points
e. Communities with below 5% minority population	10 points

D. Emergency

No point system will be utilized for emergency requests; decisions regarding funding will be based on the project need, commitment and appropriateness as well as availability of funds.

E. Economic Development

1. No point system will be utilized for economic development (CDF) requests; however, decisions will be based on the following:

- Financial strength and reasonableness;
- Likelihood of success;
- Likelihood of repayability;

- d. Need and appropriateness for funds and terms;
 - e. Management strength, expertise and past performance;
 - f. Marketing; and,
 - g. Degree of likely benefit to the economy, VL/LI persons, and/or anticipated impact of addressing national objectives as defined in the state program statement.
2. No point system will be utilized for economic development infrastructure requests; however, decisions will be based on the following:
- a. Degree to which the infrastructure fits into the community's overall economic development strategy.
 - b. Need and appropriateness for funds and terms.
 - c. Degree of likely benefit to the economy, VL/LI persons, and/or anticipated impact of addressing national objectives as defined in the state program statement.

ACRONYMS

CDBG	Community Development Block Grant: US Department of Housing and Urban Development (HUD) funds distributed to North Dakota.
CDLF	Community Development Loan Fund: CDBG funds utilized for economic development projects and activities.
DCS	Division of Community Services: A division of the North Dakota Department of Commerce.
ED	Economic Development.
HQS	Housing Quality Standards: Minimum physical conditions of residential homes as required by HUD.
VL/LI	Very Low and Low Income: Relates to income status of households/persons as determined by HUD.

2021

REGION VIII

ROOSEVELT-CUSTER
REGIONAL COUNCIL

40 1st Ave W Ste 301
Dickinson, ND 58601
Phone: 701-483-1241
rcrc@ndsupernet.com
TTY: 800-366-6888
ND Relay Voice: 800-366-6889
Spanish: 800-435-8590



ALTERNATIVE FORMATS FOR DISABLED
PERSONS ARE AVAILABLE UPON REQUEST

APPLICATION DEADLINES

Public Facilities, Planning and Housing

September 1, 2021 Pre-applications due at Roosevelt-Custer Regional Council.

September 23, 2021 Presentation to Roosevelt-Custer Regional Council Review Committee and pre-application scoring by Review Committee.

December 3, 2021 Final Applications due at Roosevelt-Custer Regional Council.

March 23, 2021 Final Application due to DCS.

DISTRIBUTION OF FUNDS

FUNDING AMOUNTS AND CATEGORIES

The estimated statewide allocation of the 2021 Community Development Block Grant (CDBG) funds is found in the 2021 State Program Distribution Statement www.communityservices.nd.gov/communitydevelopment/Programs/CommunityDevelopmentBlockGrantCDBG/. Funds available to Region VIII will be \$213,297.00. Those funds will be allocated under the following categories:

Economic Development (see page 7)	0%	\$	0
Public Facilities	50%	\$	106,648.50
Housing	50%	\$	106,648.50
Emergency Public Facility	\$0	\$	0
Total Funding	100%	\$	213,297.00

ECONOMIC DEVELOPMENT

Economic development projects must meet the eligibility criteria as described in the 2021 State Program Distribution Statement. Additionally, regional information is included in this statement.

PUBLIC FACILITIES & HOUSING

Projects must meet the eligibility criteria as described in the 2021 State Program Distribution Statement.

Community Services: Community Development (nd.gov)

Regional information is attached to this program statement. The Roosevelt-Custer Regional Council Executive Board elected to allocate the 2021 Regional CDBG funds to housing and public facilities at 50% each. Any funds remaining in either category after scoring and ranking can be transferred to the other.

PUBLIC FACILITIES CATEGORIES

Public Facilities categories include: Water and Sewer, fire protection, ambulances, community centers, storm sewers, flood or drainage facilities, removal of architectural barriers and planning.

North Dakota State Law requires that "all public improvement projects with costs exceeding \$200,000 that are funded under the CDBG Public Facilities program shall procure plans, drawings and specifications for the work from a licensed architect or registered professional engineer." These architect/engineering plans must be included in the pre-application to be eligible for 2020 funding.

It is strongly recommended applicants seek professional assistance (architectural or engineering expertise) for construction projects under \$200,000 when estimating project costs.

HOUSING CATEGORIES

Housing projects include:

1. Housing rehabilitation of existing low-income single-family and multi-family housing.
2. New housing construction is prohibited. However, CDBG funds can be used in support of new housing construction such as property acquisition, site clearance in preparation for housing and site improvements (install water lines, sewer lines and utility lines) on publicly-owned properties or privately-owned properties, if an easement on the property is obtained before carrying out the improvements. Also, the construction or reconstruction of publicly owned streets, bridges and alleys is eligible as a public facilities and improvements activity when it relates to new housing construction. If you are considering a project in support of new housing, please contact the Regional Council office for additional information to determine project eligibility prior to engaging in any activity (including property acquisition) in support of new housing construction. All infrastructure projects in support of new housing construction exceeding \$200,000 that are funded under the CDBG Housing program shall procure plans, drawings, and specifications for the work from a licensed architect or registered professional engineer.
3. All multi-family rehabilitation housing projects will need to submit with their preapplication the Housing Quality Standards for each unit.

It is recommended to have the housing units tested for lead-based paint prior to submitting the pre-application.

EMERGENCY PUBLIC FACILITY

Emergency projects shall be determined as those having an immediate threat to the safety of the residents of the area as defined by the request for assistance. The project will need to meet eligibility requirements and have concurrence that the project constitutes an emergency from the North Dakota Division of Community Services (DCS). No funding is set-aside for emergencies in this program statement. However, funding for an emergency public facility project may be allocated at the time of the emergency from funding not currently allocated, returned funds, or

funds transferred from other emphasis areas. No transfer of funds will be necessary if the funding is from a public facility category. The public facility pre-application scoring and review process will be waived for emergency applications. Emergency public facility decisions will be made by the R-CRC Executive Board. In addition, emergency CDBG funds may also be accepted or applied for from other regional or state allocations and or set-asides.

AMERICANS WITH DISABILITIES ACT (ADA)

It is a federal requirement that all cities and counties receiving funds through the CDBG Program must provide a copy of their Section 504 Self-Evaluation and Transition Plan prior to project closeout. All projects involving Removal of Architectural Barriers (example: handicap accessible bathrooms) must have a transition plan included with the application. In addition, this plan and a completed thirteen (13) point checklist must be included in the pre-application for funding. (Checklist found on pages 47-68 of the 504-self-evaluation guide. See website below.)

The Transition Plan Outline can be found in Section III of the Section 504/ADA Technical Assistance Handbook. The Transition Plan identifies the following items:

1. Physical barriers in the building.
2. Changes that can be made without changing the structure of the building to make program and services accessible.
3. Structural changes required to make the building handicapped accessible.

The Section 504/ADA Technical Assistance Handbook can be found at:
www.communityservices.nd.gov/communitydevelopment/Resources/ADA504SelfEvaluationGuide

STATEMENT OF "CONFLICT OF INTEREST" POLICIES

The Roosevelt-Custer Regional Council, its affiliates and components and all officers, directors, delegates, council and committee members scrupulously shall avoid any conflict between their own respective individual, professional or business interests and the interests of the Council, in any and all actions taken by them on behalf of the Council in their respective capacities.

In the event that any officer, director, delegate, council, or committee member of the Regional Council shall have any direct or indirect interest in, or relationship with, any individual or organization which proposes to enter into any transaction with the Council, including, but not limited to, transactions involving:

1. The sale, purchase, lease or rental of any property or other asset;
2. Employment or rendition of services, personal or otherwise;
3. The award of any grant, contract or subcontract;
4. The investment or deposit of any funds of the Council.

Such person shall give notice of such interest or relationship and shall thereafter refrain from discussing or voting (but not to include testimony in a public forum) on the particular transaction in

which he has an interest, or otherwise attempting to exert any influence on the Council or its components to affect a decision to participate or not participate in such transaction.

In addition, a recipient may not use CDBG funds to replace other funds for which they are responsible for, such as paying off existing debt.

ADMINISTRATION COSTS

Project administration costs will generally be paid with local matching funds. If using CDBG for the project administration costs there are maximums please see the State PDS (p. 28).

Applicants are asked to provide the minimum matching funds to the project as follows:

1. Housing projects: 15% of the project not to exceed \$15,000
2. Public Facilities:
 - a. Equipment Purchases: 5% of the project.
 - b. All other Projects: 15% of the project.

Consult the Regional Council for guidance of the anticipated administration cost since some projects may require additional administrative actions to meet grant guidelines.

FUND TRANSFERS, RETURNED FUNDS AND RE-ALLOCATIONS

Uncommitted and unused funds in any category may be reallocated if the balance in one category is needed for a project in the other category. The Executive Committee approval for the 2021 CDBG funding allocation took place on February 11, 2021.

In the event the funds allocated or transferred in any category exceed the applications on hand, the Executive Committee may call for additional applications through a second funding cycle. The implementation schedule for the second funding competition is to be included in the public notice.

Any funds returned during or after the end of the calendar year in which it was awarded, may be reallocated by the Executive Committee of the R-CRC. Projects cannot be partially completed using CDBG funds. Projects need to be complete, if additional funds are necessary local and/or other sources must be utilized. An Executive Committee decision will be based on timeliness and perceived need and will be done through a motion and with the majority approval of the Executive Committee members. The Executive Committee may commit these funds to in no particular order (1) any open project, (2) any new eligible economic development project or (3) to the next ranked public facility or housing project in the most recent funding competition. These actions may require a transfer of funds between categories. Any transfer of funds from one category to another must follow the transfer of funds procedure as outlined above and in the State Action Plan.

SUBMISSION OF APPLICATIONS

Completed pre-applications and full applications should be forwarded to:

ROOSEVELT-CUSTER REGIONAL COUNCIL
40 1st Ave W Ste 301
DICKINSON, ND 58601
rrrc@ndsupemef.com

ECONOMIC DEVELOPMENT COMMUNITY DEVELOPMENT LOAN FUND

IMPLEMENTATION SCHEDULE

Applications for funding from the State Community Development Loan Fund (CDLF) will be accepted by the Roosevelt-Custer Regional Council at any time throughout the program year.

DISTRIBUTION OF FUNDS

Funding for the State CDLF program is available from program income. Program income comes from CDLF loans that have been made previously and repaid. Economic development projects being proposed to Roosevelt-Custer Regional Council's CDLF program must meet the eligibility criteria as described in the current State Action Plan.

Roosevelt-Custer Regional Council has made its allocation of CDLF funds available for such grants according to, and in compliance with the NORTH DAKOTA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM DISTRIBUTION STATEMENT.

Roosevelt-Custer Regional Council's Loan Review Committee, using prudent lending practices, will review all projects. Final approval will be given by Roosevelt-Custer Regional Council's Executive Committee based on the recommendation received from the Loan Review Committee.

APPLICATION PROCEDURES

Loan applicants will be required to submit a pre-application or meet in person with Roosevelt-Custer Regional Council for a preliminary determination of project eligibility.

If eligible, applicants will be invited to submit a full application, which will consist of the purpose of request, a business plan, commitment of other project funds, financial projections, job creation documentation and other pertinent information as deemed necessary by Roosevelt-Custer Regional Council. Roosevelt-Custer Regional Council will provide necessary forms and business plan outlines for these applications. Applicants will be requested to assist Roosevelt-Custer Regional Council in completing the formal application which shall consist of application cover sheet, various assurances and certifications, sponsorship, etc.

For purposes of clarification, applicant shall mean the business or person requesting assistance and sponsor shall mean the city or county, which will ultimately become the applicant to the state Division of Community Services.

APPLICATION REVIEW AND DECISION-MAKING PROCESS

Applicants must submit a pre-application or contact Roosevelt-Custer Regional Council so that a preliminary determination of eligibility can be made. The 24 CFR part 570, Title I, the State Action Plan, and the Roosevelt-Custer Regional Council's program distribution statement to determine eligibility.

If eligible, the applicant will obtain a resolution of sponsorship from the appropriate local governmental entity. Once sponsorship is obtained, the applicant will be directed to develop a full

application, which shall be in a format described in the State's Action Plan. Official application packets will be provided by Roosevelt-Custer Regional Council.

Full applications will be reviewed by the Loan Review Committee. Economic development projects will not be scored on a point system. The Loan Review Committee's decision to recommend funding will be based on the merits of the project as described in the applicant's business plan. The following will be the primary criteria used to determine the merits of a project:

1. Financial strength of the principals and the business.
 2. Likelihood of success.
 3. Need and appropriateness for funds and terms.
 4. Management strength, expertise, and past experience.
 5. Marketing strength.
 6. Documented source of equity and collateral.
 7. Proposed staffing plan (job creation).
 8. Character of the borrower.
 9. Other criteria:
- a. Appropriate: CDLF assistance is "appropriate" to carry out the economic development project. The following elements will be assessed to make a determination of appropriate:
 - 1) Reasonableness of proposed costs.
 - 2) Commitment of other sources of funding.
 - 3) No substitution of CDLF funds for private sources of funds.
 - 4) Proposed CDLF financing terms.
 - 5) Assessing level of public benefit.
 - b. Displacement: CDLF assistance must minimize business and job displacement.
 - c. Outcomes: The economic development project consists of activities that do one or more of the following:
 - 1) Create or retain jobs for very low to low income persons.
 - 2) Prevents or eliminates slum and blight.
 - 3) Creates or retains businesses owned by community residents.
 - 4) Assists businesses that provide affordable goods and services needed by very low to low income persons.
 - 5) Provides technical assistance to promote any of the activities under items 1-5 above.

- f). National Objectives: CDFI assisted activities meets one of the national objectives listed in the state Action Plan.
 - 1) Activities benefiting very low and low-income persons.
 - 2) Activities which aid in prevention of slum and blight.
 - 3) Activities designed to meet a community development need having particular urgency.
- g). Financial Participation: Each project under review must demonstrate a working relationship with another financial source that has committed or is willing to commit funding to the project equal to at least 50% of the total project cost.

The completed application along with the staff's notations and proposed amount and terms will be reviewed by Roosevelt-Custer Regional Council's Loan Review Committee. This committee may be made up of the following individuals: a) Roosevelt-Custer Regional Council's chair or designee, b) a representative of a retail/service sector business, c) a representative of a financial institution, d) a representative of a primary sector business, and e) a certified public accountant.

The Loan Review Committee will meet on an as-needed basis. Based on the Loan Review Committee's recommendation, the Executive Committee's decision will represent the final decision on the regional level.

Applicants will have an opportunity to personally present their project to the Loan Review Committee.

The Loan Review Committee may:

1. Recommend approval of the project as proposed.
2. Recommend approval with modifications or conditions.
3. Delay any decision for further information or the availability of funds.
4. Recommend denial of the application.

Applications for funding will be forwarded to the Division of Community Services for review as to compliance with state and federal requirements.

A notification of acceptance will be sent by the Division of Community Services followed by the official award document. Expenditure of funds can begin only after the environmental review has been completed and the State issues a "release of funds" letter.

APPLICATION FORMS AND FORMAT

The format for a business plan/application shall be such that it meets and addresses the items described in the State of North Dakota's Action Plan.

Forms meeting the state requirements for a business plan, will be available by contacting Roosevelt-Custer Regional Council, 40 1st Ave W Ste 301 Dickinson, North Dakota or by calling 701-483-1241.

PUBLIC FACILITIES & HOUSING PROJECTS

IMPLEMENTATION SCHEDULE

The award of funds for Housing and Public Facilities projects is a two-step process. First, a pre-application must be submitted to participate in the regional competition as outlined below. If the pre-application is recommended for the region's available funding, the successful applicant completes the second step; preparation and submission of a full application for review by the North Dakota Division of Community Services (DCS). The Roosevelt-Custer Regional Council will assist successful applicants in preparing the necessary documentation for the full application. If the applicant plans to bond for the match funds, evidence of bonding will be required by the DCS in the full application.

Pre-applications are due by the close of business on Wednesday, September 1, 2021. One copy with original signatures must be received on or before due date.

Project interviews will be held on Thursday, September 23, 2021 and all pre-applications will be reviewed, scored and funding levels determined.

GRANT APPLICATION PROCEDURES

1. Applicants will be required to complete the pre-application form and provide the necessary attachments. The pre-application is to be submitted to the Roosevelt-Custer Regional Council according to the dates given in this document.
2. Pre-applications will be reviewed by the R-CRC for eligibility. Applicants will be contacted if further information is needed.
3. Pre-applications will be scored according to the appropriate score sheet and the methods described in the following section entitled "Application Review Process."
4. Applicants may contact the Roosevelt-Custer Regional Council for guidance in completing their pre-application.

PRE-APPLICATION REVIEW PROCESS

Review Board. Pre-applications are scored by the Roosevelt-Custer Regional Council's Community Development Block Grant Review Board. The Review Board is comprised of one representative from each of the seven participating counties within Region VIII. These representatives are appointed by the Executive Committee of the Roosevelt-Custer Regional Council and will serve in that capacity for the duration of the 2021 CDBG Program year.

To avoid a real or perceived conflict of interest, Review Board Members may not be members of boards, councils or commissions that are submitting or sponsoring applications. Review Board Members may not submit a bid, participate in, or contract with a successful applicant or beneficiary in the procurement processes of successful projects. If there are no Roosevelt-Custer Regional Council board members from a particular county without this conflict or unable to serve on the board, a mayor without a conflict of interest from the county will be appointed by the Executive Committee. If there are no mayors available to participate, a general appointment will be made by the Roosevelt-Custer Regional Council Executive Committee. This appointee should also be without direct conflict of interest and, if possible, reside in the county in question.

Scoring Process. The Review Board reserves the right to adjust awarded funds to ensure adequate funds are available for project implementation. Funding levels will be determined by motion and majority approval of Review Board members.

Public Facilities and Housing. Public Facility & Housing projects will be ranked and awarded with available funds beginning with the highest-ranking project and distributed down the list until all the CDBG funds are committed. In the event of a tie, the Review Board will consider the history of CDBG funding to the applicants. If a successful applicant does not accept the funds, withdraws their application, or more funds become available during the calendar year, the next applicant in ranking order will be offered those funds (see also "Fund Transfers, Returned Funds, and Reallocations)."

Project Interviews. Applicants will be given the opportunity to address the Review Board at the project interviews on the date stated in the Implementation Schedule. Applicants should be prepared to give a brief overview of their proposed project. Interviews are scheduled for approximately 10 to 15 minutes per applicant.

If the applicant is acting as a sponsor for a beneficiary such as a fire district, representatives of the beneficiary organization and/or the applicant (city or county) may attend. Applicants for public facility improvements should be able to supply general information on the current fees, rates, or levies for the public facility in question.

Applicants for projects (other than special assessment projects) which are providing less than a 50% local match should be prepared to justify the lesser local contribution and show financial documentation which supports why the applicant is unable to finance an equal share of the project.

SCORING CRITERIA

Public facility pre-applications will be scored using the following criteria:

Percentage of local match

A. Percentage of local match

Score two (2) points for each percentage of total project costs paid out of Local Funds or Other Funds. Does not include CDBG or administration funds requested to be paid by CDBG funds. (Matching funds/Total project costs)

B. Ratio of CDBG dollars requested per low moderate income (LMI) persons to benefit

\$250 and below	100 points
\$251 – 500	80 points
\$501 - 1,000	60 points
\$1,001 – 1,500	40 points
\$1,501 - 2,000	20 points
\$2,001 and over	0 points

C.	Project Type	
	Water and/or Sewer	100 points
	Removal of Architectural Barriers	100 points
	Fire Protection or Ambulance	80 points
	Community Centers	80 points
	Install Storm Sewers, Flood or Drainage Facilities	70 points
	All Other Eligible Projects	70 points
D.	Applicant's prior receipt of CDBG funds	
	Applicants that have not received CDBG Public Facilities or Housing funding within the past five (5) years. Need to indicate type of CDBG project and year.	25 points
E.	Project Readiness	
	Applicant is to indicate the stage of progress the proposed project is at:	
	Complete plans and proof of other funding committed	20 points
	Complete plans and other funding located but not committed	10 points
	Complete plans and other funding not located	5 points
	No plans and no other funding located	0 points
F.	Percentage of Minority Living in the Project Area:	
	Indicate the racial/ethnic makeup of the sponsoring community or county based on information found in American Fact Finder at http://factfinder2.census.gov	
	Communities above 51% minority population	20 points
	Communities with 25% to 50% minority population	15 points
	Communities with 10% to 24% minority population	10 points
	Communities below 10% minority population	0 points

After the project interviews, each member of the Review Board will score the proposed projects based on perceived need for the project and the need for CDBG funding. To do this, each member of the Review Board will have 200 points to distribute among all the applications for perceived need. Individual scores are then totaled for each project and added to their existing score. A Review Board member may not give more than 50 points to any one project application.

CDBG 2021 SCORE SHEET – REGION VIII PUBLIC FACILITIES	
Name of Applicant	
A. Percentage of Local funds _____% X 2	= _____ Points
B. CDBG Cost per LMI persons = \$ _____ cost/person	= _____ Points
C. Project Type	= _____ Points
D. Previous CDBG Awards	= _____ Points
E. Project readiness (ready to go to bid)	= _____ Points
F. Project population serving a minority	= _____ Points
G. Total Points A+B+C+D+E+F	= _____ Points
H. Region VIII Review Board Points for Perceived Need (up to 50 points each)	= _____ Points
Total Score	= _____ Points

Public facility and housing project pre-applications will be accepted for projects which are eligible activities as stated in Section II of the State Program Public Distribution Statement. Housing projects must directly improve the existing housing stock in the project area and CDBG funds can be used for direct benefit of very-low to low-income households. In addition, Region VIII will provide emphasis to the targets below:

Design housing grant programs to emphasize (a) making single-family homes and low-income apartments handicapped accessible where needed, (b) modernizing single-family homes owned by the elderly; and (c) rehabilitating rural single-family and multi-family housing.

Design all state administered housing programs to require compliance with the State Building Code and State Energy Code in the use of funds for new construction.

2021 HOUSING REHABILITATION SCORE SHEET		
APPLICANT	TOTALS	
1. Low-Moderate Income (LMI) Population: Applicants will receive two points for each percentage point of LMI persons in the project area.	2 points per unit	
2. Percent of low-moderate income household pre-applications received to total pre-applications received: 85-100% 64-84% 50-64% 25-49% 0-24%	50 points 25 points 10 points 5 points 0 points	
3. Direct benefit households: One point will be awarded for each household member who is: (a) elderly (b) a minority (c) handicapped (d) female head of household (e) a child under the age of 18 years	____ Points ____ Points ____ Points ____ Points ____ Points	
4. Percentage of all local funds/total funds involved in project: 50.0+ 40.0-49.9 30.0-39.9 20.0-29.9 15.0-19.9	25 points 20 points 15 points 10 points 5 points	
5. Housing units that have been pre-tested for lead base paint. Only applies to units built prior to 1978.	25 points	
6. Engineer/architect estimates: Housing rehabilitation estimates are submitted by a licensed engineer or architect.	25 points	
7. Previous Application: Applicants who have not received CDBG housing funding within the past five years.	10 points	
8. Project Readiness Indicate the stage of progress the proposed project is at: Complete plans and proof of other funding committed Complete plans and other funding located but not committed Complete plans and other funding not located No plans and no other funding located	20 points 10 points 5 points 0 points	
9. Percentage of racial/ethnic Living in the Project Area: Communities above 51% minority population Communities with 25% to 50% minority population Communities with 10% to 24% minority population Communities below 10% minority population	20 points 15 points 10 points 0 points	
10. Perceived Need: Each CDBG Review Board member may award each applicant up to 50 points based on perceived need of each applicant's project.	50 points	
Total Points		

PROJECTS SUBMITTED IN SUPPORT OF NEW HOUSING WILL BE SCORED AS FOLLOWS

PROJECTS IN SUPPORT OF NEW HOUSING CONSTRUCTION POINT SCORING SYSTEM	POINTS
A. PROJECT NEED: Proposal demonstrates the need for the project and that it has been well documented with the type of housing proposed, utilizing census, survey, market study or other reliable statistical data. Also, meets both the current and long-term benefits in addressing existing and future needs. (up to 50 points)	
B. MANAGEMENT: Applicant or recipient can show strong management, marketing and administrative skills, technical assistance as the project may require, that should assure project success. (up to 25 points)	
C. LEVERAGE OF FUNDS: Projects using CDBG funds for: 25% or less of the total project costs will score 50 points 26-50% of the total project costs will receive 25 points 51-75% of the total project costs will receive 10 points 75% or more of the total project costs will receive 0 points	
D. APPROPRIATENESS: The applicant can document the sustainability and viability of the project, as can be documented by the likelihood of repayment if loans are proposed; and through past performance and credit rating, strength and credibility of pro forma financial statements and cash flows, value of security, and financial strength and commitment of the principals or borrowers; or whether debt service and loans are or are not involved, that policies proposed and/or financial information provided indicate the feasibility of the project and the ability to assure the housing can be and will remain occupied, affordable and properly maintained. (up to 50 points)	
E. INFRASTRUCTURE CAPACITY: Applicant has supporting documentation from city/county officials stating they have adequate primary health and safety infrastructure to serve the proposed housing units—water, sewer, solid waste disposal and fire protection services and are of high quality, accessible, readily available, and without problems or deficiencies. (up to 25 points)	
F. OTHER SERVICE CAPACITY: The applicant and/or recipient can document it has the capacity to provide other essential services to its residents benefiting from the project. Depending upon the nature of the project, this may include in-house social programs, health services, transportation, meals, personal services and other, and/or may include community services that would serve beneficiaries, such as medical, public transportation, youth and senior citizen services and programs, availability of Meals on Wheels, and handicapped accessibility at public buildings. (up to 25 points)	
G. TIMELINESS: Applicant must demonstrate that other financing needed is available and project plans, specifications and cost estimates are complete. The applicant has verification that proper zoning is or will be in place, all necessary licenses and permits, and an environmental study was conducted to address transportation issues, hazardous materials, flood zones and noise factors (up to 50 Points)	
H. COMMUNITY SUPPORT: Applicant can demonstrate strong local support for the proposal. At a minimum should include letters of support from public or private individuals or entities, and may also include consideration of past community efforts and successes in providing affordable housing, and the level of financial, technical assistance or other community support or partnerships that are being provided for the project. (up to 25 points)	

I. INCOME CATEGORY UNITS WILL SERVE 30% and Below HUD INCOME LIMITS (50 points) 31%-50% HUD INCOME LIMITS (25 points) 51%-80% HUD INCOME LIMITS (10 points) At least 51% of the units in a multi-family project must meet the program income criteria to be eligible for funds. (i.e., A multi-family unit having 15 units must have at least 8 of the units meet the income requirements)	
J. Project Readiness Indicate the stage of progress the proposed project is at: Complete plans and proof of other funding committed 20 points Complete plans and other funding located but not committed 10 points Complete plans and other funding not located 5 points No plans and no other funding located 0 points	
K. Percentage of racial/ethnic Living in the Project Area: Communities above 51% minority population 20 points Communities with 25% to 50% minority population 15 points Communities with 10% to 24% minority population 10 points Communities below 10% minority population 0 points	
SUB-TOTAL POINTS	
REVIEW BOARD POINTS-perceived need (up to 50 points each)	
TOTAL POINTS	

Acronym Listing

ADA	Americans with Disabilities Act
CDBG	Community Development Block Grant
CDLF	Community Development Loan Fund
CFR	Congressional Federal Record
DCS	Division of Community Services - A division of the ND Department of Commerce
LRC	Loan Review Committee
R-CRC	Roosevelt-Custer Regional Council
LMI	Low-Moderate Income



2021

EMERGENCY SOLUTIONS GRANTS PROGRAM DISTRIBUTION STATEMENT

Prepared By

Division of Community Services
1600 East Century Avenue, Suite 2
PO Box 2057
Bismarck, ND 58502-2057
Phone: (701) 328-5300
Fax: (701) 328-5320
TTY: 800-366-6888
ND Relay Voice: 800-366-6889
ND Relay Spanish: 800-435-8590



ALTERNATIVE FORMATS FOR DISABLED
PERSONS ARE AVAILABLE UPON REQUEST

TABLE OF CONTENTS

Program Overview	1
Funding Levels	1
Eligible Applicants.....	1
Statutory Definitions.....	2
Program Components and Eligible Activities	3
Matching Funds	6
Program Requirements	7
Selection Criteria	12
Grant Administration	13
Method of Payment.....	13

ATTACHMENTS

At-Risk of Homelessness Definition - Attachment A

Homelessness Definition – Attachment B

PROGRAM OVERVIEW

This document provides a brief overview of the ESG Program and the process to apply for funds from the FY 2021 ESG allocation. Applicants should review the ESG Interim Rule found at 24 CFR Parts 91 and 576 for complete program information. To the extent that anything contained in this document does not meet the requirements of the final ESG Program rule, to be published at a later date, such final rule or regulation will take precedence over this document.

2021 FUNDING LEVELS

For FY 2021, an approximate amount of \$480,969 in federal and state funding will be available, up to 60% or \$288,581 for street outreach and shelter operation activities, and \$192,388 for homeless prevention, rapid re-housing activities or participation in the Homeless Management Information System (HMIS). Requests for funds from the FY 2021 ESG allocation are limited at \$50,000. Successful applicants may receive less ESG funds than requested based on the Selection Criteria on page 10 and 11.

ELIGIBLE APPLICANTS

Applicants must be federally recognized non-profits or units of local government. Governmental organizations such as public housing agencies and local housing finance agencies are not eligible applicants under the ESG Program. Applicants must be in compliance with the ESG Interim Rule (Final Rule when published), the State's ESG written standards, and applicable state and federal policies and procedures, including compliance with federal and state non-discrimination laws.

By virtue of submitting an application, applicants agree to: adopt and consistently apply the State's written standards for the administration of the ESG program; and maintain standard accounting practices including internal controls and fiscal accounting procedures; track agency and program budgets by revenue sources and expenses; and have an available cash flow to effectively operate their programs since ESG funding is provided on a reimbursement basis.

Applicants with outstanding monitoring or audit findings issued by the Internal Revenue Service, HUD, or DCS are not eligible ESG applicants and will not be eligible to receive an allocation of ESG funding. Applicants are encouraged to contact DCS to ensure no unresolved monitoring findings exist or to work to resolve any outstanding items.

Eligible applicants must be able to demonstrate prior experience serving individuals and households at-risk of or experiencing homelessness. Also, applicants must have staff with demonstrated expertise in case management skills.

Applicants will be required to utilize the HMIS and the State-wide Continuum of Care's centralized or coordinated assessment system. Domestic violence service providers must

establish and operate a comparable database that collects client level data over time and can generate unduplicated aggregate reports based on the data.

Applicants must be active members of their local homeless coalition if applicable.

STATUTORY DEFINITIONS

Emergency Solutions Grant statutory definitions can be found at [24 CFR Part 576.2](#)

PROGRAM COMPONENTS AND ELIGIBLE ACTIVITIES

Emergency Solutions Grants will be utilized to provide services to homeless and those at risk of becoming homeless in the following eligible activities. Applicants should refer to 24 CFR Part 576.100 – 576.109 for further clarification on the following eligible activities:

- Street Outreach;
 - Emergency Shelter;
 - Homelessness Prevention;
 - Rapid Re-housing Assistance; and
 - Homeless Management Information System.
1. Street Outreach (24 CFR Part 576.101) – Funds may be used for costs of providing essential services to reach out to unsheltered homeless; connect them with emergency shelter, housing, or critical services; and provide urgent non-facility-based care to unsheltered homeless who are unwilling or unable to access emergency shelter, housing or an appropriate health facility. Eligible activities include the following:
 - a. Engagement Activities;
 - b. Case Management;
 - c. Emergency Health Services;
 - d. Emergency Mental Health Services;
 - e. Transportation; and
 - f. Services for Special Populations.
 2. Emergency Shelter Component (24 CFR Part 576.102) – Funds may be used for costs of providing essential services to individuals and households in emergency shelters, renovating buildings to be used as emergency shelters, and operating emergency shelters. Eligible activities include the following:
 - a. **Essential Services** – Essential services provided to individuals and households who are in emergency shelters can include case management, child care, education services, employment assistance and job training, outpatient health services, legal services, life skills training, mental health services, substance abuse treatment services, transportation, and services for special populations.
 - b. **Renovation Activities** – Eligible costs include labor, materials, tools and other costs for renovation (including major rehabilitation or conversion of a building into an emergency shelter). The emergency shelter must be owned by a government entity or private nonprofit organization.

- c. Shelter Operations – Eligible costs are the costs of maintenance (including minor or routine repairs), insurance, utilities, rent, food, furnishing/appliances, and supplies necessary for the operation of the emergency shelter.
3. Homelessness Prevention Component (24 CFR Part 576.103) – Funds may be used to provide relocation and stabilization assistance and rental assistance to prevent an individual or household from becoming homeless. Applicants can assist individuals and households who meet the following qualifications under homelessness prevention:
 - a. Individuals or households who have an income below 30% of Area Median Income (AMI) as determined by HUD, with adjustments for smaller and larger household size. An individual or family's annual income must be compared to area income limits posted on the ESG webpage found at: www.communityservices.nd.gov/communitydevelopment/Programs/EmergencySolutionsGrantsESG/
 - b. Individuals or households who qualify as a homeless or at-risk of becoming homeless as specified in 24 CFR Part 576.103 and 576.2. See Attachments A and B.
4. Rapid Re-Housing Assistance Component (24 CFR Part 576.104) – ESG funds may be used to provide relocation and stabilization assistance and rental assistance to help a homeless individual or household move as quickly as possible into permanent housing and achieve stability in that housing. Rapid Re-Housing Assistance may be provided to individuals and households lacking a fixed, regular and adequate nighttime residence or any individual or family who is fleeing or attempting to flee domestic violence, assault or other life threatening conditions that relate to violence.

Housing Relocation and Stabilization Services (24 CFR Part 104) – Homelessness prevention and rapid re-housing are eligible ESG activities that focus on serving different individuals or households. Homelessness prevention and rapid re-housing provide assistance in accordance with the housing relocation and stabilization services requirements in 24 CFR Part 576.105, the short-term and medium-term rental assistance requirements in 24 CFR Part 576.106 and the written standards and procedures under 24 CFR Part 576.400, which states that ESG funds may be used for payment of the following under both homelessness prevention and rapid re-housing components:

- Rental application fees.
- Security deposits equal to no more than 2 month's rent.
- Last month's rent. If necessary to obtain housing for a program participant, the last month's rent may be paid from ESG funds to the owner of that housing at the time the owner is paid the security deposit and the first month's rent. This assistance must not exceed one month's rent and must be included in calculating the program.
- Standard utility deposits.
- Utility payment – ESG funds may pay up to 24 months of utility payments per program participant, per service, including up to 6 months of utility payments in arrears per service. Total utility payment assistance to a program participant cannot exceed 24 months during any 3 year period.

- Moving costs - truck rental or hiring a moving company. Assistance may also include payment of temporary storage fees for up to 3 months. Payment of temporary storage fees in arrears is not eligible.
- Service costs - Housing search and placement, housing stability case management, mediation activities, legal services necessary to resolve housing issues, and credit repair/counseling services.

Short-Term and Medium-Term Rental Assistance (24 CFR Part 576.106) - ESG funds may provide a program participant with up to 24 months of rental assistance during any 3 year period. Applicants may establish their own caps, conditions and time limits for rental assistance as long as they do not exceed the following parameters:

- Rental assistance.
 - Short-term – up to 3 months of rental assistance.
 - Medium-term – MORE than 3 months but not more than 24 months
 - Tenant-based or project-based.
- Rental Arrear Payments - Payment of rental arrears consists of a one-time payment for up to six months of rent in arrears, including any late fees on those arrears.
- Rental assistance cannot be provided to a program participant who is receiving tenant-based or project-based rental assistance through other public sources or receiving replacement housing payments under the Uniform Relocation Act.
- Rental assistance cannot be provided for a unit unless the rent for that unit does not exceed the Fair Market Rent established by HUD, as provided under 24 CFR Part 888; and complies with HUD's standard of rent reasonableness, as established under 24 CFR 982.507.
- Applicant must enter into a Rental Assistance Agreement with the landlord for each unit receiving ESG rental assistance. Such agreement must meet the requirements of 24 CFR 576.106(e).
- Each program participant receiving ESG rental assistance must have a legally binding written lease for the rental unit.
- Use with other subsidies. Except for a one-time payment of rental arrears on the tenant's portion of the rental payment, rental assistance cannot be provided to a program participant who is receiving tenant-based rental assistance, or living in a housing unit receiving project-based rental assistance or operating assistance, through other public sources. Rental assistance may not be provided to a program participant who has been provided with replacement housing payments under the URA during the period of time covered by the URA payments.

Evaluation and documentation of client eligibility for assistance is required to be re-assessed at least every three months for program participants receiving homelessness prevention assistance, and not less than once annually for program participants receiving rapid re-housing assistance to ensure that they continue to meet the eligibility criteria, review program and appropriateness standards, and to re-evaluate the need for continued ESG assistance.

5. HMIS Component (24 CFR 576.107) – ESG funds may be used to pay the costs of participating in the Homeless Management Information System (HMIS). Costs include: hardware, software licenses or equipment; obtaining technical support; staff time for completing data entry and analysis; monitoring and reviewing data quality; HUD approved training; reporting; and coordinating and integrating the system. If applicant is a domestic violence service provider it may use ESG funds to establish and operate a comparable database that collects client level data over time and generates unduplicated aggregate reports based on the data.

MATCHING FUNDS

Each Applicant must match its Emergency Solutions Grant amounts with an equal amount of funds received from sources other than this program. Matching funds may be obtained from any source, including any Federal source other than the ESG Program, as well as state, local and private sources. However, the applicant must ensure the laws governing any funds to be used as matching contributions do not prohibit those funds from being used to match ESG funds. Applicants may request a waiver of their match. Other criteria for matching funds follow:

1. The matching funds must be provided AFTER the date that DCS signs the financial award.
2. Matching funds used to match a previous ESG grant may not be used to match a subsequent ESG financial award.
3. Matching funds that have been or will be counted as satisfying a match requirement of another Federal grant or award may not count as satisfying the match requirement of this program.
4. To count as match, cash distributions must be expended and noncash contributions must be made within the term of the ESG financial award.

Eligible Types of Matching Contributions: The matching requirement may be met by one or both of the following:

1. Cash Contributions
2. Non-Cash Contributions – The value of any real property, equipment, goods or services, as well as the purchase value of any donated building

PROGRAM REQUIREMENTS

1. Applicants must coordinate and integrate, to the maximum extent practicable, ESG funded activities with other programs targeted to homeless people. Services must be coordinated to provide a strategic, community-wide system to prevent and end homelessness for the area. Examples of targeted homeless services are: CoC programs; PATH programs; HUD-VASH; Programs for Runaway and Homeless Youth, Emergency Food and Shelter Programs and Healthcare for the Homeless, etc.
2. System and Program Coordination with Mainstream Resources – The applicant must coordinate and integrate, to the maximum extent practicable, ESG funded activities with mainstream housing, health, social services, employment, education, and youth programs for which individuals and households at risk of homelessness and homeless individuals and households may be eligible.
3. Centralized or Coordinated Assessment System – Once the Continuum of Care has developed a centralized assessment system or a coordinated assessment system in accordance with requirements to be established by HUD, each ESG-funded program or project within the Continuum of Care's area must use that assessment system. The recipient and subrecipient must work with the Continuum of Care to ensure the screening, assessment and referral of program participants are consistent with the written standards required by paragraph (e) of this section. A victim service provider may choose not to use the Continuum of Care's centralized or coordinated assessment system.
4. Written Standards and Procedures – Applicants shall adopt and consistently apply DCS's written standards for providing ESG. See DCS Website.
5. Participation in Homeless Management Information System (HMIS) – Applicants are required to collect and enter data into the HMIS system for all individuals and households served with ESG funds. Domestic violence service providers are exempt from participating in the HMIS system, but must establish and operate a comparable database that collects client level data overtime and can generate unduplicated aggregate reports on the data.
6. Homeless participation –
 - a. Unless the recipient is a State, the recipient must provide for the participation of not less than one homeless individual or formerly homeless individual on the board of directors or other equivalent policy-making entity of the recipient, to the extent that the entity considers and makes policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant (ESG).
 - b. If the recipient is unable to meet requirement under paragraph (a), it must instead develop and implement a plan to consult with homeless or formerly homeless individuals in considering and making policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant (ESG). The plan must be included in the annual action plan required under 24 CFR 91.220.

- c. To the maximum extent practicable, the recipient or subrecipient must involve homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under ESG, in providing services assisted under ESG, and in providing services for occupants of facilities assisted under ESG. This involvement may include employment or volunteer services.

7. Faith-based activities

- a. Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to receive ESG funds. Neither the Federal Government nor a State or local government receiving funds under ESG shall discriminate against an organization on the basis of the organization's religious character or affiliation.
- b. Organizations that are directly funded under the ESG program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization as part of the programs or services funded under ESG. If an organization conducts these activities, the activities must be offered separately, in time or location, from the programs or services funded under ESG, and participation must be voluntary for program participants.
- c. Any religious organization that receives ESG funds retains its independence from Federal, State, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that the religious organization does not use direct ESG funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities to provide ESG-funded services, without removing religious art, icons, scriptures, or other religious symbols. In addition, an ESG-funded religious organization retains its authority over its internal governance, and the organization may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.
- d. An organization that receives ESG funds shall not, in providing ESG assistance, discriminate against a program participant or prospective program participant on the basis of religion or religious belief.
- e. ESG funds may not be used for the rehabilitation of structures to the extent that those structures are used for inherently religious activities. ESG funds may be used for the rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under the ESG program. Where a structure is used for both eligible and inherently religious activities, ESG funds may not exceed the cost of those portions of the rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to ESG funds. Sanctuaries, chapels, or other rooms that an ESG-funded religious congregation uses as its principal place of worship, however, are ineligible for funded improvements under the program. Disposition of real property after the term of the grant, or any change in use of the property during the term

of the grant, is subject to government-wide regulations governing real property disposition (see 24 CFR parts B4 and B5).

- f. If the recipient or a subrecipient that is a local government voluntarily contributes its own funds to supplement federally funded activities, the recipient or subrecipient has the option to segregate the Federal funds or commingle them. However, if the funds are commingled, this section applies to all of the commingled funds.
8. **Evaluation of Program Participants** – Applicants must conduct an initial evaluation to determine eligibility of each individual or household's eligibility for ESG assistance and the type of assistance necessary to regain stability in permanent housing. These evaluations must be conducted in accordance with the centralized assessment system and DCS's written standards.
9. **Case Management** – Each program participant receiving homelessness prevention or rapid re-housing assistance must be required to meet regularly, not less than once per month, with a case manager (except where prohibited by Victims Against Women Act (VAWA) and the Family Violence Prevention and Services Act (FVPSA)) and develop an individualized plan to assist the program participant to retain permanent housing after the ESG assistance ends, taking into account all relevant considerations, such as the program participant's current or expected income and expenses; other public or private assistance for which the program participant will be eligible and likely to receive; and the relative affordability of available housing in the area. Consistent with 24 CFR Part 576.401(e), housing stability case management can last no more than 30 days while the program participant seeks permanent housing and no more than 24 months once in permanent housing.
10. **Rent Reasonableness** – Applicants must ensure that ESG funds used for rental assistance do not exceed the actual rental cost, which must be in compliance with HUD's standard of "rent reasonableness" and not to exceed the Fair Market Rent. Rent reasonableness means that the total rent charge, including utilities, for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units.
11. **Program Accessibility** – Applicants must operate each existing program or activity receiving federal financial assistance so that the program or activity, when viewing in its entirety is readily accessible for persons with disabilities.
12. **Housing Standards for Emergency Shelters** – Any building for which ESG funds are used for conversion, rehabilitation or renovation, must meet state or local government safety and sanitation standards as applicable. Shelters must be also accessible in accordance with Section 504 of the Rehabilitation Act and implementing regulations at 24 CFR Part 8; Fair Housing Act and implementing regulations at 24 CFR Part 100 and Title II of the Americans with Disabilities Act and 28 CFR Part 35; where applicable.
13. **Housing Standards for Permanent Housing** – Applicants cannot use ESG funds to help a program participant remain or move into housing that does not meet the minimum habit-

ability standards. Applicants must certify that the unit has passed habitability standards BEFORE any ESG funds may be released. (Habitability Standards Inspection Form)
In addition, both emergency shelters and permanent housing must meet additional housing standards per 24 CFR Part 576.403, which includes the following:

- Building must be structurally sound.
 - Except where a shelter is intended for day use only, the program participant must be provided with an acceptable place to sleep and adequate space and security for themselves and their belongings.
 - Each room or space must have a natural or mechanical means of ventilation.
 - Water supply must be free of contamination.
 - Individuals and households must have access to sanitary facilities that are in proper operating condition.
 - Must have necessary heating/cooling facilities in proper operating condition.
 - Must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety and sufficient electrical sources to permit the safe use of electrical appliances.
 - Food preparation areas must contain suitable space and equipment to store, prepare and serve food in a safe and sanitary manner.
 - Housing must be maintained in a sanitary condition.
 - Working smoke detectors must be located near sleeping areas, located on each occupied level of the unit, and there must be a second means of exiting the building in the event of fire or other emergency. Shelters must have a fire alarm system designed for hearing impaired residents.
14. **Lead-Based Paint Requirements – Lead-Based Paint Poisoning Prevention Act** applies to all shelters assisted under ESG program and all housing occupied by program participants. All applicants are required to conduct a Lead-Based Paint inspection on all units receiving assistance under the rapid re-housing AND homelessness prevention components if the unit is built before 1978 and a child under age of six or a pregnant woman resides in the unit.
15. **Confidentiality – All applicants must develop and implement procedures to ensure the confidentiality of records pertaining to any individual or household provided with ESG assistance.**
16. **Termination of Housing Assistance (576.402) – Applicants may terminate assistance to a program participant who violates program requirements. Applicants may also resume assistance to a program participant whose assistance was previously terminated. In terminating assistance to a program participant, applicants must provide a formal process that recognizes the rights of individuals receiving assistance to due process of law. This process, at a minimum, must:**

- a. Recognize individual rights;
 - b. Allow termination in only the most severe case;
 - c. Provide a written notice to the program participant, with clear statement of reasons for termination;
 - d. Provide a review of the decision, in which the program participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and
 - e. Provide a prompt written notice of the final decision to the program participant.
17. Recordkeeping – All applicants must keep any records and make any reports (including those pertaining to race, ethnicity, gender, and disability status data) that HUD may require within the timeframe specified.
18. Sanctions – If DCS determines that an applicant is not complying with the requirements of the ESG Plan or other applicable federal or state laws, DCS will take appropriate actions, which may include:
- a. Issue a warning letter that further failure to comply with such requirements will result in a more serious sanction;
 - b. Direct the applicant to cease incurring costs with grant funds;
 - c. Require that some or all of the grant amounts be repaid to DCS; or
 - d. Reduce (de-obligate) the level of funds the applicant would otherwise be entitled to receive; or
 - e. Elect to make the applicant ineligible for future DCS funding.

Any ESG funds that become available to DCS as a result of a sanction or voluntary return by the applicant, will be made available (as soon as practicable) to other eligible applicants for use within the ESG Program.

19. Conflicts of Interest – The availability of any type or amount of ESG assistance may not be conditioned on an individual's or household's acceptance or occupancy of emergency shelter or housing owned by the applicant, or a parent or subsidiary of the applicant. No applicant may, with respect to individuals or households occupying housing owned by the applicant, or any parent or subsidiary of the applicant, carry out the initial evaluation required under 24 CFR Part 576.401 or administer homelessness prevention assistance under 24 CFR Part 576.103.

For procurement of goods and services, the applicant must comply with the codes of conduct and conflict of interest requirements under 24 CFR Part 95.36 (for governments) and 24 CFR Part 84.42 (for private nonprofit organizations).

20. Monitoring - DCS is responsible for monitoring all ESG activities to ensure program requirements established by HUD and DCS are met. Monitoring will consist of site visits to applicant's place of business, review of all reimbursement requests, and review of HMIS information. DCS will conduct site visits at least once every two years. DCS will also provide support and technical assistance, as needed.

Additional monitoring of applicants may be conducted by HUD's office of Community Planning and Development; HUD's Office of Special Needs Assistance Program, or any other applicable federal agency. These agencies will be monitoring the ESG program nationwide to determine compliance with federal program requirements.

SELECTION CRITERIA

Applications which show a concerted effort to coordinate services with other agencies and other funding sources to best serve the individuals and households will be given priority. Total points allotted equal up to 100 points.

Due to the demand for the funds ESG will be awarded based upon the following:

1. Demonstrated the need for the funding. (30)
2. Plan for distribution of the funds in an effective, efficient and timely manner. (15)
3. Collaboration efforts with other targeted homeless services and mainstream resources. (20)
4. Active participation in and providing services consistent with the needs identified by the North Dakota Continuum of Care, HMIS and Coordinated Assessment. (20)
5. The applicant's plan to involve, to the maximum extent practicable, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under the grant, and in providing services for occupants of these facilities. Also included is how the Housing First model is used within the agency. (15)

When making final selections, the DCS review committee may make a grant award for less than the amount applied for or for fewer than all of the activities identified in the application, based on the demand for grant amounts, the extent to which the respective activities address the needs of the individuals and households, and the reasonableness of the costs proposed. The DCS review committee reserves the right to award ESG funds to any applicant or deny ESG funds for any applicant if it determines, in its sole discretion, the project is unacceptable based on, but not limited to the following:

1. Information regarding the fact that a particular market is saturated with emergency units and/or services.
2. The applicant has not demonstrated capacity to administer the ESG Program, or
3. The applicant's (including any related party's) insufficient prior administration of DCS programs, including ESG, which may have resulted in monitoring findings.

GRANT ADMINISTRATION

Upon project selection, an award letter and financial agreement will be forwarded to each applicant detailing a description of the activities funded, and award conditions. Execution of the financial agreement is to be completed by a representative of the applicant and the DCS.

Grant funds will be considered obligated once the grant agreement has been signed by the applicant. A grant agreement will be sent under separate cover detailing the applicant's requirements and responsibilities, including those required for the environmental review. The applicant will be required to sign and return the grant agreement to DCS.

The grant agreement will indicate the activities and the corresponding approved funding amounts by category. An approved Request for Amendment is needed from DCS to vary from the funding amounts and categories as specified in the executed grant agreement.

Grant agreements will be for a term not to exceed 12 months. Applicants must expend DCS funds for eligible activities within the grant period.

METHOD OF PAYMENT

Payment of ESG funds will be completed as a reimbursement. Requests for payment must be received by DCS at least quarterly, following the ESG Drawdown Schedule below or more frequently as needed. Requests must be submitted in a format approved by DCS, and must include a detailed breakdown of expenses incurred and ESG funds requested. Copies of all expenses and documentation of payment must be submitted for verification purposes. Lack of documentation or explanation may result in a delay in payment.

ESG Drawdown Schedule		
Quarter	Dates	Percentage Drawn
1	July 1 - September 30	25%
2	October 1 - December 31	50%
3	January 1 - March 31	75%
4	April 1 - June 30	100%



At Risk of Homelessness

CRITERIA FOR DEFINING AT RISK OF HOMELESSNESS	Category 1	Individuals and Families	<p>An individual or family who:</p> <ul style="list-style-type: none"> (i) Has an annual income below <u>30%</u> of median family income for the area; <u>AND</u> (ii) Does not have sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or another place defined in Category 1 of the "homeless" definition; <u>AND</u> (iii) Meets one of the following conditions: <ul style="list-style-type: none"> (A) Has moved because of economic reasons 2 or more times during the 60 days immediately preceding the application for assistance; <u>OR</u> (B) Is living in the home of another because of economic hardship; <u>OR</u> (C) Has been notified that their right to occupy their current housing or living situation will be terminated within 31 days after the date of application for assistance; <u>OR</u> (D) Lives in a hotel or motel and the cost is not paid for by charitable organizations or by Federal, State, or local government programs for low-income individuals; <u>OR</u> (E) Lives in an SRO or efficiency apartment unit in which there reside more than 2 persons or lives in a larger housing unit in which there reside more than one and a half persons per room; <u>OR</u> (F) Is exiting a publicly funded institution or system of care; <u>OR</u> (G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved Con Plan
	Category 2	Unaccompanied Children and Youth	A child or youth who does not qualify as homeless under the homeless definition, but qualifies as homeless under another Federal statute
	Category 3	Families with Children and Youth	An unaccompanied youth who does not qualify as homeless under the homeless definition, but qualifies as homeless under section 725(2) of the McKinney-Vento Homeless Assistance Act, and the parent(s) or guardian(s) or that child or youth if living with him or her.



Homeless Definition

CRITERIA FOR DEFINING HOMELESS	Category 1	Literally Homeless	(1) Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning: (i) Has a primary nighttime residence that is a public or private place not meant for human habitation; (ii) Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations, or by federal, state and local government programs); <u>or</u> (iii) Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.
	Category 2	Imminent Risk of Homelessness	(2) Individual or family who will imminently lose their primary nighttime residence, provided that: (i) Residence will be lost within 14 days of the date of application for homeless assistance; <u>and</u> (ii) No subsequent residence has been identified; <u>and</u> (iii) The individual or family lacks the resources or support networks needed to obtain other permanent housing.
	Category 3	Homeless under other federal statutes	(3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who: (i) Are defined as homeless under the other listed federal statutes; (ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing during the 60 days prior to the homeless assistance application; <u>and</u> (iii) Have experienced persistent instability as measured by two moves or more during in the preceding 60 days; <u>and</u> (iv) Can be expected to continue in such status for an extended period of time due to special needs or barriers.
	Category 4	Fleeing/ Attempting to Flee DV	(4) Any individual or family who: (i) Is fleeing, or is attempting to flee, domestic violence; (ii) Has no other residence; <u>and</u> (iii) Lacks the resources or support networks to obtain other permanent housing.

ESG/NDHG MONITORING REPORT AND GUIDELINES
 NORTH DAKOTA DEPARTMENT OF COMMERCE
 DIVISION OF COMMUNITY SERVICES
 SFN 60470 (07/18)

General Information

Grantee	Contact Person	
Title	Address	
City	State	ZIP Code
Grant Number(s)	Grant Amount	Monitoring Date

Grantee Performance, Program Management, and Fair Housing

1. Was the grant utilized as proposed in the grantee's application? (review program description & grant application)	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Were there any amendments to the grant? If yes, for what?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Does the agency have a grievance procedure for clients?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Does the agency have written position descriptions for staff administering this program?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Does the grantee have a fully accessible (i.e., barrier-free) site available for persons to apply for program benefits? If not, what accommodations are made available?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6. Is your agency currently participating in the HMIS?	<input type="checkbox"/> Yes <input type="checkbox"/> No
7. For projects serving domestic violence victims, is there established written procedures regarding confidentiality of client records and the address/location of any project serving domestic violence victims?	<input type="checkbox"/> Yes <input type="checkbox"/> No
8. Does the grantee have a written policy for the termination of clients? If no written guidance is available, interview staff to determine how terminations are handled. Describe:	<input type="checkbox"/> Yes <input type="checkbox"/> No
9. Has the grantee posted all required notices relative to Equal Employment Opportunity and Fair Housing?	<input type="checkbox"/> Yes <input type="checkbox"/> No
10. Does the grantee maintain and update a list of Fair Housing Resources?	<input type="checkbox"/> Yes <input type="checkbox"/> No
11. Does the grantee use the Fair Housing logo on all materials relating to their housing programs distributed to the general public?	<input type="checkbox"/> Yes <input type="checkbox"/> No
12. Who is the Fair Housing contact person?	
13. Has the program received any discrimination complaints?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Financial Management and Internal Accounting Control Monitoring

1. What is your fiscal year?	
<input type="checkbox"/> Jan 01 - Dec 31 <input type="checkbox"/> June 01 - May 31 <input type="checkbox"/> July 01 - June 30 <input type="checkbox"/> Oct 01 - Sept 30 <input type="checkbox"/> Other	
2. Are financial and related records maintained per program requirements after closeout of your grant? (DCS 5 years)	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Who is responsible for generating/maintaining financial statements & records?	
<input type="checkbox"/> Director <input type="checkbox"/> Bookkeeper-Accountant <input type="checkbox"/> Outside Accounting Firm <input type="checkbox"/> CPA <input type="checkbox"/> Other (employs a staff person who possesses a bachelor's degree in account, or possesses experience in accounting along with college account credits, or a bookkeeper whose work is overseen by an accounting firm)	
4. Is supporting documentation maintained for all financial transactions?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. How often are financial reports prepared?	
<input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Annually	
6. How often does the Board review financial statement and report?	
<input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Annually	
7. Are receipts issued for all cash contributions received?	<input type="checkbox"/> Yes <input type="checkbox"/> No
8. Are bank reconciliations performed monthly?	<input type="checkbox"/> Yes <input type="checkbox"/> No
9. Are there procedures for approving payments/cash to vendors?	<input type="checkbox"/> Yes <input type="checkbox"/> No
10. What is the specified dollar amount required for Board approval?	
11. Who is responsible for writing checks and paying bills?	
12. Is more than one signature required for any check?	<input type="checkbox"/> Yes <input type="checkbox"/> No
13. Does the Board authorize all bank accounts and check signers annually?	<input type="checkbox"/> Yes <input type="checkbox"/> No
14. List Authorized Signatory(ies), by Title (there may be two or more signers)	
15. Are checks signed only when accompanied by approved invoices?	<input type="checkbox"/> Yes <input type="checkbox"/> No
16. Are the following insurance coverages currently in force?	
<input type="checkbox"/> Public Liability <input type="checkbox"/> Property <input type="checkbox"/> Worker's Compensation	
17. For staff salaries through ESG/NOHG funds, are you able to document that they work exclusively with homeless and/or near homeless clients?	<input type="checkbox"/> Yes <input type="checkbox"/> No
18. Does the organization maintain records of the hours worked for each volunteer by type of job?	<input type="checkbox"/> Yes <input type="checkbox"/> No

For Shelter Facilities Only

1. If applicable, are the following licenses current? (provide documentation)	
<input type="checkbox"/> Certificate of Occupancy <input type="checkbox"/> Permit for Fire Marshal <input type="checkbox"/> Food Preparation <input type="checkbox"/> Programmatic Licensure (e.g., Substance Abuse, Day Care, etc.)	
2. Does the agency have written confidentiality procedures which cover?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Locking/security of files <input type="checkbox"/> Written authorization of release of information	
3. Do clients have a secure place to store personal belongings and documents?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Is there at least one homeless person or formerly homeless participating in the policy decision-making process regarding projects receiving funds?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Is the facility in compliance with all codes, general ordinances and laws zoning health department compliance, etc.?	<input type="checkbox"/> Yes <input type="checkbox"/> No
a. Are there any unresolved issues?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6. Is there regular pest control services? If yes, how often?	<input type="checkbox"/> Yes <input type="checkbox"/> No
7. Is there a regular garbage removal and adequate storage (such as a dumpster with a lid)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
8. Are the housekeeping and maintenance plans adequate to assure that the facility is clean and in good repair?	<input type="checkbox"/> Yes <input type="checkbox"/> No
9. Are clean linens provided for each client with a procedure to sanitize all linens and sleeping surfaces?	<input type="checkbox"/> Yes <input type="checkbox"/> No
10. Is there a crib, bed or mat with clean linen for each person?	<input type="checkbox"/> Yes <input type="checkbox"/> No
11. Are fire drills conducted regularly, depending on the maximum length of stay? How often?	<input type="checkbox"/> Yes <input type="checkbox"/> No
12. Are fire detection systems operating, and are they tested regularly? How often?	<input type="checkbox"/> Yes <input type="checkbox"/> No
13. Are first aid equipment and supplies available at all times?	<input type="checkbox"/> Yes <input type="checkbox"/> No
14. Is there adequate ventilation (i.e., bath-one operable window or fan; sleeping rooms-one operable window designed to open)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
15. Are food service areas adequate and sanitary?	<input type="checkbox"/> Yes <input type="checkbox"/> No
16. Are interior and exterior lighting adequate?	<input type="checkbox"/> Yes <input type="checkbox"/> No
17. Are entrances and exits clear of debris, ice and other hazards?	<input type="checkbox"/> Yes <input type="checkbox"/> No
18. Do clients have sufficient shower/bath basins and toilets in proper operating conditions?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Exit Interview

The monitoring is completed by an exit meeting with the appropriate staff or representative(s) to discuss the preliminary results of the monitoring visit and indicate that the grantee is to be formally informed of monitoring findings identified to date and any follow-up actions required of the grantee.

Notes for Exit Interview

Estimated date for providing written monitoring report to grantee:

What unanticipated problems or barriers have arisen throughout the implementation of the grant program?

Does the grantee need additional technical assistance to resolve these barriers?

☐ Yes ☐ No

Explain:

How can DCS be of more assistance to the grantee?

General Comments:

Monitoring Documentation Checklist

Name of Agency	Name of Tenant	Date
----------------	----------------	------

Eligibility Requirements

	YES	NO	COMMENT
Proof of Identification	<input type="checkbox"/>	<input type="checkbox"/>	
At Risk of Homelessness Certification	<input type="checkbox"/>	<input type="checkbox"/>	
Release of Information	<input type="checkbox"/>	<input type="checkbox"/>	
Screening Assessment of HMIS Printout	<input type="checkbox"/>	<input type="checkbox"/>	
Income Documentation (pay stubs, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	
Self-Certification	<input type="checkbox"/>	<input type="checkbox"/>	
Homeless Certification	<input type="checkbox"/>	<input type="checkbox"/>	

Housing Requirements

	YES	NO	COMMENT
Verification of Income	<input type="checkbox"/>	<input type="checkbox"/>	
Intake & Assessment	<input type="checkbox"/>	<input type="checkbox"/>	
Progress Notes	<input type="checkbox"/>	<input type="checkbox"/>	
Utility Shut Off Notice (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>	
Documentation of Eviction (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>	
Lease/Rental Agreement	<input type="checkbox"/>	<input type="checkbox"/>	
Housing Plan (for re-housing and prevention)	<input type="checkbox"/>	<input type="checkbox"/>	
Rent Reasonableness (for re-housing and prevention)	<input type="checkbox"/>	<input type="checkbox"/>	
Habitability Standards Inspection Form	<input type="checkbox"/>	<input type="checkbox"/>	
Lead-Based Paint Inspection Form	<input type="checkbox"/>	<input type="checkbox"/>	

**ESG/NDHG Forms
Client Eligibility Forms**

Identification Documentation

There must be identification documentation for all household members whether receiving case management and/or financial assistance. Documentation must be a copy of one of the following:

- Drivers License
- Social Security Card
- Medicaid Card
- Birth Certificate
- Passport

Homeless Definition and Certification

The agency must complete the Homeless Definition and Certification indicating current living situation and provide the appropriate documentation as indicated on the form. Must be completed for each household.

Release of Information Form

A Release of Information form must be signed by each household member age 18 or older with a copy in file.

Intake and Assessment Form

The agency will conduct a comprehensive housing assessment with the household.

Income Documentation (pay stubs, etc.)

All sources of household income (for all adult members) must be verified and documented at intake and every three months to determine program eligibility. To be eligible for assistance, gross household income must be below 30% (ESG), 50% (NDHG) area median income (AMI) for the county in which the household is residing.

Self-Certification

Must be completed if required verifications/other documents cannot be provided and self-certification is the only way to verify information to determine program eligibility.

Lease/Rental Agreement

A lease is required for households receiving financial assistance such as rental assistance, security deposits, rental arrearages and utility payments/deposits.

Housing Plan (case notes)

A Housing Plan must be completed for all individuals that receive a housing assessment and are determined eligible for services.

Rent Reasonableness

Subrecipients must complete and file a Rent Reasonableness form for rental assistance above Fair Market Rent (FMR).

Habitability Standards Inspection Form

All units must meet Habitability Standards before financial assistance can be provided such as rental assistance, security deposits, rental arrearages and utility payments/deposits.

Lead-Based Paint Inspection

Lead-Based Paint Inspection is required for housing for properties if built before 1978 and if a child age 6 or younger or a pregnant woman will be residing in the unit.

WRITTEN STANDARDS FOR PROVISION OF ESG ASSISTANCE IN NORTH DAKOTA

- I. Standard policies and procedures for evaluating individuals' and families' eligibility for Assistance under ESG. (See 24 CFR Parts 91 and 576 of the Emergency Solutions Grant Interim Rule)

Per 24 CFR 576.401 ESG sub-recipients must conduct an initial evaluation to determine each individual or family's eligibility for ESG assistance and the amount and types of assistance the individual or family needs to regain stability in permanent housing. These evaluations must be conducted in accordance with the centralized or coordinated assessment requirements set forth under §576.400(d) which is pending development by the ND Continuum of Care (CoC).

ESG sub-recipients must re-evaluate the program participant's eligibility and the types and amounts of assistance the participant needs; not less than once every 3 months for participants who are receiving homelessness prevention assistance, and not less than once annually for participants who are receiving rapid re-housing assistance.

At the sub-recipient's discretion, re-evaluations may be conducted more frequently than required by 24 CFR 576.401 and may also be incorporated into the case management process which must occur not less than monthly for homeless prevention and rapid re-housing participants – See 24 CFR 576.401(e)(1). Regardless of which timeframe is used, re-evaluations, must at minimum, establish that:

- The program participant does not have an annual income that exceeds 30 percent of median family income for the area, as determined by HUD; and the program participant lacks sufficient resources and support networks necessary to retain housing without ESG assistance. To determine if an individual or family is income eligible, the sub-recipient must examine an individual or family's annual income to ensure that it does not exceed the most current area income limits posted on the Division of Community Services's webpage found at: www.communityservices.nd.gov/communitydevelopment/Programs/EmergencySolutionsGrants/ESG/

Note: Annual income must be below 30% at the time of the initial evaluation.

- When the program participant's income or other circumstances change (e.g., changes in household composition) that affects the program participant's need for assistance under ESG, the sub-recipient must re-evaluate the program participant's eligibility and the amount and types of assistance the program participant needs.

Sub-recipients must assist each program participant, as needed, to obtain appropriate supportive services, including assistance in obtaining permanent housing, medical health treatment, mental health treatment, counseling, supervision, and other services essential to achieving independent living; housing stability case management; and other Federal, State local, or private assistance available to assist the program participant in obtaining housing stability including:

- Medicaid
- Supplemental Nutrition Assistance Program
- Women, Infants and Children (WIC)
- Federal-State Unemployment Insurance Program
- Social Security Disability Insurance (SSDI)
- Supplemental Security Income (SSI)
- Child and Adult Care Food Program, and
- Other mainstream resources such as housing, health, social services, employment, education services and youth programs that an individual or family may be eligible to receive

2. Standards for targeting and providing essential services related to street outreach.

ESG funds may be used for costs of providing essential services necessary to reach out to unsheltered homeless people; connect them with emergency shelter, housing, or critical services; and provide urgent, non-facility-based care to unsheltered homeless people who are *unwilling or unable* to access emergency shelter, housing, or an appropriate health facility. For the purposes of this section, the term "unsheltered homeless people" means individuals and families who qualify as homeless under paragraph (1) (i) of the "homeless" definition under 24 CFR Part 576.2.

As outlined in 24 CFR Part 576.101, essential services consist of:

- a) Engagement;
- b) Case management;
- c) Emergency health services – only when other appropriate health services are inaccessible or unavailable within the area;
- d) Emergency mental health services – only when other appropriate mental health services are inaccessible or unavailable within the area;
- e) Transportation; and
- f) Services for special populations.

ESG sub-recipients must determine an individual's or family's vulnerability and unwillingness or inability to access emergency shelter, housing, or an appropriate health facility, prior to providing essential services under this component to ensure that ESG funds are used to assist those with the greatest need for street outreach assistance.

3. Policies and procedures for admission, diversion, referral, and discharge by emergency shelters:

a. Emergency Shelter Definition 24 CFR Part 576.2

Any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless and which does not require occupants to sign leases or occupancy agreements. This definition excludes transitional housing. However, projects that were funded as an emergency shelter (shelter operations) under the FY 2010 Emergency Shelter Grants program may continue to be funded under the emergency shelter component under the Emergency Solutions Grants program, regardless of whether the project meets the revised definition.

b. Admission, Diversion, Referral and Discharge

Consistent with Section (1) of this document, ESG sub-recipients must conduct an initial evaluation of all individuals or families to determine if they should be admitted to an emergency shelter, diverted to a provider of other ESG funded components (e.g. rapid re-housing or homeless prevention assistance) and/or referred for other mainstream resources.

ESG sub-recipients must determine that individuals and families meet criteria (1), (2), (3), or (4) of the Homeless Definition (Attachment B) and rate the individual or family's vulnerability to ensure that only those individuals or families that have the greatest need for emergency shelter assistance receive ESG funded assistance.

ESG sub-recipients must also reassess emergency shelter participants, on an ongoing basis, to determine the earliest possible time that they can be discharged to permanent housing.

c. Safety and Shelter Needs of Special Populations

ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are eligible under the regulations for the emergency shelter component found at 24 CFR Part 576.102.

Consistent with ESG recordkeeping and reporting requirements found at 24 CFR Part 576.500, ESG sub-recipients must develop and apply written policies to ensure the safety of program participants through the following actions:

- All records containing personally identifying information (as defined in HUD's standards for participation, data collection, and reporting in a local HMIS) of any individual or family who applies for and/or receives ESG assistance will be kept secure and confidential.
- The address or location of any domestic violence, dating violence, sexual assault, or stalking shelter project assisted under the ESG will not be made public, except with written authorization of the person responsible for the operation of the shelter; and
- The address or location of any housing of a program participant, including youth, individuals living with HIV/AIDS, victims of domestic violence, dating violence, sexual assault, and stalking; and individuals and families who have the highest barriers to housing will not be made public, except as provided under a preexisting privacy policy of the sub-recipient and consistent with state and local laws regarding privacy and obligations of confidentiality.

In addition, ESG sub-recipients must adhere to the following ESG shelter and housing standards found at 24 CFR Part 576.403 to ensure that shelter and housing facilities are safe, sanitary, and adequately maintained:

- **Lead-Based Paint Requirements.** The Lead-Based Paint Poisoning Prevention Act applies to all shelters assisted under ESG program and all housing occupied by program participants. All ESG sub-recipients are required to conduct a Lead-Based Paint inspection on all units receiving assistance under the rapid re-housing AND homelessness prevention components if the unit was built before 1978 and a child under age six or a pregnant woman resides in the unit.
- **Structure and Materials.** The shelter building should be structurally sound to protect residents from the elements and not pose any threat to health and safety of the residents.
- **Access.** The shelter must be accessible, and there should be a second means of exiting the facility in the case of emergency or fire.
- **Space and Security.** Each resident should have adequate space and security for themselves and their belongings. Each resident must have an acceptable place to sleep.
- **Interior Air Quality.** Each room or space within the shelter/facility must have a natural or mechanical means of ventilation. The interior air should be free of pollutants at a level that might threaten or harm the health of residents.
- **Water Supply.** The shelter's water supply should be free of contamination.

- **Sanitary Facilities.** Each resident should have access to sanitary facilities that are in proper operating condition. These facilities should be able to be used in privacy, and be adequate for personal cleanliness and the disposal of human waste.
 - **Thermal Environment.** The shelter/facility must have any necessary heating/cooling facilities in proper operating condition.
 - **Illumination and Electricity.** The shelter/facility should have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There should be sufficient electrical sources to permit the safe use of electrical appliances in the shelter.
 - **Food Preparation.** Food preparation areas, if any, should contain suitable space and equipment to store, prepare and serve food in a safe and sanitary manner.
 - **Sanitary Conditions.** The shelter should be maintained in a sanitary condition.
 - **Fire Safety-Sleeping Areas.** There should be at least one working smoke detector in each occupied unit of the shelter facility. In addition, smoke detectors should be located near sleeping areas where possible. The fire alarm system should be designed for a hearing-impaired resident.
 - **Fire Safety-Common Areas.** All public areas of the shelter must have at least one working smoke detector.
4. Policies and procedures for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter.

ESG funds may be used to provide essential services to individuals and families who are in an emergency shelter. Essential services for participants of emergency shelter assistance can include case management, child care, education services, employment assistance and job training, outpatient health services, legal services, life skills training, mental health services, substance abuse treatment services, transportation, and services for special populations.

ESG sub-recipients are responsible to assess an individual or family's initial need for emergency shelter and must re-assess their need on an ongoing basis to ensure that only those individual or families with the greatest need receive ESG funded emergency shelter assistance.

Upon completion and implementation of the CoC's centralized or coordinated assessment system, ESG recipients shall be required to use that system to help determine an individual or families need for emergency shelter or other ESG funded assistance.

5. Policies and procedures for coordination among emergency shelter providers, essential service providers, homelessness prevention and rapid re-housing assistance providers, other homeless assistance providers, and mainstream service and housing providers. Coordination to assist the homeless and prevent homelessness will come from the leadership of the statewide Continuum of Care. Active engagement and membership in the statewide CoC or local homeless coalition is strongly encouraged. The CoC will further engage and coordinate resources amongst other entities to improve current programs and funding.
6. Policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which eligible families and individuals will receive rapid re-housing assistance.

The key to the success of any program is a screening and assessment process, which thoroughly explores a family's or individual's situation and pinpoints their unique housing and service needs. Based upon the assessment, families and individuals should be referred to the kinds of housing and services most appropriate to their situations and need.

Once in place, a centralized or coordinated assessment system will help to better match individuals and families with the most appropriate assistance. Under homelessness prevention assistance, funds are available to persons below 30% of Area Median Income (AMI), and are homeless or at risk of becoming homeless.

ESG funds can be used to prevent an individual or family from becoming homeless and/or regain stability in current housing or other permanent housing. Rapid re-housing funding will be available to those who are literally homeless or ultimately move into permanent housing and achieve housing stability.

7. Standards for determining the share of rent and utilities costs that each program participant must pay, if any, while receiving homelessness prevention or rapid re-housing assistance.

Standards for both homelessness prevention and rapid re-housing for determining the share of rent and utilities costs that each program participant must pay, if any, will be based on the following:

- Rental assistance cannot be provided for a unit unless the rent for that unit is at or below the Fair Market Rent limit established by HUD. A complete listing of Fair Market Rents for North Dakota counties can be found at: <https://www.communityservices.nd.gov/locations/10/2015fmr.pdf>
- The rent charged for a unit must be reasonable in relation to rents currently being charged for comparable units in the private (unassisted) market and must not be in excess of rents currently being charged by the owner for comparable unassisted units. See 24 CFR 574.320.
- The rental unit must meet minimum habitability standards found at 24 CFR 576.403.

- There must be a rental assistance agreement and lease between property manager and tenant as well as the owner of property and ESG sub-recipient.
- No rental assistance may be made to an individual or family that is receiving rental assistance from another public source for the same time period.
- Rental assistance may not be provided to a participant who is currently receiving replacement housing payments under Uniform Relocation Assistance.

Per 24 CFR 576.106 (c), ESG sub-recipients may make rental assistance payments only to an owner with whom the sub-recipient has entered into a rental assistance agreement. The rental assistance agreement must set forth the terms under which rental assistance will be provided, including the requirements that apply under this section. The rental assistance agreement must provide that, during the term of the agreement, the owner must give the sub-recipient a copy of any notice to the program participant to vacate the housing unit, or any complaint used under state or local law to commence an eviction action against the program participant.

8. Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time.

Subject to the general conditions under 24 CFR 576.101 and 24 CFR Part 576.104, ESG sub-recipients may provide a program participant with up to 24 months of rental assistance during any 3-year period. This assistance may be short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination of this assistance.

Short-term rental assistance is assistance for up to 3 months of rent. Medium-term rental assistance is assistance for more than 3 months but not more than 24 months of rent. Payment of rental arrears may consist of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears.

The maximum amount of rental assistance provided and, an individual or family's level of responsibility for rent payments, over time, shall be determined by the ESG sub-recipient and shall be reflective of the individual or family's need for rental assistance and the level of financial resources available to the ESG sub-recipient.

9. Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participant receives assistance, or the maximum number of times the program participants may receive assistance.

Subject to the general conditions under 24 CFR 576.103 and 24 CFR Part 576.105, sub-recipients may use ESG funds to pay housing owners, utility companies, and other third parties for some or all of the following costs, as allowed under 24 CFR 576.105:

- Rental application fees
- Security deposits
- Last month's rent
- Utility deposits
- Utility payments
- Moving costs, and
- Some limited services costs.

Consistent with 24 CFR 576.105 (e), ESG sub-recipients shall determine the type, maximum amount and duration of housing stabilization and/or relocation services for individuals and families who are in need of homeless prevention or rapid re-housing assistance through the initial evaluation, re-evaluation and ongoing case management processes.

Consistent with 24 CFR 576.105(d), financial assistance for housing stabilization and/or relocation services cannot be provided to a program participant who is receiving the same type of assistance through other public sources or to a program participant who has been provided with replacement housing payments under the Uniform Relocation Act (URA) during the period of time covered by the URA payments.

10. Homeless participation:

- a. Unless the recipient is a State, the recipient must provide for the participation of not less than one homeless individual or formerly homeless individual on the board of directors or other equivalent policy-making entity of the recipient, to the extent that the entity considers and makes policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant (ESG).
- b. If the recipient is unable to meet requirement under paragraph (a), it must instead develop and implement a plan to consult with homeless or formerly homeless individuals in considering and making policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant (ESG). The plan must be included in the annual action plan required under 24 CFR 91.220.
- c. To the maximum extent practicable, the recipient or subrecipient must involve homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under ESG, in providing services assisted under ESG, and in providing services for occupants of facilities assisted under ESG. This involvement may include employment or volunteer services.

1) Faith-based activities:

- a. Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to receive ESG funds. Neither the Federal Government nor a State or local government receiving funds under ESG shall discriminate against an organization on the basis of the organization's religious character or affiliation.
- b. Organizations that are directly funded under the ESG program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization as part of the programs or services funded under ESG. If an organization conducts these activities, the activities must be offered separately, in time or location, from the programs or services funded under ESG, and participation must be voluntary for program participants.
- c. Any religious organization that receives ESG funds retains its independence from Federal, State, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that the religious organization does not use direct ESG funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities to provide ESG-funded services, without removing religious art, icons, scriptures, or other religious symbols. In addition, an ESG-funded religious organization retains its authority over its internal governance, and the organization may retain religious terms in its organization's name select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.
- d. An organization that receives ESG funds shall not, in providing ESG assistance, discriminate against a program participant or prospective program participant on the basis of religion or religious belief.
- e. ESG funds may not be used for the rehabilitation of structures to the extent that those structures are used for inherently religious activities. Solutions ESG funds may be used for the rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under the ESG program. Where a structure is used for both eligible and inherently religious activities, ESG funds may not exceed the cost of those portions of the rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to ESG funds. Sanctuaries, chapels, or other rooms that an ESG-funded religious congregation uses as its principal place of worship, however, are ineligible for funded improvements under the program. Disposition of real property after the term of the grant, or any change in use of the property during the term of the grant, is subject to government-wide regulations governing real property disposition (see 24 CFR parts 84 and 85).

2021 Home Program Distribution Statement



2021 HOME PROGRAM DISTRIBUTION STATEMENT

The Department of Housing and Urban Development (HUD) has designated the State of North Dakota as a Participating Jurisdiction (PJ) and as such it may apply for and distribute HOME funds. The agency responsible for administration of the North Dakota HOME Program is the Department of Commerce, Division of Community Services (Agency).

This is a description of how the state plans to distribute FY 2021 HOME funds and administer its program. The plan demonstrates consistency with the goals identified in the state's Consolidated Plan (CP). Accordingly, the state will use its HOME funds for the following activities to help meet the identified housing needs:

- Rehabilitation of Owner-occupied and Rental Property
- Acquisition, New Construction, Site Improvements, or Demolition Linked to a Project
- Homebuyer Assistance
- Administrative Costs

TIMELY PRODUCTION AND OCCUPANCY OF ASSISTED HOUSING

The 2013 Final Rule revised a number of commitment and completion deadlines and imposed new occupancy deadlines:

- **HOME projects must be completed within 4 (four) years of commitment.** Any project that is not completed in a timely manner will be terminated and PJs will be required to repay HOME funds drawn. [*§92.205(e)(2)*]
- **HOME-assisted rental units must be occupied by income-eligible households within 18 months of project completion.** If not, PJs must repay HOME funds for the vacant units. (Note: for units that remain vacant for six months following completion, the PJ must identify and develop an enhanced marketing plan and report this information to HUD). [*§92.252*]
- **A homebuyer unit must have a ratified sales contract within nine months of construction completion.** The PJ and Subrecipients must either convert the unit to a HOME rental property or repay the full HOME investment. [*§92.254(a)(3)*]



ALTERNATIVE FORMATS FOR DISABLED
PERSONS ARE AVAILABLE UPON REQUEST

- The Consolidated Appropriations Act of 2019 (PL 116-6) temporarily suspended the Community Development Housing Organization (CHDO) 24-month commitment requirement for set-aside funds to specific projects (Section 231(b)). The suspension applies to 2018-2021 CHDO funds.
 - This appropriation act also continues the temporary suspension of the regular HOME funds 24-month commitment requirement to specific projects for 2016-2021 funds. The Consolidated Appropriations Act of 2020 (PL 116-94) added 2022 to the years covered by the suspension.
 - Both commitment requirements are suspended through December 31, 2022.
- CHDO Fund Set-Aside
 - PJs shall reserve not less than fifteen percent (15 percent) of the grant for projects to be developed, sponsored, or owned by community housing development organizations.
 - If after 24 months those funds are not committed, PJs may elect to use the funds for any HOME project and are no longer restricted to CHDO projects.

Uncommitted CHDO set-aside funds at the end of the 24 month period may be reprogrammed to other eligible HOME activities, subject to procedures established by HUD.
- The PJ can no longer “reserve” CHDO funds for future projects identified at a later date, *[§92.2 Commitment, §92.500(a)(1)]*
- Since FY 2015 appropriations, HOME funds have a period of 9 (nine) fiscal years until expiration. This period is based on 4 (four) fiscal years during which HUD may obligate funds to the PJ (i.e. period of availability in the appropriation act) plus the 5 (five) year expenditure deadline beginning after the last day of the month in which HUD notifies the PJ of HUD’s execution of the HOME Investment Partnership Agreement for a specific fiscal year allocation. Any funds that are not expended before this deadline will be deobligated by HUD. This nine-year period is determined annually by Congress, which generally begins when Congress appropriates the Federal funds to HUD. *[§92.500(d)(1)(A) and (C), and §92.500(d)(2)]*

DISTRIBUTION PLAN

The state will administer its program through Subrecipients, non-and-for-profits, and CHDOs. The HOME Program funds will be allocated to Subrecipients through a non-competitive set-aside. The non-and-for-profit and CHDO category will be competitive and receives awards based on scoring criteria. If CHDO funds remain, the Agency may open the second round of CHDO applications, at its discretion, accepted from CHDOs only.

Applicants new to the HOME Program are required to partner with an experienced developer, sponsor, or consultant (i.e., someone with completed projects and operating successfully).

A CHDO must have a history of serving the community within which housing to be assisted with HOME funds is to be located. In general, an organization must be able to show one year of serving the community before HOME funds are reserved for the organization and have demonstrated capacity for carrying out housing projects assisted with HOME funds. [§92.2]

The state may reallocate funds based on high demand, a natural disaster, or other determinations where performance-based measures have not been met. Uncommitted CHDO set-aside funds at the end of the 24-month period may be reprogrammed to other eligible HOME activities, subject to procedures established by HUD.

State Program Income, Repayments, and Recaptured Funds received by the Agency will be allocated, at the Agency's sole discretion, to any Project completing an Eligible Activity, in the proceeding program year and shall be committed to Project(s) prior to any newly allocated HOME funds are drawn from the Treasury account, except for funds in the Treasury account which are required to be reserved, in accordance with the HUD Interim Final Rule for the HOME program published 12/2/2016 and 24 CFR Part 92.503.

HOME Projects and Eligible Activities

The HOME Program focuses on 3 (three) major housing needs:

1. Single-family Homeowner Rehabilitation
2. Rental Production and Rehabilitation
3. Homebuyer Down Payment Assistance

Each of these housing needs is considered a high or medium priority need for the use of HOME funds. These needs are addressed and prioritized locally by set-asides, determined by the Agency, to their recipients and Subrecipients. Each Subrecipient delivers the HOME Program in their respective geographic jurisdiction. Each year, the state will review the needs and completed goals to determine if goals will be updated based on the new developments which create changing housing needs around the state.

HOME Performance Measures

Recipients and Subrecipients are required to report performance data for all activities.

Performance data reporting consists of entering one of three objectives for the program:

1) Create a Suitable Living Environment; 2) Provide Decent Affordable Housing; and 3) Create Economic Opportunities. In addition, the following appropriate outcomes are also required: Availability/Accessibility, and Affordability, or Sustainability. Based on the objectives and outcomes selected, the system will populate the specific output indicators for each activity. The Agency will then enter this information on HUD's Integrated Disbursement and Information System (IDIS).

2021 Summary of Funding ESTIMATE			
Annual HUD Allocation	\$3,000,000.00		
Program Income	\$565,160.46		
Recaptured Funds			
Prior Years Project Funds Unobligated			
Total Allocation	\$3,565,160.46		
Total Available for Project Set-Aside	\$3,265,160.46		
Total Available for Administration Set-Aside (maximum of 10% of HUD allocation)	\$300,000.00		
Project/ Eligible Activity & Anticipated Applicants	Projects	Administration	Operating
Single-Family Homeowner Rehabilitation			
Community Action Opportunities, Inc. (Reg. II)	\$140,000.00	\$10,000.00	
Dakota Prairie Community Action Agency (Reg. III)	\$140,000.00	\$10,000.00	
Red River Valley Community Action (Reg. IV)	\$140,000.00	\$10,000.00	
Southeastern ND Community Action Agency (Reg. V)	\$140,000.00	\$10,000.00	
Community Action Program Region VII, Inc. (Reg. VII)	\$140,000.00	\$10,000.00	
Community Action Partnership (Reg. I & Reg. VIII)	\$140,000.00	\$10,000.00	
Rental Production and Rehabilitation			
CHDO Reserve	\$450,000.00	\$0.00	\$0.00
OPEN Funds	\$1,475,160.46		
Homebuyer Down Payment Assistance			
Grand Forks Community Land Trust	\$500,000.00	\$0.00	
State PJ Administration		\$240,000.00	
TOTAL	\$3,265,160.60	\$300,000.00	\$0.00

SECTION I

Subrecipients

All recipients are expected to locally meet the HOME Program match requirement of 25 percent unless specifically waived by the Agency. All estimated match must be reported at project application and finalized before final draw.

Only HOME assistance forms listed in Part 92.205(b) will be allowed. Applicants should use private funds, tax credits, Rural Development, Federal Home Loan Bank, Community Development Block Grant, North Dakota Housing Incentive Fund, Department of Energy, Housing Trust Fund, or other grant/loan programs to help leverage HOME activities.

Additional match sources not identified by close-out in IDIS must be reported throughout the period of affordability. **Match source data must be submitted to the Agency no later than July 15th of each year.**

Subrecipient Set-Aside

HOME funds will be set aside for community action agencies which have fully expended and closed out all HOME funding from previous 2016-2018 funding years and the Grand Forks Community Land Trust. These funds will be utilized to complete eligible activities in their jurisdiction that are consistent with the State's Consolidated Plan and identified as priorities for their areas. **A complete HOME Annual Application Plan must be submitted to the Agency. Applications may be submitted beginning August 1, 2021 and will be accepted until fully awarded.**

Subrecipient Definition

A Subrecipient is defined as a public agency or non-profit organization selected by the Agency to administer all or some of the Agency's HOME programs. A public agency or non-profit organization which receives HOME funds solely as a developer or owner of a housing project is not a Subrecipient. The Agency's selection of a Subrecipient is not subject to the procurement procedures and requirements.

Community Action Agency (CAA) Set-Aside

Financial Awards will be provided for each approved eligible activity. Funds from one award may not be used for any other activity than what was approved.

Eligible activities can include all necessary rehabilitation required to bring an existing owner-occupied home up to the HOME property standards as defined in 92.251(b) and the North Dakota State Building Code (or locally amended North Dakota State Building Code). Rehabilitation work must meet all applicable state and local code requirements. When rehabilitation is selected as a regional priority, neither the estimated value of the house prior to rehabilitation or the after-rehab value of the housing shall not exceed the annually published HOME and Housing Trust Fund Homeownership Value Limits for the county in which property is located. (Each homeowner will be required to sign a Housing Rehabilitation Program Homeowner Agreement, in which the term of this agreement is determined by the amount of

HOME funds provided to that Project. In addition, all homeowners must sign the Community Action Agency's policy stating the Community Action Agency's right to walk away from a project. Homeowners must also sign a restrictive land use covenant prior to work beginning or a final LURA at project completion.

Please note that no choice-limiting action may be taken and no construction activity may begin until the Site-Specific Checklist has been completed, and the Agency has issued a Release of Funds for any Project.

The period of affordability is as follows:

HOME Assistance Per Unit	Minimum Period of Affordability
Single-Family Homeowner Rehabilitation	5 yrs.

The terms of the agreement for repayment may allow for a pro-rata reduction of the recapture amount in monthly increments. Below is an example of a five-year plan:

Month	Recapture	Month	Recapture	Month	Recapture	Month	Recapture	Month	Recapture	Month	Recapture
1	100%	11	83.3%	21	66.6%	31	50.0%	41	33.3%	51	16.6%
2	98.3%	12	81.6%	22	65.0%	32	48.3%	42	31.6%	52	15.0%
3	96.6%	13	80.0%	23	63.3%	33	46.6%	43	30.0%	53	13.3%
4	95.0%	14	78.3%	24	61.6%	34	45.0%	44	28.3%	54	11.6%
5	93.3%	15	76.6%	25	60.0%	35	43.3%	45	26.6%	55	10.0%
6	91.6%	16	75.0%	26	58.3%	36	41.6%	46	25.0%	56	8.3%
7	90.0%	17	73.3%	27	56.6%	37	40.0%	47	23.3%	57	6.6%
8	88.3%	18	71.6%	28	55.0%	38	38.3%	48	21.6%	58	5.0%
9	86.6%	19	70.0%	29	53.3%	39	36.6%	49	20.0%	59	3.3%
10	85.0%	20	68.3%	30	51.6%	40	35.0%	50	18.3%	60	1.6%

When housing rehabilitation is selected, each CAA must develop Homeowner Rehabilitation Guidelines (HRG). The HRG must be submitted with the CAA's Annual Application and contain the following:

- The criteria used to determine applicant eligibility based on income as defined by either Part5/Section 8 annual income or adjusted gross income as defined for reporting on IRS Form 1040, assets, ownership, occupancy, and location. Any priorities which are used to select households for assistance (e.g., households with income less than 50 percent of median annual income) along with how the income information will be verified.
- The types of property or properties eligible for assistance (e.g., single-family unit, condominium unit, mobile home/manufactured home [permanent foundation on private lot], and cooperative unit).
- Provide a description of any type of homeowner contribution required (cash, labor, or materials).
- A description of how you will inspect for HOME property standards as defined in 92.251(b). Assurance that all work complies with the North Dakota State Building Code (or a locally amended North Dakota State Building Code). Also include how your agency will assure that newly constructed housing meets the current edition of

- e. the Model Energy Code, Uniform Building Code, and Uniform Mechanical Code.
- f. Define how you will meet lead-based paint regulations of section §92.355 and 24 CFR Part 35.
- g. Describe the minimum and maximum amount of assistance allowed along with the terms of the assistance. Indicate what will happen if a house cannot be brought up to HOME property standards with the maximum investment.
- h. Describe how you will assure that no more than the necessary amounts of HOME Program funds are invested in any one project (Layering).
- i. Specify the form of financial assistance in which HOME funds are provided (e.g. grant or deferred-payment loan).
- j. Address special requirements for reconstruction or rehabilitation of manufactured housing units as set forth in section §92.251(e).
- k. Describe the process for written construction documents and cost estimates as required by 92.251(b)(2), contractor selection to ensure cost reasonableness, and inspections and approvals of work as required by 92.251(b)(3).
- l. Define the staff, owner, and contractor roles and responsibilities. Include a grievance procedure for applicants and disputes between an owner and a contractor.
- m. Provide a statement that outlines your conflict of interest policy in Section II, HOME Statement of Assurances; and
- n. Describe the homeowner counseling services that are available to each client.

Grand Forks Community Land Trust (GF CLT) Homebuyer Down Payment Assistance Set-Aside

- a. Assistance may only be provided to homebuyers whose income (Section 8 definition) does not exceed 80 percent (80%) of the median for the area.
- b. Assisted housing may be either a single-family dwelling, condominium, cooperative unit, or manufactured housing.
- c. The Subrecipient must demonstrate compliance with the Agency homebuyer guidelines and performs sound underwriting of the homebuyer's ability to afford and sustain homeownership.
- d. All homebuyers assisted under the HOME program must receive housing counseling that is performed by a certified housing counselor who has passed the HUD certification examination and is employed by a HUD-approved housing counseling agency prior to receiving homebuyer assistance as required at 24 CFR 254(a)(3).
- e. The Agency will determine which level of environmental review (CEST or CENST) and procedures that will be required for the homebuyer project according to 24 CFR Part 58 definitions and the procedures and in 24 CFR 92.352.

- Homebuyer acquisition providing only down payment assistance are Categorically Excluded but Not Subject to Other Federal Laws and Authorities (CENST) as long as the project meets one of the following criteria:
 - Activities to assist homebuyers to purchase an existing dwelling unit or dwelling units under construction, including closing costs and down payment assistance. *These units must be constructed or under construction at the time of application.
 - The ONLY activities that can be initiated prior to the Agency releasing funds are costs associated with program administration, project delivery cost necessary to determine eligibility and underwrite the household, contracting for preliminary architectural/engineering fees, and costs associated with the environmental review process.
 - For all other activities, Subrecipients cannot obligate or incur costs or draw down funds until the environmental review requirements are satisfied, and the Agency has released funds to the project.
- f. If only acquisition assistance (downpayment assistance) is provided, the property must meet the Uniform Physical Condition Standards (UPCS) and all applicable State and local housing quality standards, habitability standards, and code requirements at the time of initial occupancy as required at 92.251(c)(3).
- g. If the project includes acquisition assistance and rehabilitation, the property must be free from health or safety hazards before occupancy and within six months of the transfer of ownership and meet all applicable State and local housing quality standards and code requirements. The housing must not contain the specific deficiencies proscribed by HUD based on the applicable inspectable items and inspected areas in HUD-prescribed physical inspection procedures (UPCS) issued pursuant to 24 CFR 5.705.
- h. The housing must comply with HUD's Lead Safe Housing Regulations. All lead-based paint hazards must be identified and subsequently addressed (reduced) per the regulations of section §92.355 and 24 CFR Part 35.
- i. The GF CLT must inspect the housing and document this compliance based upon an inspection that is conducted no earlier than 90 days before the commitment of HOME assistance. If the housing does not meet these standards, the housing must be rehabilitated to meet these standards, or it cannot be acquired with HOME funds. New construction must conform to all local building code requirements.
- j. A certified appraisal is required prior to acquisition to determine the initial purchase price. Neither the purchase price nor the appraised value of a HOME assisted property may exceed the annually published HOME and Housing Trust Fund Homeownership Value Limits for the county in which property is located.
- k. The minimum HOME assistance is \$1,000 per unit.

l. Period of Affordability (POA)

This period is based on the amount of direct HOME subsidy to the buyer, as follows:

HOME Down Payment Assistance to Homebuyer	Minimum Period of Affordability
Less than \$15,000	5 yrs.
\$15,000 - \$40,000	10 yrs.
More than \$40,000	15 yrs.

- m. Property must be occupied as a principal residence by the homebuyer and subsequent low-income buyers throughout the POA. No subleasing is allowed. The GF CLT must monitor and verify primary residency of the homebuyer on an annual basis for the affordability period. The most current utility statement, proof of paid taxes, and homeowner's insurance are acceptable documentation.
- n. During grant monitoring of the GF CLT, the Agency will review deed restrictions, covenants attached to the land, mortgages, or other similar mechanisms placed on the HOME-assisted property to ensure the provisions being used are in accordance with those stated in the written agreement with the GF CLT.

Recapture and Resale Provisions

Recapture provisions will be used for homebuyers who received down payment assistance but do not purchase a property owned by GF CLT and subject to a GF CLT ground lease.

Resale provisions will be used for transactions in which homebuyers purchase a property owned by the GF CLT and the property is subject to a GF CLT ground lease.

Recapture Requirements for Homebuyer Down Payment Assistance

In order to ensure the period of affordability (POA) the recapture provisions will be included in the written agreement with the Agency, the homebuyer agreement, and a recapture mortgage.

Direct Home Subsidy is defined as the amount of HOME Assistance, including any program income, that enabled the homebuyer to purchase the unit. This includes down payment, closing costs, interest subsidies, or other HOME assistance provided directly to the homebuyer.

Net Proceeds is defined as the sales price minus superior loan repayment and any closing costs. Under no circumstances can the Agency recapture more than is available from proceeds of sales.

Subsequent Sale of Home to an Income Eligible Homebuyer

- a. The subsequent low-income homebuyer is required to assume the remainder of the POA in effect and the principal residence requirement, as initially determined by the GF CLT based on the amount of HOME investment in the unit.
- b. The GF CLT is permitted to assist the subsequent low-income homebuyer in purchasing

the housing. The additional HOME homebuyer assistance must be treated as an amendment to the original project and will be combined with their assumption of the existing note to determine the new POA and execute a new (replacement) note for the total assistance.

Subsequent Sale of Home to a non-income qualified Homebuyer

Should the homeowner sell the home to a subsequent homebuyer that is not low-income and not approved by the GF CLT, the GF CLT must enforce recapture provisions, requiring repayment, subject to net proceeds of the sale, as calculated in the recapture formula below.

Recapture Formula

The GF CLT will follow the recapture option that requires the entire amount of direct HOME subsidy provided to the homebuyer before the homebuyer receives a return. This amount cannot exceed what is available from net proceeds.

Noncompliance of Recapture Provisions Full Repayment Required

Under recapture provisions, the homeowner is noncompliant, if during the POA, any of the following events occur:

1. The homebuyer does not occupy the home as their primary residence without a sale,
2. Vacates the home; or
3. Sublets and rents the home to another household.

The GF CLT must then enforce full repayment of the original amount of the direct home subsidy.

Repayment of Down Payment Assistance does not terminate the affordability period. Should the homeowner remain in the unit but elects to pay off the outstanding balance of the HOME loan, the owner is still subject to principal residence requirements for the remainder of the POA.

Foreclosure or Transfer in Lieu of Foreclosure. Should the homeowner default and the lender foreclose, the requirements of the GF CLT is dependent upon the POA surviving the foreclosure or not, when determining how to proceed with compliance of the recapture provisions. The GF CLT must work with the Agency if such circumstances arise.

Resale Provisions

The GF CLT intends to provide HOME assistance to eligible homebuyers using the following resale provisions:

1. The GF CLT will follow the resale option for the duration of the period of affordability.
 - a) The housing will be made available for subsequent purchase only to a buyer whose family qualifies as a low-income family and will use the property as the family's principal residence.
 - b) The resale requirement will ensure that the price at resale provides the original HOME-assisted owner a fair return on investment (including the homeowner's investment and any capital improvement) and
 - c) Ensure that the housing will remain affordable to low-income homebuyers whose

income does not exceed eighty percent (80%) of the area median income for that area.

- d) Affordable is defined as a household paying between 20-30 percent of gross monthly income towards monthly mortgage payments including principal, interest, taxes, property insurance, mortgage insurance (if applicable), and the ground lease payment.
2. **Fair Return** shall be the Purchase Option Price as defined in section 5. Fair return will take into account certain capital improvements as defined in section 7.
3. Upon receiving a Notice of Intent to Sell from the homeowner, the GF CLT shall commission an appraisal to be performed by a licensed appraiser who is acceptable to the homeowner. The appraisal shall be conducted by analysis and comparison of comparable properties as though the title to the land and home were held in fee simple absolute by a single party, disregarding all of the restrictions of the GF CLT Ground Lease on the use, occupancy and transfer of the property.
4. The GF CLT shall have the option to purchase the home at the Purchase Option Price calculated in section 5.
 - a) If the GF CLT elects to purchase the home, it shall exercise the purchase option by either proceeding to purchase the home directly or assigning the Purchase Option to a HOME-eligible low-income person.
 - b) If the purchase (by GF CLT or its assignee) is not completed within 120 days as stated in the executed GF CLT Ground Lease, the homeowner may sell the home and homeowner's rights to the leased land for a price no greater than the then applicable Purchase Option Price, to any party if that party is a HOME-eligible low-income person.
 - c) If the GF CLT does not exercise its option and complete the purchase of the homeowner's property as described above, and if the homeowner (a) is not then residing in the home and (b) continues to hold the homeowner's property out for sale but is unable to locate a buyer and execute a binding purchase and sale agreement within one year of the date of the Notice of Intent to Sell, the GF CLT may appoint its attorney in fact to seek a buyer, negotiate a reasonable price that furthers the purpose of the GF CLT Ground Lease, sell the property, and pay to the homeowner the proceeds of the sale, minus the GF CLT's costs of sale and any other sums owed to the GF CLT by the homeowner.
5. **The Purchase Option Price:** shall be the lesser of (a) the appraised value of Homeowner's Ownership Interest at resale as calculated in line "d" below or (b) the Formula Price calculated below.
6. **Formula Price:** The Formula Price shall be equal to (A) the amount of Homeowner's Base Price (as stated below), plus (B) forty percent (40%) of any increase in the appraised value of Homeowner's Ownership Interest (as calculated below).
 - a. **Homeowner's Base Price:** The parties agree that the price paid by the homeowner upon the execution of the GF CLT Ground Lease (Homeowner's Base Price) is \$PRICE. (Homeowner's Base Price equals the Homeowner's Ownership Interest

at time of purchase.)

- b. Initial Appraised Value of Home and Leased Land: The parties agree that the total appraised value of home and leased land at the time of homeowner's initial purchase (the Initial Appraised Value) is \$FEE SIMPLE APPRAISAL as documented by the appraiser's report.
- c. Ratio of Homeowner's Base Price to Initial Appraised Value. The parties agree that the Ratio of Homeowner's Base Price to Initial Appraised Value, expressed as a percentage, is PERCENT%.
- d. Appraised Value of Homeowner's Ownership Interest at Resale. The appraised value of Homeowner's Ownership Interest at time of resale equals the appraised value of Home and Leased Land at resale, as determined in accordance with the GF CLT Ground Lease, multiplied by the Ratio of Homeowner's Base Price to Initial Appraised Value (PERCENT%) as calculated in line "c" above.
- e. Increase in Appraised Value of Homeowner's Ownership Interest: The increase in appraised value of Homeowner's Ownership Interest equals the appraised value of Homeowner's Ownership Interest at resale determined in accordance with paragraph "d" above minus the Homeowner's Base Price stated in line "a" above.
- f. Homeowner's share of Increase in Appraised Value of Homeowner's Ownership Interest: Homeowner's share of the increase in the appraised value of the Homeowner's Ownership Interest equals forty percent (40%) of the increase in the appraised value of Homeowner's Ownership Interest as calculated in line "e" above.
- g. Formula Price: The Formula Price equals the Homeowner's Base Price (line "a") plus Homeowner's share of Increase in the appraised value of the Homeowner's Ownership Interest (line "f").

Purchase Option Price and Formula Price Example

Summary of Values in Illustration:

Initial Appraised Value: \$200,000

Homeowner's Base Price: \$150,000

Appraised Value at Resale: \$240,000

Resale Formula as an Equation:

a. Homeowner's Base Price = \$150,000

b. Initial Appraised Value of Home and Leased Land = \$200,000

c. Ratio of Homeowner's Base Price to Initial Appraised Value = $\$150,000 / \$200,000 = 75\%$

d. Appraised Value of Homeowner's Ownership Interest at Resale = \$240,000 @ 75% = \$180,000

e. Increase in Appraised Value of Homeowner's Ownership Interest = \$180,000 - \$150,000 = \$30,000

f. Homeowner's share of Increase in Appraised Value of Homeowner's Ownership Interest = \$30,000 @ 40% = \$12,000

g. Formula Price = \$150,000 + \$12,000 = \$162,000

Purchase Option Price Equals Lesser of “d” (\$180,000) or “g” (\$162,000).
Purchase Option Price for this Example = \$162,000

- 7) **Capital Improvements:** When a homeowner completes an eligible capital improvement to their community land trust home post-purchase, they are eligible for 100 percent of the improvement value and appreciation deemed attributable to improvement.
- i. Eligible Improvements
 1. Increase in legal bedroom size;
 2. Increase in legal bathroom size;
 3. Addition of or substantial rehabilitation to garage;
 4. Other substantial modifications approved by the GF CLT, which are anticipated to increase value by a minimum \$2,500 and increase functionality of the home. Improvements made solely for cosmetic purposes or considered routine maintenance will not be considered.
 - ii. Improvements must comply with the ground lease.
 - iii. Documentation of completion must be submitted.
 - iv. Upon refinancing or resale, the homeowner must submit a request for capital improvements calculation.
 1. The form must be complete.
 2. Appraisal will reflect a monetary value of improvements.
 3. Formula price calculation will be modified to incorporate the capital improvements calculation.
- 8) The GF CLT shall issue a new ground lease to any person who purchases the home in accordance with the terms above. The terms of such lease shall be the same as those of new leases issued to HOME-eligible low-income homebuyers at that time for land not previously leased by the GF CLT.

Noncompliance of Resale Provisions

Under resale provisions, noncompliance that cannot be restored to compliance for properties under resale restrictions will result in full repayment by GF CLT of the HOME funds invested in the housing. This amount is based on HOME funds invested and includes both development funds and direct subsidy to the buyer minus any principal HOME loan repayments.

Administration

The Agency and Subrecipients are allowed to receive HOME funds for Administrative expenses. These costs may not exceed ten percent (10%) of the that year's newly awarded annual HOME allocation for North Dakota.

Recaptured Funds

The recaptured funds must be returned to the Agency to be used to carry out HOME-Eligible Activities.

Open Funds

Unobligated performance funds may be reallocated to other Subrecipients that can demonstrate: 1) all prior year awards are fully committed; 2) an unmet need in their service region; 3) are ready to proceed; and 4) have the capacity to spend the funds in a timely manner.

Subrecipients which have expended and drawn down 75 percent (75%) of their current grant award(s) may be eligible to be awarded Open Funds. **Eligible awardees may request an amendment to an existing award at any date after January 2, of the calendar year proceeding the current award's issuance.**

CHDO and Non-and-For-Profit Developers

All CHDO and non-and-for-profit beneficiaries are expected to locally meet the HOME Program match requirement of 25 percent (25%), unless specifically waived by the Agency.

Only the forms of HOME assistance listed in Part 92.205(b) are allowed. Applicants should also use private funds, tax credits, Rural Development, Federal Home Loan Bank, CDBG, North Dakota Housing Incentive Fund, Department of Energy, Housing Trust Fund, or other grant/loan programs to help leverage HOME activities.

Submission of HOME Rental Development and Rehabilitation Applications are due by the last business day in September, each year. The approval of applications for CHDOs and non-and-for-profit developers will be a competitive process. If after the multi-family application round, HOME funds will be made available to apply for on a first come, first served basis. **The HOME Rental Development and Rehabilitation Application can be found at:**

<http://www.communityservices.nd.gov/uploads/9/HOMERentalApplicationwithDCR.xls>

The HOME Program Underwriting Standards can be found at:

<http://www.communityservices.nd.gov/uploads/9/HomeUnderwriting.pdf>

The HOME Rental Development and Rehabilitation Application must be submitted with attachments that include the following:

- a. Compliance with Section II HOME Statement of Assurances;
- b. Supporting documentation for Section III Scoring Criteria;
- c. Address special requirements for new construction, reconstruction or rehabilitation and how you will inspect for HOME property standards as defined in 92.251(a)(b)(c)(f). Assurance that all work complies with the North Dakota State Building Code (or a locally amended North Dakota State Building Code). Also include how your agency will assure that newly constructed housing meets the current edition of the Model Energy Code, Uniform Building Code, and Uniform Mechanical Code;
- d. Describe how you will assure that no more than the necessary amounts of HOME Program funds are invested in the project (Layering) as set forth in section §92.250;
- e. Provide evidence of the amount and form of matching contribution as set forth in section

§92.220;

- f. Describe the process for written construction documents and cost estimates, contractor selection to ensure cost reasonableness, and inspections and approvals of work as required by 92.251;
- g. The criteria used to determine that the HOME-assisted units are occupied by households that are eligible as low-income families and meet the requirements of 92.252 to qualify as affordable housing; and
- h. All other requested appendices and documentation not listed herein.

Owner

Rental housing is considered “owned” if the housing organization is the owner in fee simple absolute of multifamily, or single-family housing (or has a long-term ground lease) for rental to low-income families in accordance with §92.252. If the housing is to be rehabilitated or constructed, the housing organization must prove internal capacity, or hire and oversee the developer that rehabilitates or constructs the housing. At minimum, the housing organization must hire or contract with an experienced project manager to oversee all aspects of the development, including: 1) obtaining zoning, 2) securing non-HOME financing, 3) selecting a developer or general contractor, 4) overseeing the progress of the work, and 5) determining reasonable costs. The housing organization must own the rental housing during development and for a period at least equal to the period of affordability in §92.252. If the housing organization acquires housing that meets the property standards in §92.251, the organization must own the rental housing for a period at least equal to the period of affordability in §92.252.

Developer

Rental housing is “developed” by a housing organization if: 1) the housing development organization is the owner of multifamily or single family housing in fee simple absolute (or has a long term ground lease) and 2) the housing developer of new housing that will be constructed, or existing substandard housing that will be rehabilitated for rent to low-income families in accordance with §92.252. To be the “housing developer,” the housing organization must be in sole charge of all aspects of the development process, including obtaining zoning, securing non-HOME financing, selecting architects, engineers, and general contractors, overseeing progress of the work, and determining reasonable costs. At a minimum, the housing development organization must own the housing during development, and for a period at least equal to the period of affordability in §92.252.

Sponsor (CHDO only)

Rental housing is “sponsored” by a CHDO if the CHDO “developed” the rental housing project and agrees to convey details of the project to an identified, private nonprofit organization at a predetermined time after completion of the development of the project. Sponsored rental housing is subject to the following requirements:

- The private non-profit organization may not be created by a governmental entity;
- The HOME funds must be provided to the entity that owns the project;

- The HOME funds must be invested in the project that is owned by the CHDO;
- Before commitment of HOME funds, the CHDO sponsor must select the private non-profit organization that will obtain ownership of the property;
- The private non-profit organization assumes the CHDO's HOME obligations (including any repayment of loans) for the rental project at a specified time after completion of development; and
- If the housing is not transferred to the private non-profit organization, the CHDO organization sponsor remains responsible for the HOME assistance and the HOME project.

Community Housing Development Organization (CHDO)

Eligible applicants include community-based non-profit 501(c)(3), 501(c)(4), or 905 (subordinate organization of a 501(c) organization) organizations with the mission statement that identifies decent, affordable housing to low and moderate-income persons.

The Agency will certify non-profit organizations that meet defined criteria as CHDOs in the HOME Investment Partnerships Program Final Rule Subpart A, §92.2. The fiscal year CHDO Certification applications are due to the Agency by June 15th of each year or with submission of a HOME Rental Development Application, whichever occurs first.

In addition, these organizations must meet and satisfactorily demonstrate the prescribed requirements. The Agency will be using the HUD guidance on CHDO qualifications. CHDO's are also eligible to participate in non-CHDO housing activities. **CHDOs must demonstrate to the Agency that their certification status is maintained during each year of the period of affordability (POA) of a rental development project.**

Up to ten percent (10%) of the CHDO set-aside may be used for pre-development loans to assist specific projects at the discretion of the Agency. Per 92.301 these loans can be used for technical assistance and site control, and seed money loans. The CHDO must repay the loan to the PJ from construction loan proceeds or other project income, or the loan may be combined with the subsequent CHDO project funding. The PJ may waive repayment of the loan, in part or in whole, if there are impediments to project development that the PJ determines are reasonably beyond the control of the borrower. Pre-development loan repayments must be sent to the Agency. The repaid funds will be added to the next FY allocation.

CHDO Definition - A non-profit organization that:

- (1) Is organized under state or local laws;
- (2) Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;
- (3) Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization. A CHDO may be sponsored or created by a for-profit entity, but:

- (i) The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, developer, or real estate management firm;
 - (ii) The for-profit entity may not have the right to appoint more than one-third of the membership of the organization's governing body. Board members appointed by the for-profit entity may not appoint the remaining two-thirds of the board members;
 - (iii) The CHDO must be free to contract for goods and services from vendors of its own choosing; and
 - (iv) The officers and employees of the for-profit entity may not be officers or employees of the CHDO.
- (4) Has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 (26 CFR 1.501(c)(3)-1 or 1.501(c)(4)-1)), is classified as a subordinate of a central organization non-profit under section 905 of the Internal Revenue Code of 1986, or if the private non-profit organization is a wholly owned entity that is disregarded as an entity separate from its owner for tax purposes (e.g., a single member limited liability company that is wholly owned by an organization that qualifies as tax-exempt), the owner organization has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 and meets the definition of "CHDO;"
- (5) Is not a governmental entity (including the PJ, other jurisdiction, Indian tribe, public housing authority, Indian housing authority, housing finance agency, or redevelopment authority) and is not controlled by a governmental entity. An organization that is created by a governmental entity may qualify as a CHDO; however, the governmental entity may not have the right to appoint more than one-third of the membership of the organization's governing body and no more than one-third of the board members may be public officials or employees of governmental entity. Board members appointed by a governmental entity may not appoint the remaining two-thirds of the board members. The officers or employees of a governmental entity may not be officers or employees of a CHDO;
- (6) Has standards of financial accountability that conform to 24 CFR 84.21, "Standards for Financial Management Systems;"
- (7) Has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions or by-laws;
- (8) Maintains accountability to low-income community residents by:
- (i) Maintaining at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representative of low-income neighborhood organizations. For urban areas, "community" may be a neighborhood or neighborhoods, city, county or

metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, town, village, county, or multi-county area (but not the entire state); and

(ii) Providing a formal process for low-income program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of affordable housing;

- (9) Has a demonstrated capacity for carrying out housing projects assisted with HOME funds. A designated organization undertaking development activities as a developer or sponsor must satisfy this requirement by having paid employees with housing development experience, who will work on projects assisted with HOME funds. For its first year of funding as a CHDO, an organization may satisfy this requirement through a contract with a consultant who has housing development experience to train appropriate key staff of the organization. An organization that will own housing must demonstrate capacity to act as owner of a project and meet the requirements of §92.300(a)(2). A non-profit organization does not meet the test of demonstrated capacity based on any person who is a volunteer or whose services are donated by another organization; and
- (10) Has a history of serving the community within which housing to be assisted with HOME funds is to be located. In general, an organization must be able to show one year of serving the community before HOME funds are reserved for the organization. However, a newly created organization formed by local churches, service organizations or neighborhood organizations may meet this requirement by demonstrating that its parent organization has at least one year of serving the community.

Non-and-For-Profit Developers

Note: Non-and-for-profits are not required to be designated CHDOs to apply for HOME Program funding, but funding for such projects will not utilize funds reserved for a CHDO.

Non-and-for-profits can participate in the HOME Program as owners or developers of multi-family housing. The non-and-for-profit must not be disqualified from any program administered by the Agency or under debarment, proposed debarment or suspension by a federal agency.

The non-and-for-profit must be able to demonstrate technical expertise of staff and other project partners in housing production and management and meet the following criteria:

- The non-and-for-profit has successfully administered (this means following all the cross-cutting requirements, such as: Davis Bacon, Section 3, and Contract Compliance) at least one (1) HOME, CDBG, or NSP funded development of similar nature and scope;

or

- Has a proven track record in affordable housing development and project management for a minimum period of five (5) years prior to the application submission date; and
- Documented capacity to carry out the long-term rental compliance responsibilities associated with the development through the period of affordability.

Section II

HOME Statement of Assurances

Other Federal requirements and nondiscrimination

- (a) The Federal requirements set forth in 24 CFR part 5, subpart A, are applicable to participants in the HOME program. The requirements of this subpart nondiscrimination and equal opportunity; disclosure requirements; debarred, suspended or ineligible contractors; and drug-free workplace.
- (b) The nondiscrimination requirements at section 282 of the Act are applicable. These requirements are waived in connection with the use of HOME funds on lands set aside under the Hawaiian Homes Commission Act, 1920 (42 Stat. 108).
- (c) The Violence Against Women Act (VAWA) requirements set forth in 24 CFR part 5, subpart L, apply to all HOME tenant-based rental assistance and rental housing assisted with HOME funds as applied by 24 CFR 92.359. The core statutory protections of VAWA that prohibit denial or termination of assistance or eviction solely because an applicant or tenant is a victim of domestic violence, dating violence, sexual assault, or stalking became applicable upon enactment of VAWA. Compliance with VAWA regulatory requirements applied by 24 CFR 92.359 and 24 CFR part 5, subpart L, are required for any tenant-based rental assistance or rental housing project. The PJ and Subrecipient further acknowledges that, despite its name, VAWA provisions apply without regard to an individual's sex, gender identity, or sexual orientation.
- (d) Consultant Activities. No person providing consultant services in an employer-employee type relationship shall receive more than a reasonable rate of compensation for personal services paid with HOME funds. In no event, however, shall such compensation exceed the limits in effect under the provisions of any applicable statute (e.g., annual HUD appropriations acts which have set the limit at the equivalent of the daily rate paid for Level IV of the Executive Schedule, see the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, Pub. L. 104-204 (September 26, 1996)). Such services shall be evidenced by written agreements between the parties which detail the responsibilities, standards, and compensation. Consultant services provided under an independent contractor relationship are not subject to the compensation limitation of Level IV of the Executive Schedule.

Affirmative Marketing; Minority Outreach Program

- (a) *Affirmative marketing.*
 - 1. Each PJ must adopt and follow affirmative marketing procedures and requirements for rental and homebuyer projects containing five or more HOME-assisted housing units. Affirmative marketing requirements and procedures also apply to all HOME-funded programs, including, but not limited to, TBRA and downpayment assistance programs. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status, or disability. If PJ's written agreement with the project owner permits the rental housing project to limit

tenant eligibility or to have a tenant preference in accordance with §92.253(d)(3), the PJ must have affirmative marketing procedures and requirements that apply in the context of the limited/preferred tenant eligibility for the project.

2. The affirmative marketing requirements and procedures adopted must include:
 - a) Methods for informing the public, owners, and potential tenants about Federal fair housing laws and the PJ's affirmative marketing policy (e.g., the use of the Equal Housing Opportunity logotype or slogan in press releases and solicitations for owners, and written communication to fair housing and other groups);
 - b) Requirements and practices each Subrecipient and owner must adhere to in order to carry out the PJ's affirmative marketing procedures and requirements (e.g., use of commercial media, use of community contacts, use of the Equal Housing Opportunity logotype or slogan, and display of fair housing poster);
 - c) Procedures to be used by Subrecipients and owners to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing program or the housing without special outreach (e.g., through the use of community organizations, places of worship, employment centers, fair housing groups, or housing counseling agencies);
 - d) Records that will be kept describing actions taken by the PJ and by Subrecipients and owners to affirmatively market the program and units and records to assess the results of these actions; and
 - e) A description of how the PJ will annually assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.
 3. A State that distributes HOME funds to units of general local government must require each unit of general local government to adopt affirmative marketing procedures and requirements that meet the requirement in paragraphs (a) and (b) of this section.
- (b) *Minority outreach.* A PJ must prescribe procedures acceptable to HUD to establish and oversee a minority outreach program within its jurisdiction to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, under-writers, accountants, and providers of legal services, in all contracts entered into by the participating jurisdiction with such persons or entities, public and private, in order to facilitate the activities of the PJ to provide affordable housing authorized under this Act or any other Federal housing law applicable to such jurisdiction. Section 85.36(e) of this title describes actions to be taken by a PJ to assure that minority business enterprises and women business enterprises are used when possible in the procurement of property and services.

Affirmative Marketing Guidance

The Agency will take the following actions to provide information to attract eligible persons from all racial, ethnic, and gender groups in the housing market area that is assisted by HOME funding.

All correspondence, notices and advertisements related to the HOME Program, must contain the Equal Housing Opportunity logo or slogan.

Participants in the HOME Program will be required to use affirmative fair housing marketing practices in soliciting renters or buyers, determining their eligibility, and concluding all transactions. Any HOME-assisted housing must comply with the following procedures for the required compliance period, depending on the program used:

- (a) Owners advertising vacant units must include the equal housing opportunity logo and/or slogan. Wherever a phone number is provided, there must also be a TDD/TTY phone number, or equivalent, provided. The Relay North Dakota TDD number is 800-366-6888, Voice Users 1-800-366-6889, and Spanish Users 1-800-435-8590. This service is free of charge. Recently the number "711" has been approved by the FCC for use in contacting the relay service. This number works for both TTY and voice telephones and while it is applicable in most states, you are still required to list the "800" numbers presented above. Advertising media may include newspapers, radio, televisions, brochures, leaflets, or a sign in a window. In addition, owners will be required to have written communication to Fair Housing organizations.
- (b) The owner will be required to solicit applications for vacant units from persons in the housing market who are least likely to apply for the HOME-assisted housing without the benefit of special outreach efforts. In general, persons who are not of the race or ethnicity of the residents of the neighborhood in which the rehabilitated building is located shall be considered those least likely to apply. Special outreach efforts will include contacts with CAAs, human service centers and county social service offices.
- (c) The owner must maintain a file containing all marketing efforts (e.g., copies of newspaper ads, memos of phone calls, copies of letters, etc.) and the records to assess the results of these actions are to be available for inspection by the Agency.
- (d) The owner shall maintain a listing of all tenants residing in each unit from the time of application through the end of the compliance period.

The Agency will assess the affirmative marketing efforts of the owner by comparing predetermined occupancy goals (based upon the area from which potential tenants will come) to actual occupancy data that the owner is required to maintain. The owner's outreach efforts will also be evaluated by reviewing marketing efforts. The Agency will assess these efforts by use of a compliance certification or a personal monitoring visit to the project at least annually.

Where an owner fails to follow the affirmative marketing requirements, corrective actions shall include extensive outreach efforts to appropriate contacts to achieve the occupancy goals or other sanctions that the Agency may deem necessary. In addition, owners will be counseled as to affirmative marketing requests. In the event they continue to be in non-compliance, they may not be allowed to receive future HOME funds.

All units of local government that receive HOME funds must submit affirmative marketing procedures they have adopted to the Agency.

Environmental Review

(a) *General.* The environmental effects of each activity carried out with HOME funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321) and the related authorities listed in HUD's implementing regulations at 24 CFR parts 50 and 58. The applicability of the provisions of 24 CFR part 50 or part 58 is based on the HOME project (new construction, rehabilitation, acquisition) or activity (TBRA) as a whole, not on the type of the cost paid with HOME funds.

(b) *Responsibility for review.*

1. The jurisdiction (e.g., the PJ or State recipient) or insular area must assume responsibility for environmental review, decision making, and action for each activity that it carries out with HOME funds, in accordance with the requirements imposed on a recipient under 24 CFR part 58. No funds may be committed to a HOME activity or project before the completion of the environmental review and approval of the request for release of funds and related certification, except as authorized by 24 CFR part 58.
 2. A State PJ must also assume responsibility for approval of requests for release of HOME funds submitted by State recipients.
 3. HUD will perform the environmental review, in accordance with 24 CFR part 50, for a competitively awarded application for HOME funds submitted to HUD by an entity that is not a jurisdiction.
1. **Completion of the environmental review process is MANDATORY before taking ANY action on a specific site or making a commitment or expenditure of HUD or any other non-HUD project funds for property acquisition or transfer, rehabilitation, conversion, lease, repair, inhabiting a property or construction activities. 24 CFR Part 58.22 describes limitations on activities pending clearance as (a) neither a Subrecipient nor any participant in the development process, including public or private non-profit or for-profit entities, or any of their contractors, may commit HUD or non-HUD assistance under a program listed in 58.1(b) on an activity or project until HUD has approved the Subrecipient's Request Release of Funds (RROF) and the Agency has issued the certification to use HOME funds to the Subrecipient. This certification will come in a letter through email addressed to the Subrecipient's contact person. If a violation occurs resulting in adverse environmental impact or limiting the choice of reasonable alternatives during this vital step in the NEPA process, funds will not be able to be utilized for the site that violated NEPA.**
- **NOTE: A choice-limiting action is ANY action done prior to the certification being issued by the Agency. This is not an all-inclusive list of choice-limiting actions: acquisition, purchase, moving tenants or homebuyers into property, rehabilitation, groundwork, lease, repair, demolition, landscaping, etc. The Subrecipient is to use "due diligence" that a violation does not occur during this step of the NEPA process or the funds will be lost to the project site.**

- The ONLY activities that can be initiated prior to the Agency releasing funds are costs associated with program administration, project delivery cost necessary to determine eligibility and underwrite the household, contracting for preliminary architectural/engineering fees, and costs associated with the environmental review process. Keep in mind, even these exempt costs can only occur after the effective date of the contract. No costs incurred or obligated prior to the contract effective date are allowable HOME costs and could result in the loss of the Subrecipient's HOME award. When a Subrecipient spends money on these exempt costs, they are taking a financial risk because if the environmental review concludes that a site is not eligible, the Subrecipient will not be reimbursed for those costs spent.
- **For all other activities, Subrecipients cannot obligate or incur costs or draw down funds until the environmental review requirements are satisfied, and the Agency has issued a Release of Funds to the Project.**
- Each HOME activity or project must have a written record of the environmental review process that documents the steps taken for the project that completed the NEPA process according to rules and authorities. **This is the Environmental Review Record (ERR), which must be available for public review.**

Displacement, Relocation, and Acquisition

- (a) *Minimizing displacement.* Consistent with the other goals and objectives of this part, the PJ must ensure that it has taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of a project assisted with HOME funds. To the extent feasible, residential tenants must be provided a reasonable opportunity to lease and occupy a suitable, decent, safe, sanitary, and affordable dwelling unit in the building/complex upon completion of the project.
- (b) *Temporary relocation.* The following policies cover residential tenants who will not be required to move permanently but who must relocate temporarily for the project. Such tenants must be provided:
 1. Reimbursement for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporarily occupied housing and any increase in monthly rent/utility costs.
 2. Appropriate advisory services, including reasonable advance written notice of:
 - a) The date and approximate duration of the temporary relocation;
 - b) The location of the suitable, decent, safe, and sanitary dwelling to be made available for the temporary period;
 - c) The terms and conditions under which the tenant may lease and occupy a suitable, decent, safe, and sanitary dwelling in the building/complex upon completion of the project; and
 - d) The provisions of paragraph (b)(1) of this section.

(c) *Relocation assistance for displaced persons—*

1. *General.* A displaced person (defined in paragraph (c)(2) of this section) must be provided relocation assistance at the levels described in, and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4201-4655) and 49 CFR part 24. A “displaced person” must be advised of his or her rights under the Fair Housing Act and, if the comparable replacement dwelling used to establish the amount of the replacement housing payment to be provided to a minority person is located in an area of minority concentration, the minority person also must be given, if possible, referrals to comparable and suitable, decent, safe, and sanitary replacement dwellings not located in such areas.
2. *Displaced Person.*

For purposes of paragraph (c) of this section, the term *displaced person* means a person (family individual, business, nonprofit organization, or farm, including any corporation, partnership or association) that moves from real property or moves personal property from real property, permanently, as a direct result of acquisition, rehabilitation, or demolition for a project assisted with HOME funds. This includes any permanent, involuntary move for an assisted project, including any permanent move from the real property that is made:

- a) After notice by the owner to move permanently from the property, if the move occurs on or after:
 - 1) The date of the submission of an application to the PJ or HUD, if the applicant has site control and the application is later approved; or
 - 2) The date the jurisdiction approves the applicable site, if the applicant does not have site control at the time of the application; or
- b) Before the date described in paragraph (c)(2)(a) of this section, if the jurisdiction or HUD determines that the displacement resulted directly from acquisition, rehabilitation, or demolition for the project; or
- c) By a tenant-occupant of a dwelling unit, if any one of the following three situations occurs:
 - 1) The tenant moves after execution of the agreement covering the acquisition, rehabilitation, or demolition and the move occurs before the tenant is provided written notice offering the tenant the opportunity to lease and occupy a suitable, decent, safe, and sanitary dwelling in the same building/complex upon completion of the project under reasonable terms and conditions. Such reasonable terms and conditions must include a term of at least one year at a monthly rent and estimated average monthly utility costs that do not exceed the greater of:
 - (i) The tenant's monthly rent before such agreement and estimated average monthly utility costs; or

- (ii) The total tenant payment, as determined under 24 CFR 5.628, if the tenant is low-income, or 30 percent of gross household income, if the tenant is not low-income;
- 2) The tenant is required to relocate temporarily, does not return to the building/complex, and either:
 - (i) The tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation; or
 - (ii) Other conditions of the temporary relocation are not reasonable; or
- 3) The tenant is required to move to another dwelling unit in the same building/complex but is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move, or other conditions of the move are not reasonable.
 - (i) Notwithstanding paragraph (c)(2) of this section, a person does not qualify as a *displaced person* if:
 - The person has been evicted for cause based upon a serious or repeated violation of the terms and conditions of the lease or occupancy agreement, violation of applicable federal, State or local law, or other good cause, and the PJ determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance. The effective date of any termination or refusal to renew must be preceded by at least 30 days advance written notice to the tenant specifying the grounds for the action;
 - The person moved into the property after the submission of the application but, before signing a lease and commencing occupancy, was provided written notice of the project, its possible impact on the person (e.g., the person may be displaced, temporarily relocated, incur a rent increase), and the fact that the person would not qualify as a “displaced person” (or for any assistance under this section) as a result of the project;
 - The person is ineligible under 49 CFR 24.2(g)(2); or
 - HUD determines that the person was not displaced as a direct result of acquisition, rehabilitation, or demolition for the project.
 - (ii) The jurisdiction may, at any time, ask HUD to determine whether a displacement is or would be covered by this rule.
- (d) *Initiation of negotiations.* For purposes of determining the formula for computing replacement housing assistance to be provided under paragraph (c) of this section to a tenant displaced from a dwelling as a direct result of private-owner rehabilitation, demolition or

acquisition of the real property, the term *initiation of negotiations* means the execution of the agreement covering the acquisition, rehabilitation, or demolition.

- (e) *Optional relocation assistance.* The PJ may provide relocation payments and other relocation assistance to families, individuals, businesses, nonprofit organizations, and farms displaced by a project assisted with HOME funds where the displacement is not subject to paragraph (c) of this section. The jurisdiction may also provide relocation assistance to persons covered under paragraph (c) of this section beyond that required. For any such assistance that is not required by State or local law, the jurisdiction must adopt a written policy available to the public that describes the optional relocation assistance that it has elected to furnish and provides for equal relocation assistance within each class of displaced persons.
- (f) *Residential antidisplacement and relocation assistance plan.* The PJ shall comply with the requirements of 24 CFR part 42, subpart C.
- (g) *Real property acquisition requirements.* The acquisition of real property for a project is subject to the URA and the requirements of 49 CFR part 24, subpart B.
- (h) *Appeals.* A person who disagrees with the PJ's determination concerning whether the person qualifies as a displaced person, or the amount of relocation assistance for which the person may be eligible, may file a written appeal of that determination with the jurisdiction. A low-income person who is dissatisfied with the jurisdiction's determination on his or her appeal may submit a written request for review of that determination to the HUD Field Office.

Labor

(a) General.

1. Every contract for the construction (rehabilitation or new construction) of housing that includes 12 or more units assisted with HOME funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 3141), to all laborers and mechanics employed in the development of any part of the housing. Such contracts must also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701).
2. The contract for construction must contain these wage provisions if HOME funds are used for any project costs in §92.206, including construction or nonconstruction costs, of housing with 12 or more HOME-assisted units. When HOME funds are only used to assist homebuyers to acquire single-family housing, and not for any other project costs, the wage provisions apply to the construction of the housing if there is a written agreement with the owner or developer of the housing that HOME funds will be used to assist homebuyers to buy the housing and the construction contract covers 12 or more housing units to be purchased with HOME assistance. The wage provisions apply to any construction contract that includes a total of 12 or more HOME-assisted units, whether one or more than one project is covered by the construction contract. Once they are determined to be applicable, the wage provisions must be contained in the construction contract so as to cover all laborers and mechanics employed in the development of the

entire project, including portions other than the assisted units. Arranging multiple construction contracts within a single project for the purpose of avoiding the wage provisions is not permitted.

3. PJs, contractors, subcontractors, and other participants must comply with regulations issued under these acts and with other Federal laws and regulations pertaining to labor standards, as applicable. PJs shall be responsible for ensuring compliance by contractors and subcontractors with labor standards described in this section. In accordance with procedures specified by HUD, PJ shall:
 - 1) Ensure that bid and contract documents contain required labor standards provisions and the appropriate Department of Labor wage determinations;
 - 2) Conduct on-site inspections and employee interviews;
 - 3) Collect and review certified weekly payroll reports;
 - 4) Correct all labor standards violations promptly;
 - 5) Maintain documentation of administrative and enforcement activities; and
 - 6) Require certification as to compliance with the provisions of this section before making any payment under such contracts.
- (b) *Volunteers.* The prevailing wage provisions of paragraph (a) of this section do not apply to an individual who receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered and who is not otherwise employed at any time in the construction work. See 24 CFR part 70.
- (c) *Sweat equity.* The prevailing wage provisions of paragraph (a) of this section do not apply to members of an eligible family who provide labor in exchange for acquisition of a property for homeownership or provide labor in lieu of, or as a supplement to, rent payments.

Lead-Based Paint

Housing assisted with HOME funds is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, J, K, M and R of this title.

Conflict of Interest

- (a) *Applicability.* In the procurement of property and services by PJ, State recipients, and Subrecipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, apply. In all cases not governed by 24 CFR 85.36 and 24 CFR 84.42, the provisions of this section apply.
- (b) *Conflicts prohibited.* No persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities may obtain a financial interest or financial

benefit from a HOME-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to the HOME-assisted activity, or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. Immediate family ties include: (whether by blood, marriage or adoption) the spouse, parent (including a stepparent), child (including a stepchild), brother, sister (including a stepbrother or stepsister), grandparent, grandchild, and in-laws of a covered person.

- (c) *Persons covered.* The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the PA, State recipient, or Subrecipient which are receiving HOME funds.
- (d) *Exceptions: Threshold requirements.* Upon the written request of the PJ, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME Investment Partnerships Program and the effective and efficient administration of the PJ's program or project. An exception may be considered only after the PJ has provided the following:
 - 1. A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
 - 2. An opinion of the PJ's or State recipient's attorney that the interest for which the exception is sought would not violate State or local law.
- (e) *Factors to be considered for exceptions.* In determining whether to grant a requested exception after the PJ has satisfactorily met the requirements of paragraph (d) of this section, HUD will consider the cumulative effect of the following factors, where applicable:
 - 1. Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;
 - 2. Whether the person affected is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
 - 3. Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question;
 - 4. Whether the interest or benefit was present before the affected person was in a position as described in paragraph (c) of this section;
 - 5. Whether undue hardship will result either to the PJ or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and
 - 6. Any other relevant considerations.

(f) *Owners and developers.*

1. No owner, developer, or sponsor of a project assisted with HOME funds (or officer, employee, agent, elected or appointed official, or consultant of the owner, developer, or sponsor or immediate family member or immediate family member of an officer, employee, agent, elected or appointed official, or consultant of the owner, developer, or sponsor) whether private, for-profit or nonprofit (including a CHDO when acting as an owner, developer, or sponsor) may occupy a HOME-assisted affordable housing unit in a project during the required period of affordability specified in §92.252(e) or §92.254(a)(4). This provision does not apply to an individual who receives HOME funds to acquire or rehabilitate his or her principal residence or to an employee or agent of the owner or developer of a rental housing project who occupies a housing unit as the project manager or maintenance worker.
2. *Exceptions.* Upon written request of a housing owner or developer, the PJ (or State recipient, if authorized by the state PJ) may grant an exception to the provisions of paragraph (f)(1) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME program and the effective and efficient administration of the owner's or developer's HOME-assisted project. In determining whether to grant a requested exception, the PJ shall consider the following factors:
 - (1) Whether the person receiving the benefit is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted housing, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
 - (2) Whether the person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted housing in question;
 - (3) Whether the tenant protection requirements of §92.253 are being observed;
 - (4) Whether the affirmative marketing requirements of §92.351 are being observed and followed; and
 - (5) Any other factor relevant to the PJ's determination, including the timing of the requested exception.

Executive Order 12372

- (a) *General.* Executive Order 12372, as amended by Executive Order 12416 (3 CFR, 1982 Comp., p. 197 and 3 CFR, 1983 Comp., p. 186) (Intergovernmental Review of Federal Programs) and HUD's implementing regulations at 24 CFR part 52, allow each State to establish its own process for review and comment on proposed Federal financial assistance programs.
- (b) *Applicability.* Executive Order 12372 applies to applications submitted with respect to HOME funds being competitively reallocated under subpart J of this part to units of general local government.

Civil Rights

It will comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 200d et seq.), and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant received Federal financial assistance and will immediately take any measures necessary to effectuate this assurance. If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the applicant, this assurance shall obligate the applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits.

Equal Opportunity

It will comply with:

- (a) Section 109 of the Housing and Community Development Act of 1974 (ACT), as amended, and the regulations issued pursuant thereto (24 CFR 570.601), which provides that no person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds provided under the act;
- (b) The Age Discrimination Act of 1975, as amended (42 U.S.C. 6101 et seq.) The act provides that no person shall be excluded from participation, denied program benefits or subjected to discrimination on the basis of age under any program or activity receiving federal funding assistance;
- (c) Section 504 of the Rehabilitation Act of 1973, amended (29 U.S.C. 794). The act provides that no otherwise qualified individual shall, solely, by reason of his or her handicap be excluded from participation, denied program benefits or subjected to discrimination on the basis of age under any program or activity receiving federal funding assistance.

The grant recipient must complete or update a Self-Evaluation, in accordance with 24 CFR Part B of the Federal Register. An example of a Self-Evaluation guidebook will be provided upon request;

- (d) Section 3 of the Housing and Community Development Act of 1968 (12 U.S.C. 170(u) (24 CFR Part 135). Section 3 of the Housing and Urban Development Act of 1968 requires, in connection with the planning and carrying out of any project assisted under the Act, to the greatest extent feasible, that opportunities for training and employment be given to lower-income persons residing within the unit of local government or the non-metropolitan county in which the project is located, and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part, by persons residing in the project area. The grantee must assure good faith efforts toward compliance with the statutory directive of Section 3; and

- (e) Executive Order 11246, as amended by Executive Orders 11375 and 12086, and the regulations issued pursuant thereto (24 CFR Part 130 and 41 CFR Chapter 60) prohibit a HOME recipient and subcontractors, if any, from discriminating against any employee or applicant for employment because of race, color, religion, sex or national origin. The grantee and subcontractors, if any, must take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action must include, but not be limited to, the following: employment; upgrading; demotion or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship. The grantee and subcontractors must post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause. For contracts over \$10,000, the grantee or subcontractors will send to each applicable labor union a notice of the above requirements, the grantee and subcontractors will comply with relevant rules, regulations and orders of the U.S. Secretary of Labor. The grantee or subcontractors must make their books and records available to State and federal officials for purposes of investigation to ascertain compliance.
- (f) Executive Order 13166 eliminates, to the extent possible, limited English proficiency as a barrier to full and meaningful participation by beneficiaries in all federally assisted and federally conducted programs and activities.

Fair Housing

It will affirmatively further fair housing and will comply with:

- (a) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.), as amended. The law states that it is the policy of the United States to provide for fair housing throughout the United States and prohibits any person from discriminating in the sale or rental of housing, the financing of housing or the provision of brokerage services, including in any way making unavailable or denying a dwelling to any person, because of race, color, religion, sex, national origin, familial status or disability. HOME grantees must also administer programs and activities relating to housing and community development in a manner that affirmatively promotes fair housing and furthers the purposes of Title VIII; and
- (b) Executive Order 11063, as amended by Executive Order 12259, requires HOME recipients to take all actions necessary and appropriate to prevent discrimination because of race, color, religion, creed, sex or national origin; in the sale, leasing, rental and other disposition of residential property and related facilities (including land to be developed for residential use); or in the use of occupancy thereof if such property and related facilities are, among other things, provided in whole or in part with the aid of loans, advances, grants or contributions from the federal government.

Section III

Scoring Criteria

Each application meeting the threshold requirements will be reviewed and assigned points according to the following selection criteria. **Applications must achieve a minimum score of 80 points to be considered for funding.** Scoring will be on entire project/units (not just HOME units). **Applicants may request no more than 70 percent (70%) of the hard construction costs.**

Program Rule: All HOME Assisted Units to be occupied by 60 percent and below area median income (AMI) at initial occupancy.

Project Rule: If a project has five or more HOME Assisted Units, 20 percent (20%) of the HOME Assisted Units must be occupied by families who have gross annual incomes that are 50 percent or less of AMI and maximum gross monthly rents at or below the Low-HOME rents for the period of affordability.

A. Income Targeting

Scoring for additional targeted units must have another program Land Use Restrictive Agreement (LURA) or the Agency will restrict these units within the HOME LURA. **Projects are able to receive points for a unit under only one restriction category.**

1) Serves Extremely Low-Income Households **0-15 points**

Up to 15 points will be awarded to properties with units **both** income and rent restricted for households at or below 30 percent (30%) AMI at the Low-HOME unit rent rate. Elections made in this category must be incorporated into a LURA and will be binding, at a minimum, for the term of the HOME loan.

- 20% of total units income and rent restricted at or below 30% of AMI **15 points**
- 15% of total units income and rent restricted at or below 30% of AMI **10 points**
- 10% of total units income and rent restricted at or below 30% of AMI **5 points**

For purposes of applying the 30 percent (30%) rent restriction under this category, and exception for exceeding the 30 percent (30%) rent may be granted for Section 8 project-based rental assistance where it can be shown that additional rents are necessary to make the project feasible and that the rent will not exceed 30 percent (30%) of the tenant's income. This exception will not apply for Section 8 Tenant-based Rental Assistance (TBRA).

or

2) Serves Very-Low and Low-Income Households **0-15 points**

15 points will be awarded to properties with additional assisted units which are income restricted at or below the 80 percent (80%) AMI **and** LOW-HOME unit rent rate restricted for tenants at or below the 50 percent (50%) AMI level. Elections made in this category will be incorporated into the LURA and will be binding.

- 20% of total units are income restricted at or below 80% AMI and rent restricted at or below 50% AMI **15 points**
- 15% of total units are income restricted at or below 80% AMI and rent restricted at or below 50% AMI **10 points**
- 10% of total units are income restricted at or below 80% AMI and rent restricted at or below 50% AMI **5 points**

B. Addresses Housing Shortage in Developing Communities of 20,000 or Less **15 points**

Points awarded when the proposed project is in a community with a population of 20,000 or less, as documented in the most recently completed decennial U.S. Census.

C. Leveraging **Up to 25 points**

Up to 25 points based on the amount of HOME funds requested per HOME unit:

Points	HOME Funds per HOME Assisted Unit
25	Less than \$70,000
15	\$70,000-\$99,999
5	\$100,000-\$120,000

D. Financial Support from Local Sources **0-25 points**

Of the 25 percent (25%) required match, one point will be awarded for every percentage point of the match that comes from a local contribution, defined as:

Local governmental and community private contributions, including but not limited to cash, measurable in-kind services, or tax abatements, to reduce project costs or enhance feasibility.

E. Readiness to Proceed **0-25 points**

Points awarded based on earliest achievable completion of the activity. Considerations for points are a reflection of how soon the project would be able to move forward if an award is received when compared to all eligible application received within the application period and includes, but are not limited to, the application, including letters of interest for both construction and permanent financing, ownership of the land, and availability of infrastructure.

F. Rehab of Existing Vacant Habitable Structures or Infill Opportunities **15 points**

In accordance with the Main Street Initiative (<https://www.mainstreetnd.com>) in building healthy, vibrant communities, citizens gain both the benefits of using existing infrastructure and the opportunity to enhance our communities. Proposals involving the rehabilitation of existing structures that are at risk of becoming uninhabitable or obsolete because of age and deterioration, or proposals involving the concept of infill, in which we build mixed-use structures on empty lots between existing buildings, or build on under-utilized surface

parking lots, and further increase the efficient use of existing infrastructure, may receive up to 15 points.

G. Preservation

5 points

State- or Federally- assisted projects in danger of prepayment, such as Rural Development 515 financed projects or those with expiring (within the next 36 months) project-based rental assistance contracts for 50 percent (50%) or more of the units, which are at-risk of being lost from the state's affordable housing inventory will receive 5 points. Projects at risk of losing federal financial assistance because of default on their federal contract are also eligible for points under this category.

Project application which have secured, at least conditionally, a transfer of project-based rental assistance under Section 8(bb) of the United States Housing Act of 1937 (42 U.S.C. 1437f(bb)) will receive 5 points.

Provide a copy of all relevant documents as applicable including, but not limited to:

- (1) HAP Contract;
- (2) Regulatory Agreement;
- (3) Filing documents of intent to opt out;
- (4) Loan documents that describe the ability to pre-pay the financing including required approvals and/or penalties;
- (5) Copy of most recent REAC, MOR, or RD inspection report or other evidence of physical deterioration that would threaten the HAP contract;
- (6) At least three market comparables for each bedroom size to indicate what market rents might be achievable at the project without the federal assistance restrictions; and
- (7) Narrative describing the dissolution of current ownership/management entity capacity;
- (8) Proof of 8(bb) transfer to the proposed project.

H. Tenant Support Coordinator

5-10 points

Projects which are committed to supporting tenants with special needs affecting their long-term housing stability and which create an environment that encourages and provides service coordination may receive up to 10 points.

(1) Tenant Support Coordinator

5 points

Projects which provide, either through direct employment or by contract with an experienced third party, a dedicated Tenant Support Coordinator (TSC) for at least one hour per project unit per month will receive 5 points. The TSC would be required to develop and maintain working relationships with tenants in the project. The TSC's role is to increase the ability of all tenants to maintain stability and uphold lease obligations through the following: facilitating provision of supportive services by connecting tenants with appropriate providers, identifying needs for assistance, and educating tenants on available resources.

(2) **Tenant Support Coordinator and Medicaid-Approved Service Provider** **10 points**

Projects which provide the TSC provisions in the preceding paragraph (1) and which also enter into a formal letter of intent with one or more qualified service agencies with demonstrated experience providing housing stability services consistent with the needs of the project's residents will receive 10 points. The service provider(s) must also be able to process for Medicaid reimbursement. The letter of intent must be detailed regarding the suite of supports and services to be made available to tenants who need and want them.

Projects receiving points under this category must include tenant support coordination capable of the following, at a minimum:

- Support the person to understand and maintain income and benefits to retain housing;
 - Household budgeting and financial management;
 - Assistance in applying for benefits related to housing affordability;
 - Establishment of payee/guardian services as needed;
 - Assistance with the income recertification process;
 - Wealth and asset building initiatives.
- Support the building of natural housing supports and resources in the community;
 - Encouragement of community activity;
 - Facilitation of meetings with a tenant support team.
- Identify and prevent behaviors that may jeopardize continued housing;
 - Coordination with parole and probation requirements;
 - Collaboration with law enforcement (i.e. the creation of safety plans);
 - Training on lease compliance, household management and best practices of successful tenants.
- Promote health and wellbeing that enable tenants to retain housing;
 - Connecting tenants with health providers;
 - Assistance in securing and increasing employment;
 - Assistance in securing childcare;
 - Identifying educational opportunities in areas such as nutrition, education, and physical wellness;
 - Parenting supports;
 - Life coaching via peer support specialists.
 - Facilitating connections to Home and Community-Based Care services.

A tenant selection plan must be provided as part of the initial application. The tenant selection plan must describe in detail how individuals and/or families with special needs will be identified, affirmatively marketed to, and assisted in renting units at the project.

Projects which received 10 points under this scoring category will be required to submit a formal executed agreement with each provider identified in the letter(s) of intent at the time of project completion.

Compliance monitoring activities will include:

- Confirmation of hiring or contracting with a TSC;
- Confirmation of the provision of the services pledged at the time of application, if applicable; and
- Review of marketing efforts targeted at special needs populations.

For purposes of this scoring category, tenants with special needs include individuals or families who:

- Suffer from serious or persistent mental illness;
- Suffer from substance use disorders;
- Have disabilities, including intellectual, physical, or developmental;
- Are experiencing long-term homelessness, or are at significant risk of long-term homelessness;
- Are justice involved; or
- Are frail elderly, defined as those 62 years of age or older, who are unable to perform one or more "activities of daily living" without help. Activities of daily living comprise walking, eating, bathing, grooming, dressing, transferring, and home management activities. Assisted living, or projects serving a similar purpose, are not eligible under this Plan.

Walkability

Up to 15 points

In accordance with the Main Street Initiative (<https://www.mainstreetnd.com>) in building healthy, vibrant communities, a walkable city is a healthy city.

Walkable cities allow residents of any age to become more physically active and spend more time outdoors, thereby improving wellness and reducing health care costs. And across the country, the greater the walkability, the higher the real estate values. Two large demographic groups, millennials and retiring baby boomers, are seeking walkable neighborhoods where they can live, work, shop, learn and play.

Up to 15 points will be awarded based on the walk score assigned by www.walkscore.com.

- | | |
|---------------------------|------------------|
| • 80-100 point walk score | <i>15 points</i> |
| • 60-79 point walk score | <i>10 points</i> |
| • 40-59 point walk score | <i>6 points</i> |
| • 20-39 point walk score | <i>4 points</i> |
| • 10-19 point walk score | <i>2 points</i> |
| • 0-9 point walk score | <i>0 points</i> |

19

I. Cross-Cutting Requirements

Besides the rules and requirements specific to the HOME program, there are several additional broad Federal rules that must be adhered to in the course of administering the program. While the Agency is responsible for implementing these rules, owners, developers, CHDOs, and other non-and-for-profits must also be aware of them and actively ensure that a project or activity is in compliance.

Any applicants with substantial noncompliance, unresolved issues, or who have had substantial findings related to other Federal funds from the Agency including these Federal cross-cutting requirements within the last four years are not eligible to apply.

These other Federal cross-cutting requirements cover the following:

- 24 CFR 92.350 – Federal requirements set forth in 24 CFR part 5, subpart A: nondiscrimination and equal opportunity; disclosure requirements, debarred, suspended or ineligible contractors; drug-free work; and housing counseling
- 24 CFR 92.351 – Affirmative marketing; minority outreach program
- 24 CFR 92.352 – Environmental review
- 24 CFR 92.253 – Displacement, relocation and acquisition
- 24 CFR 92.354 – Labor
- 24 CFR 92.355 – Lead-based Paint
- 24 CFR 92.356 – Conflict of interest
- 24 CFR 92.357 – Executive order 12372
- 24 CFR 92.358 – Consultant activities
- 24 CFR 92.359 – VAWA requirements

RESOURCES

- Division of Community Services - HOME Program:
<https://www.communityservices.nd.gov/communitydevelopment/Programs/HOMEProgram/>
- HUD Exchange - HOME Investment Partnership Program:
<https://www.hudexchange.info/programs/home/>
- Electronic Code of Federal Regulations - Title 24, Subtitle A, Part 92:
<https://www.ecfr.gov/cgi-bin/text-idx?SID=38711658c0fa5ce50d3e43055d19756c&mc=true&node=pt24.1.92&rgn=div5>
- Suspension of the HOME Commitment and CHDO Reservation Deadline:
<https://www.hudexchange.info/news/suspension-of-the-home-commitment-and-chdo-reservation-deadline/>
- Notice CPD-18-10: Suspension of 24-month HOME Commitment Requirement:
<https://www.hudexchange.info/resource/5746/notice-cpd1810-suspension-of-24month-home-commitment-requirement-for-deadlines-occurring-in-2016-2017-2018-2019-and-2020/>
- Notice CPD-20-01: Four-Year Completion Requirement for HOME-Assisted Projects:
<https://files.hudexchange.info/resources/documents/Notice-CPD2001-Four-Year-Completion-Requirement-HOME-Assisted-Projects.pdf>
- Federal Register/Vol. 81, No. 232/December 2, 2016 - Changes to HOME Program Commitment Requirement Interim Final Rule:
<https://www.govinfo.gov/content/pkg/FR-2016-12-02/pdf/2016-28591.pdf>
- FY 2013 HOME Final Rule - Amendment of HOME Program Regulations:
<https://www.hudexchange.info/programs/home/home-final-rule/>
- Title II of the Cranston-Gonzalez National Affordable Housing Act:
<https://www.hudexchange.info/resource/2647/title-ii-of-the-cranston-gonzalez-national-affordable-housing-act/>

NORTH DAKOTA **housing** FINANCE AGENCY

DRAFT

NATIONAL HOUSING TRUST FUND ~~2020-2021~~ REQUEST FOR PROPOSALS AND ANNUAL ALLOCATION PLAN

Planning and Housing Development Division
2624 Vermont Avenue
PO Box 1535
Bismarck, ND 58502-1535

800/292-8621 or 701/328-8080
800/366-6888 (TTY)
www.ndhfa.org - hfainfo@nd.gov

The Housing Trust Fund program contained herein is contingent upon HUD's allocation of formula grant amounts to the State of North Dakota as well as HUD's acceptance and approval of this Allocation Plan. Any approvals to and from the program are subject to such acceptance, approval, and allocation by HUD.



Revised 11/17/2020

TABLE OF CONTENTS

I.	INTRODUCTION.....	1
II.	DEFINITIONS.....	2
III.	GENERAL PROVISIONS.....	2
	Available HTF Funding.....	2
	Eligible Recipient.....	3
	Eligible Uses.....	3
	Ineligible Projects.....	3
	Ineligible Uses of HTF Funds.....	3
	Maximum HTF Award.....	3
	Recognizable Costs.....	4
	Contractor Profit and Developer Fee.....	4
	Reserves.....	4
	Maximum Tenant Income.....	5
IV.	FEDERAL CROSS-CUTTING REQUIREMENTS.....	5
	Environmental Review.....	5
	Section 3.....	6
	ADA and Section 504.....	6
	Energy Efficiency.....	6
	Uniform Relocation Act.....	6
	Lead-Based Paint.....	6
	Affirmative Marketing.....	6
	UPCS.....	6
	Eminent Domain.....	7
	Davis-Bacon.....	7
	VAWA.....	7
	FFATA.....	7
V.	APPLICATION PROCESS.....	7
	Threshold Requirements.....	
	A. Development Team Ability.....	8
	B. Market Conditions.....	8
	C. Demonstrated Site Control.....	9
	D. Zoning, Codes, and Ordinances.....	9
	E. Infrastructure and Utility Availability.....	9
	F. Financial Projections.....	9
	G. Capital Needs Assessment.....	9
	H. Appraisal.....	10
	I. Subsidies.....	10
	J. Tenant Recruitment and Selection.....	10
	K. Public Housing Waiting List.....	10
	L. Broadband Infrastructure.....	10
	M. Self-Scoring.....	11
	Scoring Criteria.....	
	A. Serves Extremely Low-Income Households.....	11

Revised 10/12/2020

	B. Use of LIHTCs.....	11
	C. Committed Non-Federal Leverage.....	11
	D. Project-Based Rental Assistance.....	12
	E. Redevelopment and Revitalization.....	12
	F. Tenant Support Coordinator.....	12
	G. Universal Design.....	14
	H. Design Standards.....	15
	I. Readiness to Proceed.....	15
	J. Housing for Families.....	15
	K. Period of Affordability.....	15
	L. Geographic Diversity.....	15
	M. Missing Threshold Items.....	15
VI.	SET-ASIDE.....	16
	Indian Reservation Set-Aside.....	16
VII.	AWARD PROCESS.....	16
	Required Monthly Progress Reports.....	16
	Required Quarterly Progress Reports.....	17
VIII.	ACCESS TO HTF FUNDS.....	17
IX.	REPAYMENT OR RECAPTURE OF HTF FUNDS.....	17
X.	COMPLIANCE MONITORING.....	17
XI.	DISCLAIMER OF NDHFA LIABILITY.....	18
XII.	MODIFICATION TO THE ALLOCATION PLAN.....	18

Revised 10/10/2019/NDHFA/2020/2021

National Housing Trust Fund (HTF)

Request for Proposals and Annual Allocation Plan

2020/2021

I. INTRODUCTION

North Dakota Housing Finance Agency (NDHFA) is dedicated to maximizing housing opportunities for all North Dakotans and proactively addressing the housing needs of low- and moderate-income households.

The National Housing Trust Fund (HTF) is a permanent federal program, established as part of the Housing and Economic Recovery Act of 2008. The primary purpose of the HTF is to provide grants to state governments to increase and preserve the supply of affordable rental housing for extremely low-income (ELI) households, defined as those earning less than 30 percent of the area median income (AMI), including homeless families. The HTF is funded by an assessment on all business booked by Fannie Mae and Freddie Mac. Parties interested in pursuing HTF funding should refer to the Code of Federal Regulations, Title 24, Part 93 (24 CFR Part 93) for further guidance.

NDHFA is responsible for the administration of the HTF for the State of North Dakota, including the development of an Annual Allocation Plan (the Plan) which defines the process by which HTF funds are distributed to qualifying properties throughout the state. The Plan promotes the selection of those properties which serve to address the most crucial needs of the state within the priorities outlined in the North Dakota Consolidated Plan,¹ as well as the relevant strategies identified in North Dakota's 10-Year Plan to End Long Term Homelessness.²

North Dakota Consolidated Plan Housing Strategies

- Preserve and improve the quality and condition of the existing rental and owner-occupied housing stock through the rehabilitation of lower-income, disabled, and elderly households.
- Fund homeownership opportunities for lower-income residents.
- Provide funding to increase the supply of multifamily housing.

North Dakota Consolidated Plan Homeless Strategies

- Support emergency shelters and transitional housing for the homeless.
- Create additional transitional and permanent supportive housing facilities.
- Provide financial support to assist those at imminent risk of homelessness, including rapid rehousing.
- Fund homeless prevention activities, including data collection and prevention services.

North Dakota's 10-Year Plan to End Long Term Homelessness: Relevant Strategies

- Develop permanent supportive housing.
- Improve the ability to pay rent.
- Expand supportive services to wrap around housing.

This Plan was developed with input from our partners and stakeholders, solicited during a public comment period, and finalized through a public hearing process.

¹ North Dakota Department of Commerce, Division of Community Services, "2015-2019 North Dakota Consolidated Plan" (2015), available at www.communityservices.nd.gov/uploads/25/0152019COPPlan9.15.pdf.

² North Dakota Interagency Council on Homelessness, "Housing the Homeless: North Dakota's 10-Year Plan to End Long Term Homelessness" (2016), available at www.ndhfa.org/Publications/Reports/Partner%20Publications/HomelessPlan2016.pdf.

II. DEFINITIONS

For purposes of the HTF program, the following definitions shall apply.

~~Brownfield: A previously developed site where future use is affected by real or perceived environmental contamination.~~

Extremely Low-income (ELI): The primary affordability target of the HTF, defined by the United States Department of Housing and Urban Development (HUD) as household income of not more than the greater of 30 percent of area median income (AMI) or the federal poverty line.

Grantee: The state entity that prepares the HTF Allocation Plan, receives the HTF dollars from HUD, and administers the HTF in the state. NDHFA is the HTF grantee for the State of North Dakota.

Grayfield: Previously developed property.

HTF-Assisted Unit: A housing unit which meets the HTF eligibility requirements and benefits from financial assistance from the HTF.

Multifamily: Any building or group of buildings totaling four or more permanent residential rental units operated as a single housing project. Initial leases must be for a term of at least six months.

Period of Affordability: Also, "affordability period." Units in projects receiving HTF assistance will be required to maintain affordability to extremely low-income households for a period of at least 30 years.

Recipient: An entity which is awarded assistance from the HTF for the development, rehabilitation, or operation of multifamily rental property for the benefit of ELI households.

Rent Restricted: Rent that does not exceed the published Maximum HTF Rent Limit, which is based on an assumed 1.5 persons per bedroom (single person in an efficiency). Rental Assistance is allowed, so long as the tenant pays no more than 30 percent of their adjusted income and such tenant-paid portion does not exceed the published HTF rent limit.

Stabilized Occupancy: For purposes of the HTF, occupancy of at least 90 percent of the units in the property for a period of at least 90 days.

Total Development Cost: The all-in cost of developing the project including acquisition, pre-development costs, hard and soft construction or rehab costs, financing costs, developer fees, and reserve account capitalization.

III. GENERAL PROVISIONS

Available HTF Funding

North Dakota is expected to receive the small-state allocation of \$3,000,000 from the ~~2020-2021~~ National Housing Trust Fund. HUD authorizes NDHFA to expend from the HTF up to a maximum of 10 percent of the state allocation for reasonable costs to administer the HTF program. The maximum amount of administrative costs NDHFA may expend from the HTF will be evaluated as to reasonableness each year during allocation plan development.

Eligible Recipient

The organization or agency that applies to NDHFA for funds to carry out the HTF project must be an eligible recipient. Eligible recipients include units of local, state, and tribal government; local and tribal housing authorities; community action agencies; regional planning councils; nonprofit organizations, and for-profit developers. Individuals are not eligible to receive direct assistance from the HTF.

Eligible recipients must demonstrate their familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs.

Eligible Uses

All applications for assistance through the HTF must contain a detailed description of the eligible activities to be conducted with HTF funds. Federal statute authorizes HTF funds to be used for the production, preservation, and rehabilitation of the ELI portion of a multifamily rental housing project.

The HTF can pay those development costs, identified in 24 CFR Part 93.201, associated with the new construction, rehabilitation, acquisition, or adaptive reuse of a multifamily housing project. Such development costs include acquisition, site improvements and development hard costs, related soft costs, demolition, financing costs, relocation assistance, and rent-up reserve capital (not to exceed 18 months).

Projects involving rehabilitation must perform a minimum of \$15,000 in rehabilitation per unit on average. Please refer to the [ND Housing Trust Fund Rehabilitation Standards document](#) on our website at www.ndhfa.org for additional requirements of rehabilitation projects. HTF funds may not be used to refinance existing debt.

Ineligible Projects

Projects under construction are not eligible for consideration. HTF funds cannot be used for development hard costs or acquisition undertaken before the HTF funds are committed to the project in the form of an executed Written Agreement between the borrower and NDHFA.

Ineligible Uses of HTF Funds

HTF funds may not be used for:

- Laundry and community facilities which are not located in the same building as the housing.
- Providing assistance during the affordability period of a project previously assisted with HTF funds. Additional HTF funds may be committed to a project up to one year after project completion, but the total assistance is subject to the maximum per-unit HTF subsidy limit identified in the Recognizable Costs paragraph of this section.
- Payment of delinquent taxes, fees, or charges on properties to be assisted with HTF funds.
- Payment for political activities, advocacy, lobbying, counseling services, travel expenses (other than those eligible under 24 CFR Part 93.202(b)), or preparing or providing advice on tax returns.
- Payment for any cost not eligible under 24 CFR Parts 93.201 and 93.202.

Maximum HTF Award

Generally, net allocations from the HTF for a single eligible project, comprised of one or more buildings, will be limited to the lesser of a) the equity required to secure necessary project financing and make the project feasible; or b) up to 100 percent of the HTF-assisted units' share of actual development cost, subject to the following Recognizable Cost limits. Exceptions to these maximums may be made on a case-by-case basis, at the sole discretion of NDHFA, to accomplish overall program goals, such as meeting the priorities outlined in the North Dakota Consolidated Plan.

Recognizable Costs

HTF regulations require NDHFA to establish maximum limitations on the total amount of HTF dollars that may be awarded per unit. NDHFA has elected to use the following HTF subsidy limits which are aligned with the state's HOME program limits (released by HUD in May 2019/June 2020), as the two HUD programs are similar in many respects, and because of the confidence in the limits created by HUD's data and research methodology. Furthermore, NDHFA has elected to utilize a single statewide set of development subsidy limits based on a lack of evidence indicating a significant variation in development costs across the state at the present time. Should sufficient evidence supporting a significant variation in development costs across the state exist in the future, NDHFA will revisit the matter and make appropriate changes to the Plan.

Recognizable Costs for determining maximum HTF assistance will be calculated for each project by multiplying the number of corresponding units by the respective per-unit cost limit and arriving at a total.

<i>Unit Type</i>	<i>Unit Cost</i>
Efficiency/Studio	\$449,868,153.315
1 Bedroom	\$474,902,175.752
2 Bedroom	\$598,943,718
3 Bedroom	\$770,266,276.482
4 Bedroom	\$966,000,303.480

Costs in excess of these limits are not prohibited, however they will not be included in the calculation of maximum HTF assistance. The HTF is prohibited from investing in housing which is considered luxury. Therefore, NDHFA reserves the right to reject an application if it determines that project costs are excessive.

Contractor Profit and Developer Fee

Combined builder profit, builder overhead, and general requirements may not exceed 14 percent of the hard construction costs. Developer fee may not exceed 15 percent of total development cost net of the developer fee, acquisition, and any permanent financing costs for projects with 50 or fewer units, or a maximum of 12 percent for projects with 51 or more units. Projects with 4 percent Low Income Housing Tax Credits may follow the 15 percent developer fee limit regardless of number of units. Fees paid to consultants will be included in this limitation. On acquisition/rehabilitation or adaptive reuse projects, the developer fee for the acquisition portion may be a maximum of five percent. The fees of all parties with an Identity of Interest with the Developer in the property will be taken into consideration when calculating the Developer's maximum fees.

When the Developer and the Contractor are the same entity, in addition to the fee limits stated above, the combined sum of Developer Fee, Contractor Profit, Contractor Overhead, and General Requirements may not exceed 20 percent of the total development cost, less the Developer Fee.

Reserves

All properties will be required to maintain a replacement reserve account for the term of the HTF loan. The replacement reserve requirement for new construction properties and substantial rehabilitation properties (i.e. rehab exceeding \$30,000 per unit) designed for seniors will be no less than \$350 per unit per year, inflated at three percent annually. The requirement for all properties designed for families as well as rehabilitation developments with rehabilitation costs of \$30,000 per unit or less will be no less than \$400 per unit per year, inflated at three percent annually. This account shall not be used for routine maintenance and upkeep expenses or for operating expenses. Project owners shall be required to provide NDHFA with a record of all activity in the replacement reserve account during the prior fiscal year in conjunction with submission of the project's annual compliance monitoring materials. Furthermore, the Limited Partnership Agreement or Operating Agreement must require

that the replacement reserves may only to be used for the intended purpose of funding capital expenditures and replacement of building and site components, and may not be distributed to owners or partners prior to the end of the Period of Affordability.

All properties will also be required to establish and maintain, until the property has achieved a minimum of five years of stabilized operations, an operating reserve equal to a minimum of six (6) months of projected operating expenses plus must-pay debt service payments and annual replacement reserve payments. This requirement can be met with an up-front cash reserve; a personal guarantee from the developer/general partner with a surety bond to stand behind the personal guarantee; or partnership documents specifying satisfactory establishment of an operating reserve.

Each reserve account identified in this section must be maintained in separate accounts held at a federally insured financial institution or the Bank of North Dakota. Reserve accounts must also be separate from the project's ordinary operating account.

Maximum Tenant Income

All HTF funding must be used for the benefit of extremely low-income households, as verified through the "Part 5" definition of annual income. The Part 5 definition, found at Subpart F of 24 CFR Part 5, is used by a variety of programs, including LIHTC, HOME Investment Partnership, CDBG, and Section 8, as well as the North Dakota Housing Incentive Fund.

If the total nationwide HTF funding exceeds \$1 billion in a given year, up to 25 percent of the HTF program may be used for the benefit of very low-income households at or below 50 percent AMI. **Nationwide HTF funding did not exceed \$1 billion for 2019-2020 and, therefore, 50 percent AMI units are not eligible for assistance under HTF for 2020-2021.**

Income determination is performed at initial occupancy. Tenant self-certifications are allowed thereafter, however, income source documents must be verified at least once every six years. PBRA recertification rules prevail and will also be employed for all HTF-assisted units when applicable. The next-available-unit rule applies. HTF-assisted units must be floating, and not fixed to specific project units, in order to facilitate the next-available-unit rule. Tenants cannot be evicted for being over-income upon recertification.

IV. FEDERAL CROSS-CUTTING REQUIREMENTS

Environmental Review

The environmental effects of each project carried out with HTF funds must be assessed in accordance with the property standards at 24 CFR Part 93.301(f) for historic preservation, archaeological resources, farmland, airport zones, Coastal Barrier Resource System, coastal zone management, floodplains, wetlands, explosives and hazards (including a tanks search as part of the Phase I Environmental Site Assessment), contamination (including radon), noise (utilizing HUD's online Day/Night Noise Level Calculator), endangered species, wild and scenic rivers, safe drinking water, and sole source aquifers. Applicants should refer to 24 CFR Part 93.301(f), as well as further guidance published in HUD Notice CPD-16-14, found on the Housing Trust Fund webpage on www.ndhfa.org, for additional information regarding HTF Environmental Review requirements.

Section 3

Section 3 of the Housing and Urban Development Act of 1968 requires, in the planning and carrying out of any project assisted under the Act, to the greatest extent feasible, that opportunities for training and employment be given to lower-income persons residing within the unit of local government or the non-metropolitan county in which the project is located, and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by persons residing in, the project area. The grantee must assure good faith efforts toward compliance with the statutory directive of Section 3. Applicants should refer to 24 CFR Part 135, as well as NDHFA's Section 3 Guide, for additional information regarding Section 3 requirements.

ADA and Section 504

Housing assisted with HTF funds must meet the accessibility requirements of 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973, and Titles II and III of the Americans with Disabilities Act, implemented at 28 CFR Parts 35 and 36, as applicable. "Covered multifamily dwellings," as defined at 24 CFR Part 100.201, must also meet the design and construction requirements at 24 CFR Part 100.205, which implements the Fair Housing Act.

Energy Efficiency

For new construction, HTF-assisted projects must comply with energy efficiency standards of the current edition of the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standard 90.1.

Uniform Relocation Act

The development of housing with HTF assistance is required to follow the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. The Act applies to persons both temporarily and permanently relocated as a result of the HTF-assisted project. Applicants should see 24 CFR Part 93.352 for additional detail regarding the Uniform Relocation Act.

Lead Based Paint

Housing assisted with HTF funds is subject to the regulations at 24 CFR Part 35, subparts A, B, J, K, and R.

Affirmative Marketing

Each HTF recipient must adopt and follow Affirmative Fair Housing Marketing (AFHM) procedures and requirements for rental projects containing five or more HTF-assisted housing units. AFHM steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status, or disability. If NDHFA's written agreement with the project owner permits the rental housing project to limit tenant eligibility or to have a tenant preference in accordance with 24 CFR Part 93.303(d)(3), the recipient must have affirmative marketing procedures and requirements that apply in the context of the limited/preferred tenant eligibility for the project. NDHFA has published, on its website, an Affirmative Fair Housing Marketing Plan Guidance document which provides detailed and step-by-step direction on how to satisfy AFHM under the HTF program. Applicants should also see 24 CFR Part 93.350 for additional detail regarding the AFHM requirements of the HTF program.

UPCS

HTF projects must follow property standards which include all inspectable items and inspectable areas specified by HUD based on the HUD physical inspection procedures, known as the Uniform Physical Condition Standards (UPCS) prescribed by HUD pursuant to 24 CFR Part 5, subpart G. Rehabilitation projects, including adaptive reuse, must address any and all deficiencies identified in Section XV of the HTF Minimum Housing Rehabilitation and Property Standards (Property Standards) as part of the project's scope of work so that, upon completion, all such deficiencies are cured. For projects which include acquisition and/or rehabilitation of occupied housing, any life-threatening health

and safety deficiencies, as defined in the Property Standards, must be addressed and corrected immediately.

Likewise, all deficiencies identified during annual compliance monitoring site visits of HTF-assisted properties must be cured. NDHFA will monitor property condition standards using the same process and procedures as for the federal Low-Income Housing Tax Credit Program which does not employ a scoring protocol or grade levels of deficiencies; all identified deficiencies must be corrected. Please refer to the HTF Minimum Rehabilitation and Property Standards document for further details regarding inspectable areas, inspectable items, and observable deficiencies requiring correction.

Eminent Domain

No HTF funds may be used in conjunction with property taken by eminent domain, unless eminent domain is employed only for a public use, except that, public use shall not be construed to include economic development that primarily benefits any private entity.

Davis-Bacon

The Davis-Bacon and Related Acts do not apply to the HTF program.

VAWA

All housing receiving HTF funds must comply with the provisions of the Violence Against Women Reauthorization Act of 2013 (VAWA 2013). Additional information about VAWA 2013 can be found in a document in the HTF section of NDHFA's website entitled, "The Violence Against Women Act of 2013," published by the National Housing Law Project. All rental applicants and tenants should be provided with the following documents, templates for which can be found on NDHFA's website: "Notice of Tenant Rights Under VAWA"; "Housing Provider's Emergency Transfer Plan Under VAWA"; "Certification of Domestic Violence"; and "Emergency Transfer Request."

FFATA

All recipients of HTF funds are required to comply with the Federal Funding Accountability and Transparency Act of 2006, as amended (FFATA). All applicants for HTF funding must have a Data Universal Number System (DUNS) number and be registered on the System for Award Management (SAM). Refer to <https://fedgov.dnb.com/webform> and www.sam.gov to obtain these DUNS and SAM registrations. Furthermore, recipients of HTF awards must report to NDHFA the names and compensation of the five most highly compensated officers in their organization, unless exempt under 2 CFR 170.110(b).

V. APPLICATION PROCESS

Applicants must apply using NDHFA forms to receive a conditional commitment of financial assistance from the HTF program. The complete application must be received by 5:00 p.m., Central Time, on the closing date to be eligible for consideration in the funding round. The application rounds will be as follows until all HTF funds have been obligated:

Maximum Amount of HTF Assistance Available Per Application Closing Date

Round 1:	September 30, 2020 2021	Up to \$3,000,000
Round 2:	December 31, 2020 2021	Balance of available HTF assistance, if any
Round 3:	March 31, 2021 2022	Balance of available HTF assistance, if any

Threshold Requirements

When an application is received, it shall first be reviewed for eligibility to be scored and ranked. In order to be eligible for scoring and ranking, the application must be complete and include the following information, unless waived by NDHFA for good cause. Application packages missing any of the following threshold items after the application deadline will be deemed incomplete and will be given reasonable time to submit the missing information. However, a 5-point deduction will be assessed during the scoring process for each missing item.

- A. Development Team Ability:** NDHFA must be satisfied that those who will develop, own, and operate the property are familiar with, and prepared to comply with, the requirements of the HTF program. The application package must include a signed certification that the housing units assisted with the HTF will comply with all regulatory HTF requirements contained in 24 CFR Part 93. In addition, the applicant must demonstrate that all members of the development team have the experience, ability, and financial capacity, in their respective roles, to undertake, maintain and manage the property, as well as comply with all federal cross-cutting requirements identified in Section IV of this Allocation Plan. Applicants with limited experience in the development, ownership, and management of multifamily rental property are encouraged to partner with an experienced developer or sponsor. Applicants without sufficient experience in, or working knowledge of, all federal cross-cutting requirements identified in Section IV of this Plan including, but not limited to, Section 3 hiring practices, environmental review, Section 504 and ADA accessibility requirements, Lead-Based Paint mitigation, and Uniform Physical Conditions Standards, should enter into a contractual consultant or partnership relationship with an experienced and knowledgeable entity. Misrepresentation of any information about the experience or financial capacity of any property team member will be grounds for denial and debarment from NDHFA programs.

NDHFA may require the applicant to provide financial statements as deemed necessary

Applicants who have been convicted of, entered an agreement for immunity from prosecution for, or have pleaded guilty, including a plea of nolo contendere, to a crime of dishonesty, moral turpitude, fraud, bribery, payment of illegal gratuities, perjury, false statement, racketeering, blackmail, extortion, falsification or destruction of records are ineligible. Applicants who have been debarred from any North Dakota or federal program are ineligible. Applicants having an Identity of Interest with any debarred entity may not be eligible at the sole discretion of NDHFA.

- B. Market Conditions:** Completion of a comprehensive market study of the housing needs of ELI and VLI individuals in the area to be served by the property, at the Developer's expense, by a disinterested party who is acceptable to NDHFA, is required. The Market Study must demonstrate that there is sufficient demand in the market area to support the proposed development and that the development of any additional affordable units will not have an adverse impact on the existing affordable units in the market area. The Market Study must have been completed within six months of application for HTF assistance and must contain the National Council of Housing Market Analysts' (NCHMA) core standards (see <http://www.housingonline.com/wp-content/uploads/2014/09/Final-Model-Content-V3.0.pdf>) unless authorization to deviate from these standards is granted by NDHFA. The applicant is advised to reference the market study requirements of other funding sources, such as USDA Rural Development, as may be applicable and ensure that the market study meets NDHFA requirements as well as those of other funding providers. If NDHFA has cause to question the conclusions reached in the study, we reserve the right to order a new market study at the expense of the applicant.

C. Demonstrated Site Control: Evidence must be provided proving the applicant has, and will maintain from the start of the application review process until the land is acquired, direct site control. This will also include a sketch plan of the site as it would look when developed.

D. Zoning, Codes, and Ordinances: Evidence that the appropriate zoning will be available must be provided (i.e. a letter from a city or tribal official stating that appropriate zoning is in place or forthcoming.) Upon completion, HTF-assisted housing projects must meet all applicable State and local codes, ordinances, and requirements as applicable; or, in the absence of a State or local building code, the International Residential Code, International Building Code (as applicable to the type of structure), or the International Existing Building Code (for rehabilitation projects) of the International Code Council.

E. Infrastructure and Utility Availability: Evidence must be provided to demonstrate that appropriate infrastructure (i.e. roads, curb, gutter, etc.) and utilities (i.e. water, sewer, electricity, natural gas) are in place at the time of HTF application and have adequate capacity to absorb the proposed project. Examples of evidence include letters from the applicable utility companies and the city official stating appropriate utilities and infrastructure are in place.

If infrastructure is not in place to the proposed site at the time of LIHTC application, a letter from the local jurisdiction must accompany the application indicating that no adequate infill opportunities currently exist in the community.

F. Financial Projections: A 30-year pro forma financial projection for the property, in the form of Exhibit A to the application, shall accompany the application using the income, expenses, replacement reserves, and debt service as represented in the application. The rental income should reflect a 7% vacancy rate.

The applicant must be able to demonstrate, as part of the application package, that the project would not be feasible without financial assistance from the HTF. This will be evaluated in terms of the gap between cost of construction and amount of debt the project can reasonably obtain and support. The applicant must provide information outlining both the short- and long-term financial feasibility of the project. Project proposals will be underwritten to achieve a target debt service coverage ratio of 1.20. Debt coverage projections below 1.10 or greater than 1.30 will require further explanation and analysis to determine suitability for HTF participation. Projects without hard debt service should achieve a target operating expense cushion within 10 percent to 15 percent. Operating expense cushion is defined as cash flow divided by operating expenses and reserve contributions.

The reasonableness of development costs and operating expenses in relation to other similar developments will be assessed in evaluating the financial feasibility of applications.

G. Capital Needs Assessment: A Capital Needs Assessment (CNA) must be submitted with all application packages involving rehabilitation (including adaptive reuse projects). The CNA must be completed by a competent, independent third party acceptable to NDHFA, such as a licensed architect or engineer, and include an interview with available on-site property management and maintenance personnel to inquire about past repairs and improvements, pending repairs, and existing or chronic physical deficiencies. The assessment will include a site visit and a physical inspection of the interior and exterior of all units and structures. The assessment will consider the presence of environmental hazards such as asbestos, lead paint and mold on the site. The assessment will include an opinion as to the proposed budget for recommended improvements and should identify critical building systems or components that have reached or exceeded their expected useful lives. If the remaining useful life of any

component is less than 50 percent of the expected useful life, immediate rehabilitation will be required unless capitalized. If the remaining useful life of a component is less than the term of the HTF loan, the application package must provide for a practical way to finance the future replacement of the component. The assessment will examine and analyze the following:

- Site, including topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, sewer, storm drainage, and gas and electric utilities and lines.
- Structural systems, both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system, and drainage.
- Interiors, including unit and common area finishes (carpeting, tile, plaster walls, paint condition, etc.), unit kitchen finishes, cabinets and appliances, unit bathroom finishes and fixtures, and common area lobbies and corridors.
- Mechanical systems, including plumbing and domestic hot water, HVAC, electrical, lighting fixtures, fire protection, and elevators.

Applicants are advised to also consider the requirements of other funding sources, such as USDA Rural Development, when ordering a capital needs assessment.

- H. Appraisal:** An application package involving acquisition costs or equity contribution of real estate which exceed 15 percent of the total development costs, must include an appraisal of the subject property, ~~completed dated~~ dated within six months of the date of the application ~~HTF loan closing, completed~~ by a state Certified General Real Property Appraiser, that supports the amount of acquisition.
- I. Subsidies:** The application package must include a signed certification as to the full extent of all federal, state, and local programs and subsidies (both development and rental subsidies) that are expected to apply to the property. Additionally, the application for HTF funding must specifically discuss how the incorporation of the listed subsidies will allow project rents to be affordable to extremely low-income households.
- J. Tenant Recruitment and Selection:** The application package must include a detailed description of the project's plan to market the HTF units to eligible households as well as the application and selection process to be used.

The project's Affirmative Fair Housing Marketing Plan, as discussed in Section IV of this Plan, must be submitted to NDHFA prior to receiving a HTF financial award.

A sample rental application and lease with all addenda must be provided to NDHFA as part of the post-closing requirements prior to the final draw of HTF funding. The rental application must request the applicant's demographic information (race, ethnicity, marital status, and disability status).

Unit leases shall have an initial term of no less than six months and shall not contain any provision allowing the owner to impose an increase to the amount of tenant-paid rent at any time prior to the end of the lease term.

- ~~**K. Public Housing Waiting List:** The application package must include a signed written commitment from the applicant to inform the public housing authority (PHA) of vacancies and to give priority to households on PHA waiting lists who apply for occupancy.~~

- K. Broadband Infrastructure:** Projects receiving HTF assistance must install broadband infrastructure to all units and community rooms. Broadband infrastructure is defined as

cables, fiber optics, wiring, or other permanent (integral to the structure) infrastructure – including wireless infrastructure – resulting in broadband capability meeting the Federal Communication Commission's (FCC) definition in effect at the time the pre-construction estimates are generated. Currently, the FCC defines broadband speeds as 25 Megabits per second (Mbps) download, and 3 Mbps upload.

- L. **Self-Scoring:** The applicant must provide a self-scoring of the project proposal as part of the application package. The self-scoring assessment should indicate the number of points being sought in each scoring category as well as a brief explanation of the project proposal's eligibility for those points.

Scoring Criteria

Each application meeting the threshold requirements will be reviewed and assigned points according to the following selection criteria. Representations made by applicants for which points are given will be binding and will be monitored through the annual compliance review process. Applications must achieve a minimum score of 85 points to be considered for funding. Based on ranking, projects will be selected for a conditional commitment. Once a property is selected, NDHFA will determine the amount of HTF to be awarded, which may not equal the amount requested in the application.

In the event of a tie between two or more projects when insufficient program funds remain to fund each one, the tie breaker will go to the project which best meets the Housing Strategies outlined in the current North Dakota Consolidated Plan in effect at the time of HTF application.

A. Serves Extremely Low-Income Households 20-50 points

Up to 50 points will be awarded to properties with units both income and rent restricted for ELI households. Elections made in this category will be incorporated into the Land Use Restrictive Agreement and will be binding, at a minimum, for the term of the HTF loan.

- 35% of total units income and rent restricted at or below ELI – 50 points
- 30% of total units income and rent restricted at or below ELI – 40 points
- 25% of total units income and rent restricted at or below ELI – 30 points
- 20% of total units income and rent restricted at or below ELI – 20 points

For purposes of applying the ELI rent restriction under this category, an exception for exceeding the ELI rent may be granted for project-based rental assistance where it can be shown that additional rents are necessary to make the project feasible and that the tenant-paid portion of the rent will not exceed 30 percent of their household income nor the published HTF rent limit.

B. Use of LIHTCs 0 or 10- 20 points

Projects which have received or are applying for federal Low-Income Housing Tax Credits in a pending application round, will receive points under this category. Projects which applied for but are not awarded LIHTCs in the current pending application round are ineligible for points under this category.

- Projects with an award of 4 percent LIHTCs – 20 points
- Projects with an award of 9 percent LIHTCs – 10 points

C. Committed Non-Federal Leverage 0 or 5-20 points

11

An applicant who provides signed, firm commitments for contributions or incentives from state or local government, private parties and/or philanthropic, religious or charitable organizations, excluding entities with an identity of interest or those with a significant role in the property (e.g. contractors, accountants, architects, engineers, consultants, etc.), will receive points in this category. Not eligible as sources of leverage under this category are interest bearing loans to the project, LIHTCs, HRTCs, HOME CDBG, NAHASDA, or any other federal source of funding. Also not eligible as leverage under this category is project-based rental assistance which earns points in scoring category D.

- Leverage of at least 50% of total development cost – 20 points
- Leverage of at least 40% of total development cost – 15 points
- Leverage of at least 30% of total development cost – 10 points
- Leverage of at least 20% of total development cost – 5 points

D. Project-Based Rental Assistance 0 or 5 points

Projects which have received binding commitments for federal, state, or local project-based rental assistance for all of the extremely low-income units in the project will receive 5 points.

E. Redevelopment and Revitalization 0 or 5 points

A project will receive 5 points if it meets one of the following conditions:

- (1) The project is located on a site considered by NDHFA, in its sole discretion, to be brownfield or grayfield in nature.
- (2) The project is in a city revitalization area established by resolution or other legal action by the city, and the development of the project contributes to a concerted community revitalization plan. For purposes of this Plan, a concerted community revitalization plan is defined as a locally approved revitalization plan targeting specific existing areas or neighborhoods within the community for housing and economic development including the infill new construction or rehabilitation of housing. To qualify, the plan must be officially adopted by the local governing body, identify a specific time period, apply only to a defined geographic area within the community, and specifically call for infill new construction or rehabilitation of affordable housing within the boundaries of the plan. Local housing needs surveys, consolidated housing or economic development plans, short-term work plans, municipal zoning or land use plans, or plans which are so broad as to encompass the entire community or so narrow as to encompass only the project's subject property do not qualify under this definition.
- (3) The project is located in an Opportunity Zone, as defined in Code Section 1400Z-1.

Adaptive reuse projects are eligible for points under this category. Rehabilitation of existing habitable and occupied housing is not.

F. Tenant Support Coordinator 5-10 points

Projects which are committed to supporting tenants with special needs affecting their long-term housing stability and which create an environment that encourages and provides service coordination may receive up to 10 points.

- (1) **Tenant Support Coordinator**
Projects which provide, either through direct employment or by contract with an experienced third party, a dedicated Tenant Support Coordinator (TSC) for at least one hour per project unit per month will receive 5 points. The TSC would be required to develop and maintain working relationships with tenants in the project. The TSC's role is to increase the ability of all tenants to maintain stability and uphold lease obligations through the following: facilitating provision of supportive services by connecting tenants with appropriate providers, identifying needs for assistance, and educating tenants on available resources.
- (2) **Tenant Support Coordinator and Medicaid-Approved Service Provider**
Projects which provide the TSC provisions in the preceding paragraph (1) and which also enter into a formal letter of intent with one or more qualified service agencies with demonstrated experience providing housing stability services consistent with the needs of the project's residents will receive 10 points. The service provider(s) must also be able to process for insurance-Medicaid reimbursement, and provide their Medicaid biller number issued by the State of North Dakota. The letter of intent must be detailed regarding the suite of supports and services to be made available to tenants who need and want them.

Projects receiving points under this category must include tenant support coordination capable of the following, at a minimum:

- Support the person to understand and maintain income and benefits to retain housing;
 - Household budgeting and financial management;
 - Assistance in applying for benefits related to housing affordability;
 - Establishment of payee/guardian services as needed;
 - Assistance with the income recertification process;
 - Wealth and asset building initiatives.
- Support the building of natural housing supports and resources in the community;
 - Encouragement of community activity;
 - Facilitation of meetings with a tenant support team.
- Identify and prevent behaviors that may jeopardize continued housing;
 - Coordination with parole and probation requirements;
 - Collaboration with law enforcement (i.e. the creation of safety plans);
 - Training on lease compliance, household management and best practices of successful tenants.
- Promote health and wellbeing that enable tenants to retain housing;
 - Connecting tenants with health providers;
 - Assistance in securing and increasing employment;
 - Assistance in securing childcare;
 - Identifying educational opportunities in areas such as nutrition, education, and physical wellness;
 - Parenting supports;
 - Life coaching via peer support specialists;
 - Facilitating connections to Home and Community-Based Care services.

A tenant selection plan must be provided as part of the initial application for HTF assistance. The tenant selection plan must describe in detail how individuals and/or families with special needs will be identified, affirmatively marketed to, and assisted in renting units at the project.

Projects which received 10 points under this scoring category F will be required to submit with the reservation package a formal executed agreement with each provider identified in the letter(s) of intent.

Compliance monitoring activities will include:

- Confirmation of hiring or contracting with a TSC;
- Confirmation of the provision of the services pledged at the time of initial application, if applicable; and
- Review of marketing efforts targeted at special needs populations.

For purposes of this scoring category, tenants with special needs include individuals or families who:

- Suffer from serious or persistent mental illness;
- Suffer from substance use disorders;
- Have disabilities, including intellectual, physical, or developmental;
- Are experiencing long-term homelessness, or are at significant risk of long-term homelessness;
- Are justice involved; or
- Are frail elderly, defined as those 62 years of age or older, who are unable to perform one or more "activities of daily living" without help. Activities of daily living comprise walking, eating, bathing, grooming, dressing, transferring, and home management activities. Assisted living, or projects serving a similar purpose, are not eligible under this Plan.

G. Universal Design

0 or 3-12 points

Properties which meet the minimum universal design features below are eligible for points in this scoring category based on a percentage of units: A maximum of 25 percent of the project units may incorporate the universal design features

0 to 9.99 percent of the units	0 points
10 to 14.99 percent of the units	3 points
15 to 19.99 percent of the units	6 points
20 to 25 percent of the units	9 points

Universal design units and all common areas must be wheelchair-accessible and contain design features which may exceed the ADA standards, but which allow a project to be usable for the greatest possible percentage of the population. For purposes of this scoring category, the required minimum universal design features include:

- Roll-in or walk-in shower in at least one bathroom in the unit.
- Any additional bathrooms containing a bathtub should include a transfer seat, grab bars, and a floor drain to handle water splashed onto the floor during transfer.
- Front loading washing machines and dryers with accessible controls.
- Dishwasher.
- Lever handles on all doors and fixtures.
- Security doors with automatic openers.
- Accessible garbage dumpsters.
- Covered outside entries with adequate lighting.
- Kick plates on apartment doors to prevent damage from wheelchairs.
- Apartment doors which are weldy for persons using a wheelchair or a walker.

14

- Hard surface flooring with maximum threshold heights of 1/2" beveled or 1/4" square-edged.
- Appliances with front controls.
- Controls for the garbage disposal, range hood light, and exhaust fan located on the front of the lower cabinets.
- Lower-mounted upper cabinets with handles within reach of a person in a wheelchair.
- Roll-under bathroom and kitchen sinks.
- Lower-mounted mirrors/medicine cabinets.
- Audio/visual alert doorbells.
- Braille characters included to the left on all interior common area signage.

The project architect must certify that the accessible units and common areas meet or exceed Federal Fair Housing Accessibility Guidelines and include the universal design elements listed above.

Applicants who receive points under this category will receive 1 additional point for each of the universal design units that are two-bedroom or larger, up to a maximum of 3 points. As an example, a project with 20 percent of the total units meeting the universal design elements, 3 of which are two-bedroom or larger will receive a total of 12 points.

H. Design Standards 0 or 3-10 points

- (1) Properties with an elevator in each residential building will receive 10 points.
- (2) Properties with a building(s) design that has no more than 4 units per outside main entrance will receive 3 points. Points given for this building design cannot be added to points given for design standard #1.
- (3) Properties with a building design(s) that 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 standards #1 or #2.

A maximum of 10 points may be earned in this category.

I. Readiness to Proceed 0-25 points

Applicants must provide a timeline for completion of the project. Points awarded in this category are based on earliest achievable completion of the activity. Such things as letters of interest or commitment for all sources of project financing; ownership of the land; and availability of infrastructure will be considered in the award of points. Points will be awarded at the sole discretion of NDHFA in comparison to other projects competing in the application round.

J. Housing for Families 0 or 10 points

Properties in which 20 percent or more of the HTF-assisted units identified in the application are three-bedroom or larger will receive 10 points.

K. Period of Affordability 0 or 1 point

The minimum period of affordability for projects assisted by the HTF is 30 years. Projects which commit to affordability for a period of 31 years or longer will receive one point.

L. Geographic Diversity 0 or -5 points

Federal regulation places a priority on the use of HTF funding in a geographically diverse manner. Projects located in the same city as a project which has already been selected in the current HTF application round shall receive a scoring deduction of five points.

M. Missing Threshold Items 0 or -5 points per missing item

In accordance with the Threshold Requirements section of this Allocation Plan, a five point deduction will be assessed during the scoring process for each threshold item missing from the application package after the application deadline.

VI. SET-ASIDE

Native American Set-Aside

Ten percent (10%) of the state's HTF funding will be set aside for projects located within North Dakota Indian Reservations or on Tribal land, either held in trust or fee-simple. If sufficient qualifying proposals on Indian Reservations or Tribal lands are not received by the close of the first application round, the unused set-aside funding will be included in the general pool of funding, eligible to be awarded to non-Native American proposals in accordance with this Plan. The Native American set-aside will only be available in the first application round, and not in subsequent application rounds, of each Plan year.

For 2020, the amount of HTF funding set aside under this section of the Plan is \$300,000. Only the first \$300,000 of the highest scoring qualified application is eligible for approval under this set-aside. Any requested amount of funding in excess of the first \$300,000 of the highest scoring qualified application must compete for such funding in the general pool.

To be eligible for approval under this set-aside, applications must meet all requirements contained in this Plan, including all general provisions, federal cross-cutting requirements, threshold requirements, and minimum scoring.

VII. AWARD PROCESS

Proposals received by the due date will be reviewed and ranked within an approximate 45-day timeframe. Successful proposals will be issued a 90-day conditional commitment of financial assistance from the HTF. During this timeframe, applicants will be required to reach certain benchmarks identified in NDHFA's conditional commitment letter, including completion of an environmental review. A 60-day extension of the conditional commitment period may be granted at the sole discretion of NDHFA. Upon satisfactory review of these items, a financial award agreement will be issued. The financial award agreement will rescind 270 days from the date of the initial conditional commitment, if the HTF loan is not closed, so that NDHFA is able to reallocate the HTF funding to other projects in the next annual round. Federal regulation requires that all HTF funds must be committed by NDHFA within 24 months and expended within five years of HUD's agreement with NDHFA.

Required monthly progress reports from financial award to HTF loan closing.

In order to ensure that HTF funding is conditionally committed to projects which are proceeding according to the schedule presented in the application, each applicant receiving an HTF financial award will be required to submit monthly progress reports until closing of the HTF loan. The report must describe the applicant's actual progress to date together with an estimated timeline for future project activity.

Required quarterly progress reports from HTF loan closing to occupancy.

Commencing with closing of the HTF loan, the borrower must submit quarterly progress reports until the project has reached stabilized occupancy. The report must describe actual development progress to date together with a current development budget and estimated timeline for future activity and lease-up. Development costs which increase above the contingency listed in the HTF application must be disclosed in the progress reports along with an explanation as to how the gap is being filled. At NDHFA's discretion, information submitted with draw requests, such as site reports, may serve to satisfy the quarterly reporting requirement.

VIII. ACCESS TO HTF FUNDS

Draws against an HTF financial award can be made for eligible costs incurred upon firm commitment of all other funding sources. A mortgage with recapture provisions, deed restriction, loan agreement, and promissory note (collectively, the Loan Documents) must be executed prior to release of any HTF funds. The deed restriction must be in a senior position to any foreclosable loan(s) on the property. The Loan Documents will detail the loan terms and affordability requirements, as well as any additional requirements particular to the project, such as limiting tenant preference to homeless individuals and families.

The borrower may request one or more draws of available HTF loan proceeds for payment or reimbursement of eligible costs incurred toward the development of the project. Draws are requested by submitting to NDHFA a completed HTF Draw Request form together with an ACH authorization, documentation supporting the expenses claimed, general contractor's sworn construction statement, architect's inspection or trip report, and either (1) conditional lien waivers for any general contractor or major subcontractor payments in the current draw as well as unconditional lien waivers for any general contractor and major subcontractor payments paid by the previous draw or (2) a state-issued endorsement showing lien-free title. All disbursements are made by electronic funds transfer to the borrower's account or designated escrow agent.

Disbursement of up to 95 percent (95%) of the HTF loan proceeds may be made during construction of the project. A hold-back amount of five percent (5%) of the HTF loan proceeds will be retained until project completion. Disbursement of the hold-back amount will be made upon satisfaction of all post-closing conditions including but not limited to final sworn total development cost certification, certificate of occupancy, completion certification, final lien waivers, and executed loan or grant commitments for all other permanent funding sources.

IX. REPAYMENT OR RECAPTURE OF HTF FUNDS

All HTF awards will be structured as forgivable zero-interest loans with a minimum term of 30 years. Repayment terms will be based on cash flow and determined on a project specific basis as necessary to achieve project feasibility. Recapture of HTF funds may occur in the event that final total

development costs were such that assistance provided by the HTF exceeds established program limits or exceeded that which was necessary to make the project financially feasible.

Income targeting and rent restriction requirements will remain on the project for the term of the loan and will be enforced through a deed restriction on the land. In the event of a prepayment of the loan, the deed restriction will ensure the income and rent restrictions remain in place for the remainder of the HTF Period of Affordability.

A recapture of the HTF funds from the borrower will occur at any time during the term of the loan if the borrower fails to abide by the representations made in the application, unless waived by NDHFA. In the event of recapture of the HTF funds, the deed restriction will remain in place for the remainder of the original term of the HTF loan.

X. COMPLIANCE MONITORING

Owners of HTF-assisted properties must remain in compliance with program guidelines throughout the term of the HTF loan. NDHFA will monitor all properties for compliance with HTF program requirements including those related to income and rent limits, cash flow, reserve accounts, insurance coverage, and property condition. Annual compliance monitoring will consist of a desk review of information provided by the project owner and/or a property inspection and review of documentation at the project location. A copy of the HTF Ongoing Compliance Monitoring Manual is provided to all HTF award recipients and is also available on the NDHFA website at www.ndhfa.org.

On a quarterly basis, owners of HTF-assisted properties must provide to NDHFA the HTF Quarterly Report, found on the NDHFA website at www.NDHFA.org.

On an annual basis during the affordability period, owners of HTF-assisted properties must provide, at a minimum, the following items to NDHFA:

- Rental Compliance Report (rent schedule for all Restricted Units), found on the NDHFA website at www.ndhfa.org.
- Audited project-specific financial statements such as a balance sheet, statement of revenues and expenses (income statement), and statement of cash flows.
- Reserve account statements.
- Proof of sufficient property and liability insurance coverage listing NDHFA as mortgagee.
- Documentation supporting the current utility allowance being used (i.e., a copy of the utility allowance table from the local public housing authority)
- A self-certification attesting to the owner's continued compliance with all HTF regulatory requirements contained in 24 CFR Part 93.

NDHFA may charge each HTF-assisted property an annual fee to cover expenses incurred during normal and routine monitoring activities. The fee is currently set at \$50 per property, plus \$40 per Restricted Unit. NDHFA reserves the right to adjust the annual fee as necessary. Additional fees may be assessed to properties determined to be in substantial noncompliance in order to cover the expense of additional monitoring. The HTF compliance monitoring fee should be included in the operating budget of applications for HTF assistance.

Developments which are subject to annual compliance monitoring fees for other programs administered by NDHFA may be eligible for a reduction in their HTF compliance monitoring fee at the sole discretion of NDHFA.

XI. DISCLAIMER OF NDHFA LIABILITY

NDHFA seeks to allocate sufficient HTF assistance to a project to make the project economically feasible. Such decision shall be made solely at the discretion of NDHFA but in no way represents or warrants to any applicant, investor, lender, or others that the property is feasible, viable, or of investment quality.

No member, officer, agent, or employee of NDHFA shall be personally liable concerning any matters arising out of, or in relation to, the allocation of HTF assistance.

XII. MODIFICATION TO THE ALLOCATION PLAN

The Executive Director may make minor modifications deemed necessary to facilitate the administration of the HTF or to address unforeseen circumstances. Further, the Executive Director is authorized to waive any conditions not mandated by federal statute or regulation on a case by case basis for good cause shown. As a matter of practice, NDHFA will document any waivers from the established priorities and selection criteria of this Allocation Plan and will make this documentation available to the public, upon request.

North Dakota Housing Finance Agency
2624 Vermont Avenue
PO Box 1535
Bismarck, ND 58502-1535

800/292-8621 or 701/328-8072
800/366-6888 (TTY)
www.ndhfa.org - info@ndhfa.org

