2022 Annual Report
40 years of affordable housing
North Dakota Housing Finance Agency is a self-supporting and mission-driven state agency dedicated to making housing affordable for all North Dakotans. We offer affordable home financing to low- to moderate-income families, and help to ensure the continued availability of suitable rental housing for households of modest means, while focusing on the overall housing needs of our state’s growing communities.

Service

We are knowledgeable, passionate and committed to making continuous improvements and providing the best service to current and future clients.

Teamwork

We hold ourselves accountable as industry leaders and collaborate with our housing partners to enhance communication and innovation.

Integrity

We lead with truth and honesty and pledge to treat those we serve with respect and integrity.

Compassion

We appreciate the perspective of others and genuinely care about our clients, co-workers and partners in housing.

2020-2025 STRATEGIC PLAN CORE PRIORITIES

- Homeownership
- Multifamily Financing and Development
- Compliance Monitoring
- Collaboration
- Staff Development
North Dakota Housing Finance Agency (NDHFA) marked 40 years as a standalone state agency in 2022.

The agency was formed when the United States was experiencing a significant economic recession that pushed mortgage rates to a high of 18%. In response, a housing task force brought forth an initiated measure that asked North Dakota's voters to allow the state to offer tax-exempt mortgage financing. It was approved and, to date, more than 47,000 first-time homebuyers have benefited.

Last spring, a volatile bond market that saw the Federal Reserve making frequent interest rate increases sparked conversations about NDHFA’s origin. Later, in the fall, the agency released a Statewide Housing Needs Assessment that we are looking at to guide our future. As we plan, we are very aware of the role our programs, both existing and those in development, play in the lives of state residents.

Currently, more than 70% of NDHFA’s borrowers use our down payment and closing cost assistance. The demand is attributed not only to higher interest rates, but also to home sales prices increasing more than 51% over the past decade while household income has only grown 41%. With a large population of young people expected to enter the home buying stage of their life over the next decade, we anticipate there will be increased demand for our homeownership programs.

Over the past decade, rents increased by 49%. As the assessment's projections indicate that the largest population increases will be in extremely low-income to moderate-income households. NDHFA anticipates the demand for affordable rental housing and supportive service will increase accordingly.

Finally, North Dakota's housing stock is aging, more than half over 50 years old, and the cost of new construction presents issues with having a quality housing inventory in the future. With adequate funding and the flexibility of state and agency funded programs, NDHFA can fill financing gaps that federal programs cannot support.

As we move forward, working to address the housing challenges presented, NDHFA pauses to celebrate what we have accomplished this past year in our quest to ensure that every North Dakotan has a safe, decent, and affordable place to call home.

2022 HIGHLIGHTS

- National Mortgage News and Best Companies Group named NDHFA one of the 2022 Best Mortgage Companies to Work For.
- NDHFA awarded a $72,840 housing counseling grant from the U.S. Department of Housing and Urban Development (HUD) to support services for renters and households experiencing or at risk of homelessness.
- A Resilient Homebuyer program administered by NDHFA on behalf of the City of Minot ended after providing 76 households impacted by the 2011 Souris River flood with $4.5 million in purchase assistance.
- NDHFA assisted the ND Department of Health and Human Services in launching ND Help for Homeowners to aid homeowners with past-due mortgage payments, utilities, and other housing-related costs. Approximately 300 of the agency’s borrowers received assistance.
- HUD awarded a $2.1 million competitive grant to the Homeless Continuum of Care, to support the work of organizations that house or provide support services to people experiencing homelessness. NDHFA is the collaborative applicant.
- The Homeless Continuum of Care with assistance from a Youth Action Board awarded nearly $2 million through the HUD’s Youth Homelessness Demonstration Program to local service providers.
- NDHFA’s North Dakota Roots program broke a record. The agency purchased 429 Roots loans valued at $119 million.
- Finally, HUD’s National Servicing Center ranked NDHFA as a Tier 1 Federal Housing Administration loan servicer for FY 2022. The fifth year running in which the agency achieved the ranking.
HOMEOWNERSHIP

Homeownership is traditionally one of the most coveted goals of individuals and families, providing a household with security and stability.

NDHFA’s programs are available to a broad range of potential buyers, and we strive to make the dream of homeownership a reality for all North Dakotans. This goal could not be achieved without the dedicated lenders and real estate agents who promote our programs, working hard to make the dream of homeownership a reality.

FirstHome™

FirstHome provides affordable mortgage loans to low- to moderate-income first-time homebuyers. In 2022, 1,460 households (sum of family size 2,897) used the program, 71 percent receiving some form of down payment and closing cost assistance.

<table>
<thead>
<tr>
<th>AVERAGE AGE</th>
<th>AVERAGE INCOME</th>
<th>AVERAGE PURCHASE PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>32</td>
<td>$64,123</td>
<td>$202,459</td>
</tr>
</tbody>
</table>

FirstHome Purchase Price vs. Income

Average Purchase Price | Average Income


$0 | $50,000 | $100,000 | $150,000 | $200,000 | $250,000

Average Purchase Price
Average Income
North Dakota Roots

Through North Dakota Roots, NDHFA provides individuals and families who may have previously owned a home or whose income exceeds the limits of the agency’s FirstHome program with down payment and closing cost assistance and affordable home financing. Roots can also be used to refinance residential real estate loans. In 2022, 429 households (sum of family size 1,291) used our Roots program, 44 percent receiving some form of down payment and closing cost assistance.

**ND Roots Purchase Price vs. Income**

- **Average Age**: 37
- **Average Income**: $109,428
- **Average Purchase Price**: $305,488
HomeAccess assists low- to moderate-income buyers who are single parents, honorably-discharged veterans, or who have household members who are elderly or disabled. In 2022, 108 individuals were assisted. The greatest number of program users are single parents at 79 percent.

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**HomeAccess Purchase Price vs. Income**

- Average Purchase Price
- Average Income

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MULTIFAMILY HOUSING: DEVELOPMENT

NDHFA works with development partners to create and preserve affordable multifamily housing in urban and rural communities. Federal and state funded programs administered by the agency provide equity to reduce debt, which results in more affordable rents for low- to moderate-income wage earners, older adults, persons with disabilities and individuals experiencing or at risk of homelessness.

Multifamily Housing Projects Awarded Funding

CommunityWorks North Dakota and Mountain Plains Equity Group were awarded $813,000 in 9% Low Income Housing Tax Credits (Housing Credits) that will provide an estimated $7 million in project equity and $2.25 million through the HOME Investment Partnerships Program for Century View Apartments, a 40-unit, family-friendly complex. The total development cost of the Bismarck project is estimated to be $11.2 million.

The Fargo Housing and Redevelopment Authority was awarded $724,000 in 9% Housing Credits and $1.05 million in 4% Housing Credits that will provide an estimated $15 million in project equity and $3.4 million through the Housing Trust Fund to support the demolition of the existing Lashkowitz Highrise to develop Lashkowitz Riverfront Four and Nine, providing a combined 110 new housing units. The estimated cost of the Fargo projects is $33.9 million.

The Turtle Mountain Housing Authority was awarded $537,716 in 9% Housing Credits that will provide an estimated $4.5 million in project equity for Veterans Village, the construction of a 20-unit apartment complex for individuals and families. The total cost of the Belcourt project is estimated at $5.3 million.

Community Homes was awarded $918,750 in 9% Housing Credits that will provide an estimated $7.3 million for the acquisition and rehabilitation of Washington Court Apartments, preserving 96 units of affordable housing occupied by individuals and families. The estimated cost of the Bismarck project is $14.6 million.
Completed Projects

Lewis & Clark Development Group’s renovation of Boulevard Avenue Apartments provides 120 units of affordable rental housing. NDHFA supported the redevelopment by issuing multifamily housing bonds that provided $8.58 million in construction financing, awarded $442,348 in Housing Credits through the Low Income Housing Tax Credit (LIHTC) program which generated roughly $3.85 million in project equity, and provided an additional $800,500 through the state’s Housing Incentive Fund (HIF). The developer also assumed a $2.85 million HIF loan provided by NDHFA when the property was converted into affordable housing by Ruth Meiers, the previous property owner.

Elliot Place, a Fargo Housing and Redevelopment Authority project, created 84 new units of supportive senior housing. NDHFA awarded the project $1,128,016 in Housing Credits through the LIHTC program, $2.2 million from the Housing Trust Fund (HTF), and $3 million from HIF.

Sierra Townhomes is the third and final phase of a redevelopment project spearheaded by the Housing Authority of Cass County and Beyond Shelter, Inc. The first two phases being Monterey and Brighton Place, apartments for income-qualified residents aged 62 and older. NDHFA awarded $804,375 through the LIHTC program that provided approximately $7.4 million in project equity.

Souris Heights, is a 54-unit supportive senior housing complex developed by Beyond Shelter, Inc. in Minot. NDHFA awarded the project $1,757,026 through HIF.
Multifamily housing constructed or rehabilitated with state and federal programs must meet financial and structural compliance. NDHFA ensures compliance with program requirements by making property managers aware of housing program laws, rules, regulations and policies. By providing customized trainings and on-site monitoring reviews, NDHFA guarantees individuals and families are safely living in their homes. In 2022, NDHFA oversaw compliance for more than 10,000 housing units.

NDHFA Multifamily Housing Compliance Monitoring Unit Totals By County

Multifamily housing development and rental subsidy programs administered and monitored by NDHFA include Low Income Housing Tax Credit, National Housing Trust Fund, Housing Incentive Fund, HOME Investment Partnerships Program, Neighborhood Stabilization Program, Section 8 Contract Administration, Rural Housing Rehab and Law Enforcement Housing Pilot Program.
NDHFA compassionately reinvests profit earning into grant programs that can rehabilitate single and multifamily housing primarily occupied by low-income households and individuals with physical disabilities. The intent is to remove barriers to address accessibility issues and allow individuals to remain in their home as long and as safely as possible. Some of the programs are administered in conjunction with non-profit organizations and tribal entities.

**Rehab Accessibility Program (RAP)**

During FY 2022, through RAP, NDHFA awarded grant dollars for accessibility upgrades to properties occupied by lower-income North Dakotans with physical disabilities. A maximum of $5,000 may be awarded for each project. A minimum 25 percent match is required.

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

Helping HAND funding is available to non-profit organizations (by invitation only) to support the needs of lower-income homeowners through grants targeted to single family housing rehabilitation.
Opening Doors Landlord Risk Mitigation Fund (Opening Doors)

Opening Doors provides participating households with an opportunity to access housing, while protecting the property and investment of property owners. Tenants with poor credit, a history of evictions or a criminal record work with a care coordinator to secure housing, receive support services and mediate any disputes with the landlord. Landlords receive financial coverage beyond a security deposit if a participant causes excessive damage or loss of revenue.

<table>
<thead>
<tr>
<th>HOUSEHOLDS COVERED</th>
<th>CURRENTLY ENROLLED</th>
<th>CLAIMS PAID</th>
<th>SERVICE PROVIDERS</th>
<th>PARTICIPATING ORGANIZATIONS</th>
<th>HOUSEHOLDS COMPLETED INITIAL LEASE TERMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>37</td>
<td>11</td>
<td>9</td>
<td>165</td>
<td>18</td>
<td>12</td>
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</tbody>
</table>
As a self-funded agency, NDHFA does not receive any general fund dollars for its operations. Revenue generated through the servicing of mortgage loans covers the cost of salaries, operational expenses, professional service contracts, technology and equipment. Fees received for administering federal programs also cover salaries and operational expenses. The Housing Incentive Fund is the only state-funded program overseen by NDHFA. Any excess agency revenue is re-invested into grants specifically created to address housing challenges for residents and communities. The following information highlights programs administered in 2022.

### HOMEOWNERSHIP

<table>
<thead>
<tr>
<th>Service</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Servicing Revenue</td>
<td>$4,876,440</td>
<td>11,587 loans serviced by NDHFA</td>
</tr>
<tr>
<td>Total Servicing Portfolio</td>
<td>$1,831,486,858</td>
<td>12,352 loans</td>
</tr>
</tbody>
</table>

### PROPERTY MANAGEMENT

<table>
<thead>
<tr>
<th>Service</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Administration</td>
<td>$12,469,949</td>
<td>Rental subsidy payments on behalf of HUD</td>
</tr>
<tr>
<td>Moderate Rehabilitation</td>
<td>$375,067</td>
<td>Rental subsidy payments on behalf of HUD</td>
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</tbody>
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### PLANNING AND HOUSING DEVELOPMENT

<table>
<thead>
<tr>
<th>Service</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Helping HAND</td>
<td>$200,000</td>
<td>NDHFA funded grant</td>
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<tr>
<td>HOME Program</td>
<td>$3,000,039</td>
<td>HUD program transferred from the ND Department of Commerce</td>
</tr>
<tr>
<td>Housing Incentive Fund</td>
<td>$9,500,000</td>
<td>Biennium allocation from State of North Dakota</td>
</tr>
<tr>
<td>Housing Market Survey Grant</td>
<td>$25,000</td>
<td>NDHFA funded grant</td>
</tr>
<tr>
<td>Low Income Housing Tax Credit</td>
<td>$2,975,000</td>
<td>U.S. Department of Treasury allocation</td>
</tr>
<tr>
<td>National Housing Trust Fund</td>
<td>$2,982,433</td>
<td>HUD program administration</td>
</tr>
<tr>
<td>Rehab Accessibility Program</td>
<td>$100,000</td>
<td>NDHFA funded grant</td>
</tr>
</tbody>
</table>

### ND HOMELESS CONTINUUM OF CARE

<table>
<thead>
<tr>
<th>Service</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ND Continuum of Care</td>
<td>$2,109,247</td>
<td>HUD program administration</td>
</tr>
<tr>
<td>Youth Homeless Demonstration Program</td>
<td>$1,975,377</td>
<td>HUD program administration for 2021 and 2022</td>
</tr>
</tbody>
</table>
EMPLOYEE CULTURE

In 2022, NDHFA marked 40 years as a standalone agency. Throughout the year, NDHFA employees participated in fun and interactive activities such as employee sponsored events, charitable contributions and volunteering. Click below to look back on our 40th year.

watch video
INDUSTRIAL COMMISSION

NDHFA is overseen by the North Dakota Industrial Commission

ADVISORY BOARD

NDHFA’s advisory board is made up of representatives of the mortgage lending, residential real estate and mobile home and manufactured housing industries. The board advises the Industrial Commission on the agency’s business activities.

Ninetta Wandler, Chairman
Representative of Realtors
RE/Max Realty, Dickinson

Joe Sheehan, Board Member
Representative of Lenders
Benchmark Mortgage, Bismarck

Lisa Rotvold, Vice Chairman
Representative of Homebuyer/Homeowner
Hillsboro

Kevin Hanson, Board Member
Representative of Lenders
Gate City Bank, Fargo

Jim Farnsworth, Board Member
Representative of Manufactured Housing
Retired, Bismarck

Larry Nygard, Board Member
Representative of Builders
Roers Companies, Fargo

Governor
Doug Burgum

Agriculture Commissioner
Doug Goehring

Attorney General
Drew H. Wrigley