



# 2024 ACTION PLAN FOR THE NORTH DAKOTA CONSOLIDATED PLAN 2020-2024

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# Executive Summary

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

### 1. Introduction

The Annual Action Plan (Action Plan) prepared each year to inform the public of the State's annual plan for the administration of 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 program. North Dakota Housing Finance Agency (NDHFA) administers HOME, HTF and ESG programs.

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; and other actions required by U.S. Department of Housing and Urban Development (HUD). 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.

Beginning in 2019, the State of North Dakota prepared its Five-Year Consolidated Plan (Con Plan), covering the program years 2020 - 2024. The ConPlan 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 5th year of that five-year plan, the 2024 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 accomplishes these goals by 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 and 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.

The State's evaluation of program performance is completed using the Consolidated Annual Performance and Evaluation Report (CAPER). Past CAPERs can be found on DCS and NDHFA's websites at: <http://www.communityservices.nd.gov/communitydevelopment/ConsolidatedPlan/> and <https://www.ndhfa.org/index.php/consolidated-plan/>. The allocation and program distribution statements continue to support the goals identified in the Con Plan.

**CDBG:** The CDBG Program provided financial assistance to eligible units of local Governments in the form of grants for public facilities, housing rehabilitation, public services, and economic development projects. Housing projects include rehabilitation of low to moderate 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 grant to businesses which create jobs for low-income persons. CDBG activities and accomplishments report showed the program had funded a total of \$1.5 million for projects in FY2022 program year. CDBG assisted 20,120 persons with enhancing public facilities and infrastructure, two businesses in economic development, 41 multi-family units rehabbed, and no persons were assisted for public services.

**ESG:** 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. In FY23 the program transferred to NDHFA. Substantial work has been completed during the last program year to develop program policy and procedures and fund subrecipients who are able to meet policy demands. NDHFA is using FY23 and 24 to evaluate current program criteria and determine if changes are needed for the next consolidated planning process.

**HOME:** In September 2024, the HOME multifamily production annual application round was held and a total of 6 applications were received requesting over \$5.8 million in HOME funds an oversubscription of \$3.1 million. Three conditional commitments were provided, two awarding additional funds to existing HOME Commitments as allowable for projects not yet completed, and one for the new construction of 40 senior units in Fargo. The oversubscription of the application round indicates continued need to fund rental production and rehabilitation. The homeowner rehabilitation activity is delivered through the Community Action Agency Partnerships (CAAs). NDHFA continues to work with CAAs to implement new polices and procedures for the program. Funds will continue to be set-aside for homebuyer down payment, single-family rehabilitation, and multifamily rental production and rehabilitation.

**Housing Trust Fund (HTF)** The HTF application round was held in September 2024. A total of 3 applications were received requesting over \$5.6, an oversubscription of over \$2.7 million. One application received a conditional commitment for \$2,876,350 for a new construction senior project (40 units) located in Fargo.

All Home and HTF multifamily rental projects under construction are progressing. Currently there are 11 HOME and HTF projects (501 total units) under construction or completing due diligence work to obtain a written commitment. The CAAs and Grand Forks Housing Authority have been slow to access set-aside funds from prior allocation years citing staff capacity and contractor shortages as primary barriers. NDHFA will reallocate any unapplied for HOME funds that were set aside for single-family rehabilitation and homebuyer downpayment assistance to multifamily rental and production in order to facilitate timely commitment deadlines.

#### **4. Summary of Citizen Participation Process and consultation process**

Summary from citizen participation section of plan.

The State followed its Citizen Participation plan by holding public hearing to review the priorities and goals outlined in the current Consolidated Plan. The hearing was held in person and was accessible virtually through Microsoft Teams or by telephone. The State then held public comment periods and hearings to obtain input on the draft program distribution statement and allocation plans for each program. Input was received from participants on needs and the barriers to getting public services, housing, and adequate infrastructure into their respective community. A full list of participants, the legal notices, and comments or summaries of comments received for all public meetings are attached in the Citizen Participation attachment. The draft annual action plan was then made available for a 30-day comment period beginning on April 12, 2024. All notices for public hearing and comment period follow the same notification process: publication in all daily newspapers two week prior to hearing or comment period, distribution to the ConPlan GovDelivery mailing list, notification to the state library listserv, publication on DCS and NDHFA websites, and a reminder email is sent prior to the opening comment period. Meetings are held in person in an accessible location as well as virtual participation options through Microsoft Teams. Printed copies of the plan are available upon request.

## **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.

Generally the comments received throughout the consultation and plan drafting periods supported the priorities identified in the ConPlan and AAPs. Copies of all comments received are included in the Citizen Participation attachment of this plan.

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

Consideration was taken per the CDBG comment to allow planning grants. At this time, DCS has determined there are alternative funding sources for planning grants. Planning grants take away from the administration line item and DCS cannot afford to cut the administration line item as it is already very small.

## **7. Summary**

Data gathered during the public needs input meeting indicates the goals identified in the ConPlan are still relevant priorities for North Dakota. In 2022, NDHFA commissioned a Statewide Housing Needs Assessment update (SHNA). The full report is available at <https://www.ndhfa.org/index.php/publications/>. The SHNA data shows continued increase in renter households, increases in ELI and VLI households, and population trends indicating growth in 65 and older households. All data supports the goals and strategies in the ConPlan. 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.

<b>Agency Role</b>	<b>Name</b>	<b>Department/Agency</b>
CDBG Administrator	NORTH DAKOTA	Division of Community Services
HOME Administrator	NORTH DAKOTA	North Dakota Housing Finance Agency
ESG Administrator	NORTH DAKOTA	North Dakota Housing Finance Agency
	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, Annual Action Plans, and CAPER performance report. DCS administers CDBG, NDHFA administers HOME (effective July 1, 2021) and Housing Trust Fund (HTF) and ESG (effective July 1, 2023)

**Consolidated Plan Public Contact Information**

Maria Effertz, Director



## **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 provided 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 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 North Dakota Continuum of Care (NDCoC). The NDCoC is responsible for data collection, resource development, and the coordinated entry system for the State of North Dakota.

DCS works with the ND League of Cities (NDLC) to set up training events with ND city officials to educate community leaders on CDBG programs, allowable activities, and changes to the program. DCS also works with a third party for technical assistance and meets semi-monthly. Training videos can be found on our website that can help potential applicants applying for funds.

The State attends supportive housing collaborative meetings that are coordinated by Money Follow 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 Health and Human Services (DHHS). 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 the specific need for

PSH projects in certain communities. The State continues to implement 1915(i) state plan amendment which allows tenancy supports for eligible individuals.

The State is working with Behavioral Health Division to create permanent supportive housing quality standards that must be incorporated into projects that receive funding for providing supportive services.

Through ERA funding, DHHS has created housing facilitators to provide tenants who receive emergency rental assistance tenancy supports to ensure transition off of rental assistance does not result in crisis. Showing success through housing facilitation may lead to permanent programs.

Money Follows The Person (MFP) Housing coordinates annual landlord trainings as part of the Housing/Services Collaborative work. Both housing providers and service providers attend the training sessions. Sessions include fair housing, assistive animals, evictions, rental subsidy, and other topics related to housing.

**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**

Effective July 1, 2023, the ESG program administration transferred to NDHFA, who serves as the CoC Collaborative Applicant. Currently, the ESG program works with the 9 ESG-funded agencies in the state and the North Dakota Continuum of Care (NDCoC) to identify and address the needs of the homeless and the chronic homeless. The NDCoC continues to increase membership annually and currently has over 189 members representing 93 agencies. Through statewide meetings with providers, coordination efforts continue to improve to better serve the needs of individuals and families experiencing homelessness. Institute for Community Alliances (ICA), the state's HMIS Lead, is funded through ND CoC, ESG, and the state ND Homeless Grant (NDHG). The State is continuing to work with NDCoC to increase the effectiveness and efficiency of the priority list.

NDHFA has worked with DHHS to implement the DOJ Settlement Agreement related to housing services. The settlement focuses on the State providing integrated community settings for individuals with physical disabilities. The plan includes incorporating informed choice into discharge planning from hospitals and long term nursing care facilities. Strategies identified in the plan include assuring connections between housing and home and community-based service resources to support stable tenancy for individuals with physical disabilities. NDHFA works with DHHS aging services division to formulate and execute implementation strategies related to permanent supportive housing.

NDHFA works with the Department of Corrections (DOC) to support Free Through Recovery and Community Connect Programs which provide community based recovery supports to justice involved individuals. Support includes administration of Opening Doors Landlord Risk mitigation program.

**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**

ND Statewide Continuum of Care is active in the development of the State's Emergency Solutions Grant and ND Homeless Grant allocation plans including providing input of the draft plans and participation in the public input hearings. Both ND CoC and NDHFA staff review and rank ESG applications. ESG funds are allocated based on the priority needs as established in the 2020-2024 Consolidated Plan (Con Plan).

ESG applicants are required to be members of the ND CoC. The State and the ND CoC have collaborated on the Written Standards for ESG and the Continuum of Care Programs, these standards are included as an attachment to this plan. The CoC Program interim rule requires that these standards be developed in consultation with the ESG program administration and CoC membership. All policies and procedures, including the operation and administration of HMIS are reviewed and approved by the ND CoC and HMIS Lead agency annually.

ESG applicants are required to utilize the HMIS and Coordinated Access, Referral, Entry and Stabilization System (CARES) the regional coordinated entry system serving North Dakota and West Central Minnesota. Domestic violence service providers must establish and operate a CoC approved comparable database that collects client level data over time and can generate unduplicated aggregate reports based on the data. HMIS is administered by the Institute for Community Alliances (ICA) who assists NDHFA and ND CoC in providing training and resources to users and monitors quality data entry. A key priority for the upcoming year is to continue to offer HMIS training sessions for users to increase the accuracy of data entry and CARES. In FY23 The State and ND CoC also worked with ICA to create a coordinated entry coordinator position. This position is currently vacant and ICA is working on hiring an individual who will be responsible for list management and referrals. The goal is to ensure the referral process is streamlined and that agencies are managing list data appropriately.

The State, ICA, and ND CoC coordinator meet regularly to address issues that the sub-recipients are experiencing.

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

Agency/Group/Organiz ation	Agency/Group/Orga nization Type	What section of the Plan was addressed by Consultation?	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?
Attached in Citizen Participation Attachment			

**Table 2 – Agencies, groups, organizations who participated**

**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	Ensuring homelessness is rare, brief, and non-recurring by, increase use and quality data input of HMIS system. Increase use of coordinated entry and assessment points.
Medicaid 1915(i) State Plan Amendment	ND DHS Behavioral Health Division	Expanding HCBS benefits for individuals with behavioral health conditions. Benefits include pre- and post-tenancy supports for individuals to be successful in affordable housing.
ND Behavioral Health Plan	ND DHS Behavioral Health Division	Expand supportive housing. Centralized use of coordinated entry. Implement health is housing strategy.
ND DOJ Settlement Agreement Implementation Plan	ND DHS-Aging Services Division	Widen array of services including housing-related supports.

**Table 3 - Other local / regional / federal planning efforts**

**Narrative**

To increase input and coordination in the consultation and citizen participation process, the State developed a ConPlan mailing list using GovDelivery to email the public notices directly to organizations and individuals. There are over 500 individuals included in the mailing outreach

list. Organizations represented include public housing agencies, housing developers, CoC members, service providers for children, elderly, persons with disabilities, victims of domestic violence, homeless, health, education, employment, regional and local organizations and governments. In addition, the State Library Listserv was provided all public notices to provide the notices at local community libraries. A copy of the current outreach list is included in the citizen participation attachment to this plan.

## **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**

The State followed its Citizen Participation plan by arranging a public hearing to review the priorities and goals outlined in the current Consolidated Plan. The hearing was held on January 22, 2024, participation was available in person and virtually through Microsoft Teams or by telephone. Input was given on what the communities of North Dakota need and the barriers to getting public services, housing, and adequate infrastructure into their respective community. A full list of participants, the legal notice, are attached in the Citizen Participation information.

Generally comments received supported the priorities identified in the ConPlan. Comments indicated the need for additional funding to support emergency shelters and to support individuals with supports such as security deposit, furniture, and household supplies. Continued support of the rental allocation plan priorities including universal design and tenant support coordination. NDHFA recognizes that all housing and homeless program funding is oversubscribed and will continue to educate federal and state appropriators on the need for increased funding.

Once the initial input meeting is held, individual hearings are held on the draft distribution and allocation plans for each program. Public hearings for the draft HOME and HTF allocation plans was held March 5, 2024. A summary of the comments and participants is included in the citizen participation attachment. A hearing for ESG plan development was held March 6, 2024. Comments were directed primarily towards the ND Homeless Grant to increase flexibility of program requirements. CDBG input meeting was held on March 11, 2024. Participants were asked to provide input on the development of the draft program distribution statement. A list of participants is included in the citizen participation attachment. Generally, participants were interested in how the CDBG program can be used and not of lot of input on plan development was received.

See Citizen Participation Attachment for details of the comments received during the Annual Action Plan Public Input meetings and comment period.

To increase input and coordination in the consultation and citizen participation process, the State developed a ConPlan mailing list using GovDelivery to email public notices directly to organizations and individuals. There are over 500 individuals included in the mailing outreach list. Organizations represented include public housing agencies, housing developers, CoC members, service providers for children, elderly, persons

with disabilities, victims of domestic violence, homeless, health, education, employment, regional and local organizations and governments. In addition, the State Library listserv was provided public notices to provide to local community libraries. A copy of the current outreach list is included in the citizen participation attachment.

**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	Public Meeting	Minorities Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	Attendance: NDCoC Coordinator, Beyond Shelter- Affordable Housing, Minot Housing Authority, Grand Fork Housing Authority, Presentation Partners in Housing, Money Follow the Person, Community Action Partnership of ND, CR Builders-Affordable Housing Developer, SENDCAA-Community Action Agency, Centers for Supportive Housing,	Missouri Slope United Way- Emergency Shelter Funding needed. MFP- expand the eligible costs of ESG to household furniture. Support for universal design (accessibility requirements) and tenant support coordination points in the HOME and HTF plans.	No changes ESG eligible activities, household furniture is not eligible per regulations.	

2	Newspaper Ad	<p>Minorities</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p>	<p>Published in daily newspapers. PUBLIC NOTICE STATE OF NORTH DAKOTA NOTICE OF PUBLIC HEARING FOR FY2024 COMMUNITY Needs The North Dakota Department of Commerce Division of Community Services (NDDCS) and North Dakota Housing Finance Agency (NDHFA) will hold a public hearing on January 22, 2024, at 10:00 a.m., CT, to gather input on and to prioritize North Dakota's needs for affordable and special needs housing, services for individuals who are homeless, public facilities, and economic development assistance. The FY2024 Annual Action Plan (AAP) will outline how the State will allocate dollars for the federal Community Development Block Grant, HOME Investment Partnerships</p>	attached	attached	
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			<p>Program, Emergency Solutions Grant, and National Housing Trust Fund, and prioritize which activities will be funded. Communities, organizations, and citizens are encouraged to comment, either in writing or during the hearing, to help the State identify and prioritize needs to create opportunities that are in the best interest of North Dakota citizens. The comments received will be used in the development of the AAP. Written comments may be submitted until 5:00 p.m., CT, on Jan. 18, 2024, by email to <a href="mailto:dcs@nd.gov">dcs@nd.gov</a> or <a href="mailto:hfainfo@nd.gov">hfainfo@nd.gov</a>, or by mail to NDDCS, Attn Maria Effertz Hanson at PO Box 2057, Bismarck, ND 58502-2057. Access to the hearing will be in-person or via Microsoft Teams (virtual or</p>			
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			<p>audio-only). NDHFA Board Room2624 Vermont Avenue Bismarck, ND 58502Microsoft TeamsFrom a browser (virtual): <a href="https://bit.ly/3H5reQP">https://bit.ly/3H5reQP</a>Call-in (audio only): (701) 328-0950, Conference ID: 178 988 641The meeting space reserved is accessible to individuals with physical disabilities. Requests for accessibility or translation assistance should be directed to the 504 Coordinator Tonya Forderer one week prior to the hearing at 701-328-5300, 711 (Voice or TTY), 800-435-8590 (Español), or <a href="mailto:dcs@nd.gov">dcs@nd.gov</a>.This recipient does not discriminate in admission or access to, or treatment or employment in, its federally assisted programs and activities.</p>			
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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)
			Una traducción al español de este documento está disponible en <a href="http://www.ndhfa.org">www.ndhfa.org</a>			
3	Internet Outreach	<p>Minorities</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p>	attached	attached	attached	<a href="http://www.ndhfa.org">www.ndhfa.org</a>

**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;
- ESG Program, administered by North Dakota Housing Finance Agency, NDHFA; effective July 1, 2023.
- HOME Program, administered by North Dakota Housing Finance Agency, NDHFA;
- HTF Program, administered by North Dakota Housing Finance Agency, NDHFA.

Contingency Provision: All annual allocations identified are estimated based on the prior year allocation. HUD has yet to announce the FY2024 allocation for CDBG, HOME, HTF or ESG. For HOME and HTF any additional funds will be allocated towards rental production and rehab activities and will follow the scoring criteria identified in the method of distribution section (AP-35). Increases in ESG allocation will be distributed using the selection criteria identified in AP-35. An increase or decrease in CDBG FY2024 HUD allocation will be allocated to enhance local public infrastructure and follow the CDBG method of distribution in AP-35. As Governor's funds are awarded the decrease in CDBG prior years

resources will be reduced among the eligible activities proportionately.

**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	3,849,554	226,710	11,004,301	15,080,565	0	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	57,504	640,000	3,697,504	0	The HOME program is focused on three housing priorities: single-family rehabilitation, multifamily rental production and rehabilitation, and homebuyer down payment assistance. Single-family rehabilitation will be administered by eligible Community Action Agencies as subrecipients. The homebuyer down payment assistance program will be administered as a pilot program with the Grand Forks Community Land Trust. The remainder of the funds are reserved for multifamily rehabilitation and construction including the CHDO set-aside. Up to \$50,000 CHDO reserve may be used for CHDO operating if requested. Ten percent of the annual allocation is set-aside for administration.

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	486,494	0	50,000	536,494	0	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	23,938	0	3,023,938	0	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. HOME and HTF programs are awarded in conjunction with the LIHTC program and plans are written to align scoring priorities among the MF programs.



### **Community Development Block Grant**

The Federal resources listed include the revolving loan fund. Projects administered by the state generally are designed to require the use of other funds to complete projects. CDBG funds do not pay for engineer/architect fees or contingencies. Even though it may be small, the Unit of General Local Government (UGLG) will have some buy in into the project. CDBG economic development projects require a 50 percent match of other funds. For public facilities, public services, and housing, specific match amounts are not required. If awarded project costs are not enough to cover the entire project, at a minimum local match is required to fully cover the remainder of the project costs. Match amounts proposed by the applicant should be determined by what is reasonable considering the resources available to the applicant. Points will be awarded on a high, moderate, and low scale pertaining to the applicant's efforts on finding other sources of funding before applying for CDBG funds. Additional points will be awarded to UGLG's that have other sources of funds going into the project for costs other than engineering/architect fees, contingencies, and administration. Administrative costs that are required to be matched for the CDBG program is included in the DCS budget.

### **HOME Investment Partnerships Program**

The HOME allocation plan 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, multifamily development 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**

Homeless response system funding includes NDCoC, ESG, State funded ND Homeless Grant to support local government and non-profit organizations' community response. In FY2024, the State will contribute 100 percent of general funds for the ESG match requirement. Today this is an estimated \$386,494. 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 publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

Not applicable

**Discussion**

DCS will be holding an open application round May 30 - July 25 for eligible CDBG projects that consist of public facilities, public services, and housing. The scoring and ranking during this application round will be held at the state level and will consist of various persons from entities throughout the state to form a scoring and ranking committee. The Governor's funds will be used for eligible economic development, housing, public facilities, and public services projects. These applications will be allowed to come in 7/1/24 - 6/15/25. DCS staff will be responsible for reviewing, scoring, and sending the pre-application on to the Governor's Office. The Governor's Office will then review and use the same weighted criteria for scoring. DCS' score plus the Governor's Office score will be combined and averaged for the overall total. Depending on the average score, the applicant may be awarded up to a certain percentage of funds requested. All projects awarded through the Governor's funds will come from revolving loan funds converted to program income. Any unobligated and/or deobligated funds as of July 31, 2025 will be made available through a special funding round, and/or added to the following years allocation, and/or used for amendment for open projects. Further details about the scoring of projects can be found in the 2024 CDBG Program Distribution. DCS is leaving 10% of the CDBG FY2024 HUD allocation unobligated. These funds will be used for amendments during the fiscal year on projects that may arise with unexpected circumstances, such as an environmental review that needs an ASTM Phase 1, increase in materials from time of pre-application to actual bidding, etc.

HOME program expected resources includes \$640,000 in prior year project funds which were not applied for from the 2023 Homeowner Rehabilitation and Homebuyer Down Payment activities delivered through Community Action Agencies and Grand Forks Community Land Trust set-asides. The AAP and HOME allocation plan includes provisions to reallocate any prior year unapplied funds to multifamily rental production and rehabilitation. A total of \$50,000 of CHDO Reserve may be used for CHDO Operating if requested by an approved CHDO.

## 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: \$3,133,364 HOME: \$3,697,504 ESG: \$536,494 HTF: \$3,023,938	Rental units constructed: 40 Household Housing Unit Rental units rehabilitated: 125 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: \$486,494	Tenant-based rental assistance / Rapid Rehousing: 200 Households Assisted Homeless Person Overnight Shelter: 3500 Persons Assisted Overnight/Emergency Shelter/Transitional Housing Beds added: 4 Beds Homelessness Prevention: 250 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	Vital Public Facilities Special Needs Populations	CDBG: \$611,183	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 2000 Persons Assisted Public service activities other than Low/Moderate Income Housing Benefit: 200 Persons Assisted
4	Encourage Economic Development	2020	2024	Non-Housing Community Development	Statewide	Economic Development	CDBG: \$5,000,000	Businesses assisted: 5 Businesses Assisted
5	Enhance Local Public Infrastructure and Planning	2020	2024	Non-Housing Community Development	Statewide	Priority Infrastructure	CDBG: \$5,806,326	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 7500 Persons Assisted

**Table 6 – Goals Summary**

### Goal Descriptions

1	<b>Goal Name</b>	Increase Access to Affordable Housing
	<b>Goal Description</b>	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. A portion of the HOME and HTF funds identified in the funds allocated will be used for administrative purposes as allowable. The CDBG dollars are extremely high as this dollar amount is including revolving loan funds that could possibly be awarded out through the Governor's funds.

2	<b>Goal Name</b>	Support Efforts to Combat Homelessness
	<b>Goal Description</b>	<p>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.</p> <p>The Goal Outcome Indicators have been reduced from what was originally presented in the 2020 Con Plan. These reductions are more realistic numbers to be attained with a yearly ESG allocation under \$500,000. These new numbers are based off of the performance of these funds for the past two years.</p>
3	<b>Goal Name</b>	Support Public Facilities and Services
	<b>Goal Description</b>	<p>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.</p> <p>The Goal Outcome Indicator numbers have been updated from what was previously estimated in the 2020 Con Plan. These numbers are more realistic with the dollar amount allocated and are based on the previous three years. These funds abide by the regulatory 15% CAP.</p>
4	<b>Goal Name</b>	Encourage Economic Development
	<b>Goal Description</b>	<p>This goal provides employment opportunities for low- and moderate-income people and promotes businesses in the State.</p> <p>The Goal Outcome Indicator numbers have been updated from what was originally estimated in the 2020 Con Plan. This is more realistic and is based on the previous three years.</p> <p>Economic development projects awarded during FY24 will use revolving loan funds.</p>

5	<b>Goal Name</b>	Enhance Local Public Infrastructure and Planning
	<b>Goal Description</b>	<p>This goal will fund public infrastructure, such as, but not limited to, water systems, streets, sidewalks, and other vital public facilities.</p> <p>The Goal Outcome Indicator numbers have been updated from what was originally in the 2020 Con Plan. The new numbers are more realistic with the dollar amount allocated and are based on the previous three years. The State has taken out strategic planning from being an allowable project. The CDBG dollars are extremely high as this dollar amount is including revolving loan funds that could possibly be awarded out through the Governor's Funds.</p>

## 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 ConPlan priorities for affordable housing are further supported by the Statewide Housing Needs Assessment conducted in 2022. 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 Allocation Plan, HOME Allocation Plan and the Housing Trust Fund Allocation plans are available in the appendix of this plan, which also outline the methods of distribution and the 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	24	0	4	36	36	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

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. During the CDBG informational meeting held in March there was no discussion or comments pertaining to allocation priorities. The past several years we have not received any applications for public services and the majority of applications that are received are for public infrastructure. Economic development will not have dedicated funding from HUD's FY24 allocation, and instead will use revolving loan funds to fund awarded projects. DCS has been and will continue to work with the North Dakota Department of Commerce Economic Development division to communicate to the communities and businesses in North Dakota of available economic



development funds. Support Public Facilities and Services is listed at only 4% but is 15% of the FY2024 HUD allocation. DCS will adhere to the regulated cap for public services based off of the FY2024 HUD allocation.

**Affordable Housing** Affordable rental housing was identified in the 2020-2024 Consolidated plan as a high priority, particularly those facing housing cost burdens. In 2022 NDHFA published the 202 ND Statewide Housing Needs Assessment (Assessment) [https://www.ndhfa.org/wp-content/uploads/2022/10/HousingNeedsAssessment\\_Condensed.pdf](https://www.ndhfa.org/wp-content/uploads/2022/10/HousingNeedsAssessment_Condensed.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. Population trends through 2025 are expected to increase in households with extremely-low to low income, further supporting the need for affordable housing. The 2020-2024 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.

**Homelessness** The Needs Assessment identified that stable housing continues to be a significant challenge for many individuals living in ND. Housing costs are rising faster than wages increasing the strain on household budgets. 2022 CoC Annual Performance Report indicated a total of 4,732 individuals were struggling with homelessness and receiving services through the state's homeless response system. ESG funds and the State's ND Homeless Grant support the state's CoC homeless response system through subrecipients.

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

**ESG:** Funds will be used for all eligible components including emergency shelter, rapid rehousing and homeless prevention. Funds are competitively allocated to eligible homeless provider organizations. Eligible organizations must demonstrate prior experience serving individuals and households at-risk of or experiencing homelessness, including having staff that have 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 State will be having an open application round 5/30/24 - 7/25/24. Pre-applications for funding will be accepted for Public Facilities, Public Services, and Housing. These pre-applications will be scored and ranked by a committee made up of persons from various agencies throughout North Dakota. These persons are knowledgeable in a wide variety of topics that includes, but not limited to, roads, housing, water quality, etc. All pre-applications will be scored

on specific questions and will be weighted on a varying scale of 1 to 100 per question. Some of the various questions being weighted in the pre-applications are project need, financial need, percentage of low to moderate income in the project area. For full complete details on the questions and weighted criteria for pre-applications, please refer to the FY2024 ND CDBG Program Distribution. Economic Development projects are allowed to come in any time during the year. These applications require a list of items to be submitted to DCS to review that include, but not limited to, a business plan, monthly projections for 3 years, need for funding, production analysis, market and distribution analysis, public benefit analysis, etc. The Economic Development applications will be scored by DCS staff and the Governor's Office on a scale of 100 points. Some of these questions look at the degree of likely benefit to the economy, availability of jobs to LMI persons, and ability to meet job creation requirements. Economic development projects will be funded by the revolving loan fund. At the direction of the Governor's Office, there will be opportunity for applicants to apply any time throughout the fiscal year. These funds are available for economic development, housing, public facilities, and public services. The same process and scoring material will be used, except there will not be a committee. DCS staff and the Governor's Office will score the applications. If awarded, these projects will be funded by the revolving loan fund and will not use funds from FY24 HUD allocation.

**HOME:** The HOME allocation plan 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. Up to \$50,000 in CHDO Reserves may be used for CHDO Operating.

**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:**

**CDBG** The State has not received the HUD allocation for FY2024. Dollar amounts are estimated and will be updated once FY24 HUD allocations are released. If there is an increase or decrease in funding, the dollar amount to enhance local public infrastructure will be adjusted appropriately. The State will hold an open application round for CDBG applicants. This will be open to public facilities, public services, and housing projects. The criteria for approving projects under the CDBG program 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.

### **HOME**

**Single-Family Homeowner Rehabilitation** A total of \$840,000 is set aside for the seven Community Action Agencies(CAA) to implement homeowner rehabilitation programs. Each CAA may apply for funds beginning August 1, 2024. In order to apply, each CAA must have fully expended funds from 2016-2020. If there are uncommitted funds by January 1, 2025, any CAA who has fully drawn down 75 percent of outstanding grant award may apply for additional funds. Any uncommitted funds as of April 1, 2025 will be reallocated to Rental Production and Rehabilitation General Pool funds to be applied for in September 2025.

**Homeowner Down payment Assistance** A total of \$500,000 is set aside for a certified Community Land Trust to implement a homebuyer down payment program.

**Multifamily Rental Production and Rehabilitation** Any remaining HOME program funds will be allocated to the multifamily rental production and rehabilitation projects, this includes a \$450,000 CHDO reserve. HOME project funds for rental production and rehabilitation are committed on a competitive basis through the scoring criteria identified in the 2024 HOME Allocation plan, which is attached to this annual action plan. Applications are due the last business day of September 2024. Applications that meet threshold requirements of the Plan will be scored and ranked with the highest scoring applications receiving conditional commitments until all program funds are committed.

**HTF Program** funds are distributed on a competitive basis in accordance with the 2024 Annual Allocation Plan, attached to this annual action plan. 100 percent of the units funded under HTF must be targeted to extremely low-income households. Applications are due the last business day in September. Application that meet threshold requirements, will be scored and ranked with the highest scoring applications receiving conditional commitments until all funds are committed.

**ESG Program** Funds from the ESG program will be distributed on a competitive basis to eligible applicants. ESG 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**

<b>State Program Name:</b>	Community Development Block Grant (CDBG)
<b>Funding Sources:</b>	CDBG

<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>The purpose of the CDBG PDS is to describe how the state of North Dakota intends to distribute CDBG for public facilities, public services, housing and economic development funds. The State will form a committee to review and rank applications.</p> <p>An open round of applications will be held 5/30/24 - 7/25/24. This is open to eligible cities and counties for projects pertaining to public facilities, public services, and housing. The City or County will need to submit a pre-application. Each applicant will need to meet a CDBG national objective and eligible activity. Applicants will need to submit a preliminary engineering/architectural report with their pre-application. Applicants will need to demonstrate the following items in their application: project need, financial need, minority living in project area, LMI in project area, and project readiness. Applicants that provide; or already have on file with Commerce, a strategic/action plan will get additional points. Additional points will also be given to applicants that have other sources of funds going into the project for costs other than engineering/architect fees, contingencies, and administration.</p> <p>A committee will be formed by the State to score and rank all applications regionally. The committee will consist of state or federal agencies such as the State Water Commission, USDA/Rural Development, ND Department of Environmental Quality, ND Department of Transportation, Bank of North Dakota, and the ND Housing Finance Agency. This list is not all inclusive and may change. It is the goal of DCS to have a committee of knowledgeable persons on a variety of topics and projects.</p> <p>After DCS gives the final approval on the committee's recommendation of awards, the applicants that are awarded will be invited to submit a full application to DCS. A full application consists of a local community needs assessment, a public hearing, resolution of sponsorship, applicant assurance certifications, affirmatively further fair housing, justification of the national objective, etc. For further details on what is needed for a full application refer to the CDBG PDS.</p> <p>Economic Development will accept pre-applications 7/1/24 - 6/15/25. These funds are targeted to the primary sector business proposals where a funding gap exists and alternative sources of public and private financing are not adequate. Pre-applications will need to include a business plan, job creation commitment, etc. DCS staff will be responsible for reviewing, scoring, and sending to the Governor's Office. The Governor's Office will then review and use the same weighted criteria for scoring. For the full pre-application requirements please refer to the CDBG PDS. Awarded Economic Development projects will be funded through the revolving loan funds.</p> <p>At the Governor's direction, applicants can apply to the Governor's funds 7/1/24 - 6/15/25. Eligible activities are housing, public facilities, and public services. Applicants will need to submit the Governor's pre-application packet. The DCS staff will be responsible for reviewing, scoring, and sending to the Governor's Office. The Governor's Office will then review</p>
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	and use the same weighted criteria for scoring. The combined average score may be eligible for the following based on a total of 400 pts.:
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- 200-400 - may be eligible for 50%-100% of requested CDBG funds
- 0-199 - may be eligible for 0%-49% of requested CDBG funds

If projects are awarded through the Governor's Funds, these projects will be funded through the revolving loan funds.

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Public facilities, public services, and housing have similar criteria. For detailed scaled criteria please refer to the CDBG PDS, Section VI. Below is an overview of the scoring criteria:</p> <ol style="list-style-type: none"> <li>1. Project need; high, moderate, or low Addresses how significant the problem is and what the immediacy is of the project</li> <li>2. Financial need; high, moderate, or low Efforts of securing other funding sources first Viability of project without CDBG funding</li> <li>3. Percentage of minority living in project area Scale of the minority population in the community based on the 2015 American Community Survey</li> <li>4. Percentage of LMI in the project area Scale of the low to moderate income persons in the community</li> <li>5. Project readiness</li> <li>6. Completeness of plan Items identified (i.e. homes, area)Secured other funding sources if applicable</li> <li>6. Secured sources of other funding. <ol style="list-style-type: none"> <li>1. Not applicable to items that are CDBG ineligible (i.e. engineering fees, contingencies, etc.)</li> </ol> </li> <li>7. Strategic or action plan <ol style="list-style-type: none"> <li>1. Written plan for community development.</li> </ol> </li> <li>8. In fill/new development <ol style="list-style-type: none"> <li>1. Project area is on existing infrastructure</li> </ol> </li> </ol> <p>Economic Development</p> <ol style="list-style-type: none"> <li>1. Need for funds and terms (20 pts max)</li> <li>2. Financial strength and reasonableness (20 pts max)</li> <li>3. Management expertise and past performance (20 pts max)</li> <li>4. Marketing (10 pts max)</li> <li>5. Degree of likely benefit to the economy (20 pts max) <ul style="list-style-type: none"> <li>• The business will fill a gap of service for the region of the community (10 pts max)</li> <li>• workforce training/development (10 pts max)</li> </ul> </li> <li>1. Anticipated impact of addressing national objectives as defined in the state program statement (10 pts max) <ul style="list-style-type: none"> <li>• ability to meet job creation requirements (5 pts max)</li> <li>• availability of jobs to LMI persons (5 pts max)</li> </ul> </li> </ol>
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<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>The CDBG PDS is on the North Dakota Department of Commerce's website, <a href="https://www.communityservices.nd.gov/communitydevelopment/Programs/CommunityDevelopmentBlockGrant/">https://www.communityservices.nd.gov/communitydevelopment/Programs/CommunityDevelopmentBlockGrant/</a>. This PDS goes into further detail on what the State is looking for in the scoring and ranking and the point scales that will be used when making this determination.</p>
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<p><b>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)</b></p>	<p>n/a</p>
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<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	
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<b>Describe how resources will be allocated among funding categories.</b>	FY24 Allocation + Program Income	\$ 4,076,264
	Less State Admin & Technical Assistance	\$ 222,287.92
	Total Allocation Available for Projects	\$ 3,853,976.08
	Less 10% Unallocated Funds	\$ 407,626.40
	Total Allocation Available	\$ 3,446,349.68
	Plus Prior Years Unobligated Funds	\$ 213,054.90
	Total Allocation Available for DCS Funding Round	\$ 3,659,404.58
	Governor's Funds (Revolving Loan Fund)	\$10,033,363
	<p>DCS does not know what type of applications will be coming in and the dollar amounts being requested for the State's funding round that will be held May 30 - July 25. DCS does not want to put a cap on how many applications can be received and awarded for a particular program. The State has not received the HUD allocation for FY24. Dollar amounts are estimated and will be updated once FY24 HUD allocations are released. If there is an increase or decrease in the FY2024 HUD allocation, the dollar amount to enhance local public infrastructure will be adjusted appropriately. A decrease in CDBG prior years resources will lower housing projects, supporting public facility and services, and enhancing local public infrastructure funding proportionately.</p>	
	<p>History has shown public facilities has been applied for more heavily. It is estimated that 36% of funding will go to public facilities. The majority of housing projects that the CDBG program has funded in the past few years has been rehabs to multi-family units and making them more livable for their tenants. It is estimated that 24% of funding will go to housing projects. During the CDBG informational meeting that was held in March, there was not much interest for supportive public facilities and services projects. CDBG is in trying to get more information out to the communities about the public services section to try to bring in more of these projects for funding while staying under the regulatory 15% CAP. With the revolving loan funds being calculated into category percentages, this then puts public services at 4%. Public services is an area that has not been utilized much by CDBG recipients in the past few years. Economic development is estimated at 36% and will use revolving loan funds.</p>	
<p>The State is leaving 10% of the allocation unobligated. These funds will be used for amendments during the fiscal year on projects that may arise with unexpected circumstances, such as an environmental review that needs an ASTM Phase 1, increase in materials from time of pre-application to actual bidding, etc.</p>		
<p>Total allocation available for DCS funding round may decrease or increase prior to the CDBG open funding round. This is contingent on prior years unobligated funds possibly changing. Any unobligated or deobligated funds as of July 31, 2024, will be recaptured and used for the following years open funding rounds, and/or a special funding round, and/or amendments for open projects that need more funding.</p>		

<b>Describe threshold factors and grant size limits.</b>	<u>Public Facilities and Public Services</u>
	Minimum        \$75,000
	Maximum        no cap
	<u>Housing – Single Family</u>
	Minimum        \$200,000
	Maximum        no cap
	<u>Housing – Multi-Family</u>
	Minimum        \$100,000
	Maximum        no cap
	<u>Economic Development</u>
Primary Sector	
Minimum        \$100,000	
Maximum        no cap	
DCS does not technically have a maximum cap on projects this year. The goal of this is to have thorough and complete projects apply for funds. From previous HUD monitoring, DCS has been made aware that a lot of projects completed in the previous years were more due to maintenance type issues. DCS is trying to move away from a "band-aid" fix on a project and felt having a maximum cap was a contributing factor.	
At the direction of the Governor's Office and the Regional Councils' support, it was decided to not have regional allocations. With CDBG funds decreasing each year from HUD and then breaking it further down to eight separate pots of funds for each region in North Dakota, left not much funding to work with to make a significant impact in the regions.	
With the Governor's Funds funding projects through the revolving loan fund, this will give opportunity for more expansive projects. The Governor's Funds will cap all projects at \$3 million.	

	<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>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 business assisted, or the number of persons assisted. Note that this year the goal outcome indicators will not match what is in the Con Plan. The numbers this year are more realistic for the amount of CDBG funding the state receives.</p> <p>The State has eliminated all possible barriers that are not against HUD's regulations for any community in North Dakota regardless of size to have access in applying for CDBG funds. There are no mandatory match requirements or maximum amounts (for the regular funding round) that can be applied for. DCS is encouraging applicants to apply for CDBG administration funds to even fund the cost if the UGLG does not have the capacity to administer the project themselves.</p>
2	<p><b>State Program Name:</b></p>	<p>Emergency Solutions Grant (ESG)</p>
	<p><b>Funding Sources:</b></p>	<p>ESG</p>

<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>The State's 2024 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> <p>The State will hold a competitive scoring and round beginning May 1, 2024. By 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.</p> <p>NDHFA is committing 100 percent of the federal match requirements from a state general fund dollars. For FY24 the estimated match requirement is \$386,494 based on the current federal ESG allocation estimates. The total federal allocation and required match are currently estimated from prior year funding level. Any additional funds received will allocated through the same application process as currently estimated funds.</p> <p>Program requirements</p> <ul style="list-style-type: none"> <li>• Applicants must coordinate and integrate ESG funded activities with other programs targeted to homeless people</li> <li>• System and program coordination with mainstream resources</li> <li>• Use CARES</li> <li>• Adopt ESG and CoC written standards and procedures</li> <li>• Participate in HMIS</li> <li>• Homeless participation in board or governance</li> <li>• Faith-based activities</li> <li>• Evaluation of program participants</li> <li>• Case management</li> <li>• Rent reasonableness</li> <li>• Program accessibility</li> <li>• Housing standards for emergency shelters</li> <li>• Housing standards for permanent housing</li> <li>• Lead-based paint requirements</li> <li>• Confidentiality</li> </ul>
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	<ul style="list-style-type: none"><li>• Termination of housing assistance</li><li>• Recordkeeping</li><li>• Sanctions</li><li>• Conflicts of interest</li><li>• Monitoring</li></ul> <p>NDHFA will review all applications to determine if applications are ESG eligible. The applications will then be given to a committee to score and rank, and make recommendations for funding. This committee will consist of persons that are knowledgeable in the sheltered and unsheltered homeless persons, as well as those at risk of homelessness throughout the state of North Dakota. Based off of the recommendations of the committee, NDHFA will make the awards at their discretion.</p> <p>The eligible activities are: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and homeless management information system. As required street outreach and emergency shelter activities are limited to 60 percent of the federal allocation.</p>
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<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>NDHFA staff will review, score, and make recommendations of funding based on the ability to achieve the following state program objectives:</p> <ol style="list-style-type: none"> <li>1. Demonstrated the need for funding (max 30 points)</li> <li>2. Plan for distribution of the funds in an effective, efficient and timely manner. (max 15 points)</li> <li>3. Collaboration efforts with other targeted homeless services and mainstream resources. (max 20 points)</li> <li>4. Applicant demonstrates active involvement in CoC, CARES, HMIS, including signed partnership agreements and the use of CARES for housing referrals, if applicable to the funding component. (max 15 points)</li> <li>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. (max 5 points)</li> <li>6. The applicant included how the Housing First model is used within the agency. (max 10 points)</li> <li>7. FY23 ESG Recipients with 90 percent of their 2023 awards expended and no outstanding monitoring findings will receive points for a renewal project. (10 points)</li> </ol> <p>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.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>n/a</p>



<p><b>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)</b></p>	<p>Applications will be available May 1, 2024. Interested parties may submit the ESG application via email to hfahomelessprogram@nd.gov or by mail to PO Box 1535, Bismarck ND 58502. Applications are available online at ndhfa.org. NDHFA will announce application round via the GovDelivery email list, CoC membership list, social media, and website announcement at www.ndhfa.org. 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. Nonprofit entities located on Indian reservations are eligible to receive funds. Applicants must be in compliance with the ESG Interim Rule (Final Rule when published), the State's Written Standards for CoC and ESG (attached), and applicable state and federal policies and procedures, including compliance with federal and state non-discrimination laws.</p> <p>All applications that were received within the allotted timeframe will be reviewed by NDHFA to verify ESG eligibility. The eligible applications will then be scored and ranked with the committee making the recommendations of funding. Based off those recommendations, NDHFA will make the awards at their discretion.</p> <p>When making final selections, the 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. NDHFA 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.</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	

<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>For FY2024, federal and state funding will be available, up to 60% for street outreach and shelter operation activities. There will be no cap for the total percentage awarded to homeless prevention, rapid re-housing activities or participation in the Homeless Management Information System (HMIS).</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Applicants must use the HMIS and Coordinated Access, Referral, Entry and Stabilization System (CARES), adopt the CoC and ESG Written Standards as approved, and provide for homeless participation. This participation must include not less than one individual currently or previously experiencing homelessness to be on the board of directors or policy making entity of the organization. Eligible applicants must be able to demonstrate prior experience serving individuals and households at risk of homelessness and have staff with demonstrated experience.</p> <p>The minimum amount of funds that will be made available to an applicant is \$50,000. There is no maximum grant size established.</p>

	<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>Expected measures of outcome include the number of households assisted with funds and the number of emergency shelter or permanent supportive beds added. Annual goals have been reduced from the original estimates in the ConPlan based on previous program year performance. Reduced ESG performance be attributed to additional Federal COVID and Emergency Rental Assistance funding.</p>
3	<p><b>State Program Name:</b></p>	<p>HOME Investment Partnership Program</p>
	<p><b>Funding Sources:</b></p>	<p>HOME</p>

<p><b>Describe the state program addressed by the Method of Distribution.</b></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. North Dakota Housing Finance Agency is responsible for administration of the program.</p> <p>The 2024 HOME Allocation Plan allocates funds to 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) may receive a set-aside of \$140,000 and must submit an application to receive an award. Applications will be accepted beginning August 1, 2024. CAAs who have expended 2016-2020 HOME awards may apply for an initial set-aside. Single-family homeowner rehabilitation activities 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 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. Beginning January 1, 2025 any CAA who have expended 75 percent of their award may apply for additional funds. Any unapplied for funds as of April 1, 2025, will be reallocated to Rental Production and Rehabilitation General Pool activities to be allocated during the September 2025 application round.</p> <p>Rental Production and Rehabilitation</p> <p>A total of \$2,007,504.45 in project funds are expected to be 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 the Scoring Criteria of the draft HOME 2024 Allocation Plan. Applications are due the last business day in September 2024. Funds available include potential reallocation of \$640,000 from 2023 Homebuyer Downpayment set-aside and 2023 unapplied funds for homeowner rehabilitation program. Up to \$50,000 of the CHDO reserves may be used for CHDO Operating if requested. A CHDO must submit a separate application for operating.</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 assistance is available to active non-profit ND community land trust organizations to fund homebuyer activities. Maximum purchase price will be limited to the lower of 1. The current HOME Homeownership Value Limit as</p>
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		published by HUD; or 2. The as-is market value as determined by an appraisal from a certified appraiser.
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<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></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 2023 funds until outstanding issues are resolved. In addition, CAAs with outstanding funds from 2016-2020 program years will not be allowed to submit an application until those program years are closed. Homeowners should contact their respective community action agency for program information and application instructions.</p> <p>Homebuyer Down Payment assistance project funds are delivered through active non-profit ND Community Land Trusts (CLT) as a subrecipient. Grand Forks CLT information is available at <a href="https://www.gfclt.org/">https://www.gfclt.org/</a> 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. Potential homeowner should contact the awarded community land trust for program information.</p> <p>CHDO Operating applications are selected on first come first served basis. A CHDO must be certified in order to be eligible to apply.</p> <p>Rental 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>90</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"> <li>1. HOME-Assisted Units- points awarded based on number of proposed HOME-assisted units-30 points.</li> <li>2. Serving Developing Communities-points awarded to serving communities with populations 20,000 and below-25 points</li> <li>3. HOME Match-points provided to projects with 25 percent match- 25 points</li> </ol>
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	<ul style="list-style-type: none"> <li>4. Readiness to Proceed- points awarded to projects who can demonstrate readiness-25 points</li> <li>5. New Construction- 20 points</li> <li>6. Rehabilitation-30 points</li> <li>7. Preservation of Existing Affordability- up to 10 points</li> <li>8. Tenant Support Coordinator- up to 10 points</li> </ul>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>N/A</p>
<p><b>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)</b></p>	<p>N/A</p>

<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>Single-Family Homeowner Rehabilitation - \$840,000 plus \$60,000 administration.  Homebuyer Down Payment Assistance- \$500,000  Administration- \$300,000  Rental Production and Rehabilitation- Balance of remaining available funds. Including \$450,000 CHDO reserve. Up to \$50,000 of funds may be used for CHDO operating.  Unapplied for funds under the single-family rehabilitation and homebuyer down payment assistance program reallocated to the Rental Production and Rehabilitation activities and included in the next allocation plan and annual action plan prior year resources.</p>



<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Single-family rehabilitation funds are limited to \$140,000 per community action agency. Additional funds may be requested if there are uncommitted funds and the initial award is 75 percent expended. The value of the assisted property after rehabilitation must not exceed the HOME Homeownership value limits for the county in which the property is located.</p> <p>Homeowner down payment assistance is limited to \$500,000 set aside for the Grand Forks Community Land Trust. The minimum HOME assistance is \$1,000. The maximum purchase price is limited to the lower of 1. The current HOME Homeownership Value Limit as published by HUD; or 2. The as-is market value as determined by an appraisal by a certified appraiser.</p> <p>Maximum \$50,000 CHDO Operating.</p> <p>Rental Production and Rehabilitation application threshold details are identified in the 2024 HOME Allocation Plan as well as the NDHFA Multifamily Rental Application, and include</p> <ol style="list-style-type: none"> <li>1. Demonstrated Site Control</li> <li>2. Zoning Availability</li> <li>3. Infrastructure and Utility Availability</li> <li>4. Development and Management Team Experience</li> <li>5. Ownership</li> <li>6. Financial Projections</li> <li>7. Subsidies</li> <li>8. Housing Need</li> <li>9. Capital Needs Assessment (if applicable)</li> <li>10. Appraisal if applicable</li> </ol> <p>Awards are limited to the lesser of</p> <ol style="list-style-type: none"> <li>1. The Maximum Project Subsidy as determined from the selected HOME Cost Allocation Method.</li> <li>2. An amount required to secure project financing and make project financially feasible.</li> <li>3. Seventy percent of the project's proposed hard construction costs.</li> </ol> <p>Additionally, the HOME Maximum Per-Unit Subsidy Limits in effect at the time of application submission will limit HOME awards.</p>
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	<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>HOME outcome measures include the number of rental units constructed or rehabilitated, the number of homeowners assisted, and the number of homebuyers assisted.</p>
4	<p><b>State Program Name:</b></p>	<p>National Housing Trust Fund</p>
	<p><b>Funding Sources:</b></p>	<p>HTF</p>

<p><b>Describe the state program addressed by the Method of Distribution.</b></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. Per federal statute and regulation, the AAP prioritizes funding based on:</p> <ol style="list-style-type: none"><li>1. Geographic diversity.</li><li>2. Applicant's ability to obligate funds and undertake eligible activities in a timely manner.</li><li>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.</li><li>4. The length of the units' affordability period.</li><li>5. Merits of the application in meeting the state's priority housing needs.</li></ol> <p>The extent to which the applicant makes uses of non-federal funding sources.</p>
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<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>North Dakota established 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, 2024. 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"> <li>1. Serving extremely low-income households - 20-50 points.</li> <li>2. Use of Low-Income Housing Tax Credits - up to 20 points.</li> <li>3. Committed Non-Federal Leverage - 5-20 points.</li> <li>4. Use of Project-Based Rental Assistance - 5 points.</li> <li>5. Redevelopment and Revitalization - 5 points.</li> <li>6. Tenant Support Coordinator - 5-10 points.</li> <li>7. Universal Design Elements - 5-17 points.</li> <li>8. Design Standards- up to 10 points.</li> <li>9. Readiness to Proceed - up to 25 points.</li> <li>10. Housing for Families - 10 points.</li> <li>11. Period of Affordability - 1 points.</li> <li>12. Geographic Diversity - up to 5 point deduction for projects located in the same city as a project which has already been selected in the current HTF application round.</li> <li>13. Missing threshold Items - point deduction of 5 points for each missing item.</li> </ol>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>N/A</p>

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

<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>Resources are allocated to the highest scoring applications until all available funding has been conditionally committed.</p> <p>Ten percent of the state's HTF funding is set aside for projects located within North Dakota Native American Reservations or on Tribal Land. If sufficient proposals are not received during the first application round, funds will be included in the general pool of funding. This set aside is limited to \$300,000.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Threshold items applications must submit include:</p> <ol style="list-style-type: none"> <li>1. Evidence of development team ability.</li> <li>2. Market conditions.</li> <li>3. Demonstrated site control.</li> <li>4. Evidence of appropriate zoning.</li> <li>5. Availability of infrastructure and utilities.</li> <li>6. Financial Projections.</li> <li>7. Capital needs assessment, if applicable.</li> <li>8. Appraisal.</li> <li>9. Evidence of all financial subsidies awarded.</li> <li>10. Tenant recruitment and selection policy.</li> <li>11. Broadband infrastructure.</li> <li>12. Self-scoring projection of the activity.</li> </ol> <p>HTF awards are limited to the Maximum HOME Investment Subsidy that is annually calculated by HUD.</p>

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

Additional distribution details are outlined in the draft 2024 Program Distribution Statement and Allocation Plans that are attached to this annual action plan for all applicable programs.



## AP-35 Projects – (Optional)

### Introduction:

Annual action plan projects prioritize activities that support the strategic goals identified in the ConPlan including affordable housing, community development, and economic development. Affordable housing projects include rental housing production and rehab funded through HOME and Housing Trust Fund, homeowner rehab and homebuyer down payment assistance is funded through HOME, ESG funding is dedicated to homeless activities, and CDBG is supporting housing, public facilities, services, economic development, and local public infrastructure. The funding is targeted for low-to-moderate income individuals and special needs populations.

Contingency Provision: All annual allocations identified are estimated based on the prior year allocation. HUD has yet to announce the FY2024 allocation for CDBG, HOME, HTF or ESG. For HOME and HTF any additional funds will be allocated towards rental production and rehab activities and will follow the scoring criteria identified in the method of distribution section (AP-35). Increases in ESG allocation will be distributed using the selection criteria identified in AP-35. An increase or decrease in CDBG FY2024 HUD allocation will be allocated to enhance local public infrastructure and follow the CDBG method of distribution in AP-35. As Governor's funds are awarded the decrease in CDBG prior years resources will be reduced among the eligible activities proportionately.

The total CDBG funding allocated to AP-35 projects does not equal the total CDBG expected resources. The State is intentionally leaving 10% of the annual allocation unobligated. These funds will be used for amendments during the fiscal year on projects that may arise with unexpected circumstances, such as an environmental review that needs an ASTM Phase 1, increase in materials from time of pre-application to actual bidding, etc.

#	Project Name
1	CDBG Housing Projects
2	CDBG Support Public Facility & Services
3	CDBG Economic Development Projects
4	CDBG Enhance Local Public Infrastructure
5	2024 CDBG Admin and TA Funds
6	ESG2024
7	Homebuyer Down Payment Assistance
8	2024 Rental Production and Rehabilitation.
9	Homeowner Rehabilitation-HOME
10	2024 HTF Administration
11	2024 HOME Administration

#	Project Name
12	CHDO Operating Grant

**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

<b>1</b>	<b>Project Name</b>	CDBG Housing Projects
	<b>Target Area</b>	Statewide
	<b>Goals Supported</b>	Increase Access to Affordable Housing
	<b>Needs Addressed</b>	Affordable Rental Housing
	<b>Funding</b>	CDBG: \$3,133,364
	<b>Description</b>	Funds will be used to fund multi-family housing rehab, single family rehab, and purchase of land in support of new multi-family housing. CDBG funds cannot generally be used for the construction of new permanent residential structures or for any program to finance new construction, except for (1) last resort housing provisions; (2) provision of assistance through Community Based Development Organization (CBDO); or (3) activities which facilitate the development of housing, including clearance, site and public improvements, and property acquisition. CDBG funds may be used for temporary or permanent relocation. For more detailed information on CDBG use of funds for housing, please refer to the CDBG Program Distribution Statement.
	<b>Target Date</b>	6/30/2025
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Housing activity applications will be accepted statewide. CDBG will benefit mostly households that are low to moderate income. Single family homes will require a 1:1 ratio for LMI households. Duplexes will require at least one of the two units to be LMI. Multi-family units will require 51% of the units to be LMI.  Without knowing the FY2024 projects at this time, DCS is estimating to help 27 households.

	<b>Location Description</b>	At this time DCS does not know what applications will be submitted and awarded for the FY24 funding. These funds are available statewide.
	<b>Planned Activities</b>	Activities for housing include single family rehab, multi-family home rehab, creation of new housing units, and relocation assistance
2	<b>Project Name</b>	CDBG Support Public Facility & Services
	<b>Target Area</b>	Statewide
	<b>Goals Supported</b>	Support Public Facilities and Services
	<b>Needs Addressed</b>	Vital Public Facilities Special Needs Populations
	<b>Funding</b>	CDBG: \$611,183

<b>Description</b>	Funds will be used for childcare, mental health, chemical dependency, recycling, demolition of dilapidated structures, etc. While meeting a CDBG national objective, CDBG funds may be used to provide public services (including labor, supplies, materials, and other costs), provided that each of the following criteria is met: (1) the public service must be either a new service; or (2) a quantifiable increase in the level of a service above that which has been provided by or on behalf of 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 the 12 months prior to submission of the grant recipient's applicable action plan. (This requirement is intended to prevent the substitution of CDBG funds for recent support of public services by the grant recipient using local or state government funds). No more than 15 percent of a state's yearly allocation of funds plus program income distributed by the State as part of that year's method-of-distribution, may be expended for public service activities. Note that the 15 percent cap applies to the state, not to individual local governments receiving state CDBG funds. The State could make a grant to a town solely for public services activities. In the State CDBG program, compliance with the 15 percent cap is determined by expenditures over the life of a given fiscal year's allocation of funds (plus program income). Public services that are not subject to the cap: certain types of services fall under other categories of basic eligibility (such as Section 105(a)(15) and 105(a)(23) and are not subject to the limitation that applies to services carried out under Section 105(a)(8). In addition, discussion of the factors to consider in deciding how to categorize public services.
<b>Target Date</b>	6/30/2025
<b>Estimate the number and type of families that will benefit from the proposed activities</b>	DCS does not know the projects for FY2024 at this time and is estimating CDBG funding to assist 2,200 persons.  Each project to support public facilities and services will be required to meet 51% or more low to moderate persons.
<b>Location Description</b>	At this time, DCS does not know the location of project areas due to the open application round not being held until 6/1/24 - 7/27/25. These funds are available statewide.

	<b>Planned Activities</b>	Activities for public services will be a new service or a quantifiable increase. Activities can include, but not limited to childcare, healthcare, job training, recreation programs, education programs, public safety services, fair housing activities, services for senior citizens, services for homeless persons and victims of domestic violence, drug abuse counseling and treatment, and legal services.
<b>3</b>	<b>Project Name</b>	CDBG Economic Development Projects
	<b>Target Area</b>	Statewide
	<b>Goals Supported</b>	Encourage Economic Development
	<b>Needs Addressed</b>	Economic Development
	<b>Funding</b>	CDBG: \$5,000,000
	<b>Description</b>	These funds will be used to fund business startups and expansions to create additional jobs. 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 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. The proposed activity must be CDBG eligible and meet a national objective. The focus of these funds will be to fund primary sector projects and will be grants only. Economic development projects will not come out of the FY23 HUD allocation. Funds from the State Funds (SF) will be used to fund any awarded economic development project.
	<b>Target Date</b>	6/30/2025
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	It is estimated that 5 businesses will be assisted in the economic development program. At least 51% of the jobs to be created or retained must be held or made available to low to moderate income persons or the employee resides in a census tract where no less than 70% of the residents are low to 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.
	<b>Location Description</b>	At this time DCS does not know where projects will be undertaken. Applications can come in anytime throughout FY23. Eligible applicants can be anywhere in the state of North Dakota.

	<b>Planned Activities</b>	Economic development projects in North Dakota will primarily fund businesses who create jobs with at least 51 percent of those jobs being filled by individuals who are LMI. These funds will encourage business development or expansion, therefore, creation of or retention of jobs in communities.
<b>4</b>	<b>Project Name</b>	CDBG Enhance Local Public Infrastructure
	<b>Target Area</b>	Statewide
	<b>Goals Supported</b>	Enhance Local Public Infrastructure and Planning
	<b>Needs Addressed</b>	Priority Infrastructure
	<b>Funding</b>	CDBG: \$5,806,326
	<b>Description</b>	Public facilities infrastructure of water systems, streets, sidewalks, and other vital public facilities. Funding for public facilities activities will primarily focus on (1) water and sewer activities which currently present a threat to health and safety; (2) removal of architectural barriers which will permit access for the handicapped; (3) direct benefit to a locality's low and moderate income persons; and (4) leveraging local and other available financial resources to finance the cost of the activity. City or county infrastructure installation or rehab (e.g. water towers, lagoons, lift stations, trunk infrastructure, streets, etc.). Expansion of infrastructure where growth takes place. CDBG is not eligible for city or county government use facilities unless it is a removal of architectural barrier. Public safety (e.g., fire halls, trucks, ambulances, and related equipment). Removal of architectural barriers.
	<b>Target Date</b>	6/30/2025
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Without knowing the FY2024 projects, it is estimated that 7,500 persons will be assisted with CDBG funding. Public facility projects will be awarded to communities that are low to moderate income based off of the 2015 American Community Survey(ACS). If HUD updates to the 2020 ACS, DCS will follow guidance to make the change to follow the data of the 2020 ACS.
	<b>Location Description</b>	At this time, DCS does not know the general location of activities. Locations will not be known until applications have been received. Applicants are eligible from anywhere in North Dakota.

	<b>Planned Activities</b>	Allowable project types can be: installation of water and/or sewer facilities, public safety (fire protection facilities, ambulances, and related equipment), install flood and drainage facilities, street construction/reconstruction, community center, construction/repair of senior citizen centers, removal of architectural barriers, etc.
5	<b>Project Name</b>	2024 CDBG Admin and TA Funds
	<b>Target Area</b>	
	<b>Goals Supported</b>	
	<b>Needs Addressed</b>	
	<b>Funding</b>	CDBG: \$122,237
	<b>Description</b>	Administrative funds will be used to fund administrative activities at the state level. The technical assistance funds will be used to fund technical assistance at the state level.
	<b>Target Date</b>	6/30/2025
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	These funds will be used at the state level.



	<b>Planned Activities</b>	<p>Administrative funds will be used to fund administrative activities at the state level. Technical assistance funds will also be used at the state level. Due to recent HUD monitoring, the State has been getting technical assistance from a 3rd party agency that assists DCS with general program guidance. These funds may also be used to put on trainings for our subrecipients. DCS has been, and plans to continue to work with the North Dakota League of Cities (NDLC). NDLC provides educational opportunities and services to city officials, by connecting resources with needs, and representing the interests of municipalities in state and federal public policy discussions.</p> <p>This is not an all inclusive list and at the State's discretion these funds can be used on any eligible activity in the Guide to National Objectives and Eligible Activities for State CDBG Programs.</p>
6	<b>Project Name</b>	ESG2024
	<b>Target Area</b>	Statewide
	<b>Goals Supported</b>	Support Efforts to Combat Homelessness
	<b>Needs Addressed</b>	Homelessness
	<b>Funding</b>	ESG: \$536,494
	<b>Description</b>	ND Emergency Solutions Grant 2024
	<b>Target Date</b>	6/30/2025
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Rapid Rehousing 200 households assisted, 3500 persons assisted in overnight/emergency shelter, and 250 persons served under homeless prevention.
	<b>Location Description</b>	Statewide allocations.
	<b>Planned Activities</b>	ESG funds can be used for street outreach, shelter operations, essential services, homeless prevention, rapid rehousing, and HMIS activities.
	<b>Project Name</b>	Homebuyer Down Payment Assistance

7	<b>Target Area</b>	Statewide
	<b>Goals Supported</b>	Increase Access to Affordable Housing
	<b>Needs Addressed</b>	Affordable Homeowner Housing
	<b>Funding</b>	HOME: \$500,000
	<b>Description</b>	CHAP-Community Land Trust Housing Assistance Program - provides downpayment assistance to eligible homebuyers. Administered through active community land trust organizations,.
	<b>Target Date</b>	6/30/2025
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Estimated 20 households to be served.
	<b>Location Description</b>	Eligible Community Land Trust Service Areas include City of Grand Forks, City of Minot, and Cass County.
	<b>Planned Activities</b>	Provide downpayment assistance to eligible homebuyer households.
8	<b>Project Name</b>	2024 Rental Production and Rehabilitation.
	<b>Target Area</b>	Statewide
	<b>Goals Supported</b>	Increase Access to Affordable Housing
	<b>Needs Addressed</b>	Affordable Rental Housing
	<b>Funding</b>	HOME: \$2,007,504 HTF: \$3,023,938
	<b>Description</b>	HOME Program Funds and National Housing Trust Fund program funds to provide funds for new construction, acquisition, and rehabilitation activities for multifamily rental projects.
	<b>Target Date</b>	

	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	The state estimates a total of 140 rental housing units constructed or rehabilitated.
	<b>Location Description</b>	Statewide
	<b>Planned Activities</b>	Activities will be selected during the competitive application round scheduled September 2024.
9	<b>Project Name</b>	Homeowner Rehabilitation-HOME
	<b>Target Area</b>	Statewide
	<b>Goals Supported</b>	Increase Access to Affordable Housing
	<b>Needs Addressed</b>	Affordable Homeowner Housing
	<b>Funding</b>	HOME: \$840,000
	<b>Description</b>	Homeowner rehabilitation program delivered through the Community Action Agency Set-Aside
	<b>Target Date</b>	6/30/2025
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	The State estimates a total of 28 homeowner housing units assisted.
	<b>Location Description</b>	Statewide
	<b>Planned Activities</b>	Homeowner rehabilitation projects selected and approved through Community Action Agency Homeowner Rehab Programs.
10	<b>Project Name</b>	2024 HTF Administration
	<b>Target Area</b>	
	<b>Goals Supported</b>	

	<b>Needs Addressed</b>	
	<b>Funding</b>	HTF: \$300,000
	<b>Description</b>	Administrative activities for Housing Trust Fund
	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Administration
	<b>Location Description</b>	
	<b>Planned Activities</b>	Administrative Activities
11	<b>Project Name</b>	2024 HOME Administration
	<b>Target Area</b>	
	<b>Goals Supported</b>	
	<b>Needs Addressed</b>	
	<b>Funding</b>	HOME: \$300,000
	<b>Description</b>	HOME Program Administrative Activities
	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	Administration Only

<b>12</b>	<b>Project Name</b>	CHDO Operating Grant
	<b>Target Area</b>	Statewide
	<b>Goals Supported</b>	Increase Access to Affordable Housing
	<b>Needs Addressed</b>	Affordable Rental Housing
	<b>Funding</b>	HOME: \$50,000
	<b>Description</b>	Operating Grant for NDHFA-approved CHDO
	<b>Target Date</b>	6/30/2025
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Operating Grant Funding
	<b>Location Description</b>	Statewide
	<b>Planned Activities</b>	CHDO Operating Grant Funds



**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?**

No

**State’s Process and Criteria for approving local government revitalization strategies**

Not applicable.



## **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 HTF program funds will be available to eligible applicants statewide. The CDBG program is available to eligible applicants in every city and county, except the four entitlement cities of Grand Forks, Fargo, Minot, and Bismarck.

In North Dakota, according to HUD's RAD Minority Concentration Map <https://www.huduser.gov/portal/maps/rad/home.html>, areas considered an area of minority concentration are located on North Dakota Native American Reservations.

### **Geographic Distribution**

<b>Target Area</b>	<b>Percentage of Funds</b>
Statewide	100
LMI Areas	

**Table 10 - Geographic Distribution**

### **Rationale for the priorities for allocating investments geographically**

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

HUD programs are primarily intended to benefit low- and moderate-income households with the objective of increasing housing opportunities for low-income/minority households.

While funds are available statewide, the State has provided some preference points in the HTF and CDBG programs for housing in minority areas. HTF has a Native-American set-aside available to incentivize HTF-assisted unit development on Native American Reservations. CDBG gives priority to applicants by allotting higher points for projects that have a greater low to moderate beneficiaries and minority population.

The rationale for the Native American set-aside in the HTF program is that the State recognized that tribal applications have not traditionally scored comparably to other applications. One reason for that is lack of leveraging resources. The State recognizes that safe, decent, affordable housing is in high demand on tribal lands. As an example, according to the US Census Bureau's My Tribal Area data a total of 39 percent of families on the Spirit Lake Reservation have income in the past 12 months below the poverty level. Housing Trust Fund has a 10%, \$300,000 set-aside for projects located on tribal lands. If the HTF Native American set-aside is unapplied for during the application round, funds will be

reallocated to the general pool.

## **Discussion**

# Affordable Housing

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

### Introduction:

In this section the State must specify one year goals for the number of households to be provided affordable housing through activities that provide rental assistance, production of new units, rehabilitation of existing units, or acquisition of existing units, and one-year goals for the number of homeless, non-homeless, and special needs households to be provided affordable housing. The term affordable housing in this section is defined under HOME Program regulations at 24 CFR 92.252 for rental housing and 24 CFR 92.254 for homeownership.

One Year Goals for the Number of Households to be Supported	
Homeless	16
Non-Homeless	135
Special-Needs	17
Total	168

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

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	40
Rehab of Existing Units	128
Acquisition of Existing Units	0
Total	168

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

### Discussion:

The State's annual goals and objectives include increase access to affordable housing. The State anticipates using CDBG, HOME, and Housing Trust fund leveraged with other state and federal resources to meet those goals. HOME defined affordable housing unit production and rehabilitation estimates included 40 rental housing units constructed, 100 rental units rehabilitated, 28 homeowner housing rehabilitated, and 20 households assisted through direct financial assistance to homebuyers. Of the 168 estimated units constructed or rehabilitated, the State estimates 20 percent of those units (33.6) will likely be targeted towards homeless or special needs populations. CDBG assisted housing is not included in the one-year goals above because the units may not meet the definition of affordable housing under the HOME program regulations.

## **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) NDHFA participates in the NDNAHRO which is the state organization of housing authorities. 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 and redevelopment 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. HOME rental production and rehabilitation application scoring includes preference points allocated to state or federally assisted projects which are at-risk of being lost from the State's affordable housing inventory. These points are also available under the Low-Income Housing Tax Credit application scoring. Two PHA repositioning projects have been conditionally committed using Housing Trust Fund. Dakota II Redevelopment, in partnership with Burleigh County Housing Authority, and Laskowitz Riverfront 4, in partnership with Fargo Housing and Redevelopment Authority. Both projects are demo/dispo of public housing units.

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

NDHFA, Community Works 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**

Three PHAs are currently designated as troubled.

Traill County- currently under a recovery plan and will likely have its troubled designation removed in the next year.

Rolette County- has been working with Grand Forks Housing Authority and is considered troubled but it

is improving.

Towner County- SEMAP troubled.

The State has not provided any financial assistance as North Dakota Housing Authorities are governed under County and City quasi-government and local boards.

**Discussion:**

Many ND PHAs have been focused on repositioning their public housing units and NDHFA is working to balance PHA needs with overall statewide housing needs. NDHFA believes there are around 6 remaining public housing projects in need of repositioning which can apply for LIHTC, HOME, HTF and the state HIF fund. ESG and CoC recipients have indicated some challenges with individuals they serve obtaining housing assistance. The State will work with NAHRO and PHAs directly to discuss opportunities for policy improvements related to tenant selection and administrative procedures.

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

### **Introduction**

North Dakota's vulnerable populations require person-centered approaches to address their unique needs based on their current living situation, physical and mental health, and financial stability. Affordable housing and supportive services continue to be essential to prevent and reduce both short-term and chronic homelessness. North Dakota is geographically divided into eight regions. The North Dakota Homeless Coalition, North Dakota CoC, and NDHFA work in partnership to address the State's ultimate goal of ensuring homelessness is a rare, brief, and one time event for individuals and families. Homeless services are funded through a variety of federal and state resources. Statewide, North Dakota has been working to streamline programs and create a no wrong door access environment for citizens experiencing a housing crisis.

The CoC coordinator works closely with the state and eight regional coalitions and various providers to implement best practices, data collection, and a coordinated entry system at the local level. The CoC board consists of members from each region of the state, one person with lived experience, one racial minority representative, one LGBTQ+ representative, and two Youth Action Board members.

In the 2021 Annual Report from the North Dakota Interagency Council on Homelessness it was identified that homeless service provider capacity is lacking in some regions, while others have a more robust homeless response system. Provider capacity and workforce shortages remain a concern today. North Dakota providers utilize HMIS to track individuals, but have identified the lack of a consistent database use with both government agencies and non-profit organizations. In order to meet annual goals and outcomes of the annual action plan, priority will continue to increase capacity and consistent use of HMIS amongst users. CoC Capacity building grant from HUD provides assistance in HMIS capacity building. In 2023, the HMIS Lead organization committed to hiring a coordinated entry coordinator position with the overall goal to enhance the prioritization list management. The State and CoC coordinator will continue to outreach to service providers to create consistent and robust homeless response system.

### **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**

ESG funding is used to engage individuals and families living on the street (Street Outreach). 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 willing or unable to access emergency shelter, housing or appropriate health facility. Eligible activities include engagement activities, case management, emergency health

services, emergency mental health services, transportation, and services for special populations.

Federally recognized non-profits or units of local government involve the help of local service organizations, churches, human service providers, the local police/probation, etc., to educate the community about the availability of emergency shelters and how to put an individual or family experiencing homelessness or at risk of homelessness in contact with agencies that can help. Agencies in North Dakota utilize local television interviews, newspaper articles, speaking events, and participation in collaborative community provider groups to inform of shelter services. Money Follows the Person Housing coordinated the creation and printing of regional pocket resource guides. These guides provide local area resources contact information and include transportation assistance, shelter information, food pantry, and crisis services. The NDCoC includes all access and assessment sites for the coordinated entry system on the NDCoC website.

Sixty percent of the ESG funding is available for street outreach and shelter operation activities. ESG application funding provides priority to those organizations who actively participate in the ND CoC, HMIS, and coordinated entry.

### **Addressing the emergency shelter and transitional housing needs of homeless persons**

The most recent Housing Inventory Count (HIC) available when drafting this plan is from 2023. The HIC indicated there were 889 emergency shelter or transitional housing beds available in North Dakota. Some of the beds are voucher based hotels. ESG funds may be used to improve the number and quality of emergency shelters for homeless individuals and families (Shelter Renovation); help operate 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). Sixty percent of ESG federal funds may be used for emergency shelter activities and street outreach.

Emergency shelter activities is the most frequent request during ESG application rounds. NDHFA intends to provide additional financial assistance through the North Dakota Homeless Grant (NDHG) a state funded grant which funds ESG eligible activities.

ESG, NDHG, and ESG-CV currently support agencies that offer emergency shelter and services to transition clients into a permanent living situation. Emergency shelters throughout the State vary. In Region 2 and 5 there are shelters that offer their services to men only. There are also emergency shelters in Region 5 that are geared towards helping youth experiencing homelessness. Domestic violence agencies are able to assist victims of domestic violence and sexual assault by establishing and maintaining programs which provide temporary shelter, crisis intervention, prevention, education, and support to eliminate violence. With the ESG-CV funds, many emergency shelters have been able to offer

more hotel vouchers so clients can socially distance to prevent the spread of COVID-19.

Agencies provide services while temporarily housing clients, such as, but not limited to:

- emergency case management
- onsite health assessment
- education opportunities - areas of employment, housing, life skills, personal finance, communication and networking
- assistance with employment and housing applications
- addiction and recovery service referrals
- assistance in acquiring personal identity documents
- childcare
- connections to law enforcement
- crisis intervention
- legal advocacy within the criminal justice system
- 24 hour crisis line

**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. In addition to ESG funds, the North Dakota Homeless Grant (NDHG) eligible components include rapid rehousing and homeless prevention. Community Action Partnership of ND 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 meet 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 ND's mandated coordinated entry system and is a system shift from agency centric to client centric AND from managing homelessness to preventing and ending homelessness. CARES recently initiated a new housing assessment tool called the Housing Prioritization Tool, to replace the VI-SPDAT. This updated assessment is used to ensure the most vulnerable individuals and families are prioritized and that client



choice is at the forefront of referrals for housing. 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.

The ND CoC was awarded the Youth Homeless Demonstration Program (YHDP) grant in 2021. A Coordinated Community Plan was submitted and approved by HUD in 2022. The Youth Action Board led the funding process and awarded funding to five agencies. Of the funded agencies, three new projects were initiated in areas of the state that were lacking resources for youth experiencing homelessness. One project opened a new joint transition housing/rapid rehousing project and two are providing supportive services to youth through permanent supportive housing projects.

NDHFA administers the Opening Doors Landlord Risk mitigation program, which provides coverage for excessive damages or lost rent for individuals with housing barriers. Barriers include poor rental history, criminal convictions, poor credit, and prior evictions. With coverage landlords are willing to accept an applicant for tenancy who would otherwise be denied based on rental criteria.

ND Stabilization Fund is the final reiteration of the ERA funds and provides households who are experiencing homelessness commitments of rental assistance and security deposit assistance so that they may access rental housing. Recipients who may have a risk of housing instability are then paired with housing facilitators to provide stability services. The program also works renter households that are at risk of homelessness or experiencing housing instability to maintain their housing.

**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**

As mentioned previously, increasing capacity and consistent use of HMIS will ultimately ensure more efficient homeless service delivery for the state. The State has been working on building capacity with sub-recipients for coordinated entry statewide. ESG applicants are required to use the Continuum of Care's coordinated entry system. The sub-recipient must work with the CoC to ensure the screening, assessment and referral of program participants are consistent with the written standards. ESG helps get people out of shelters and pays for eligible persons' housing deposits, first month's rent, or first few months of rent to get them started. The State contracts with Institute for Community Alliances (ICA) as

the state's HMIS Lead to manage the state's HMIS system, trains users, and reviews data quality control. ICA meets with ESG and CoC program staff to identify user issues and provide training as needed.

The State allocates CDBG funds for public services, such as non-profit alcohol/drug treatment and education programs. Services are provided to the homeless, those at risk of homelessness and those referred by the judicial system. Support services includes recovery coaching, daily living skills, recovery housing, job development, and fiscal management/planning. This type of agency trains law enforcement in Mental Health First Aid and Crisis Intervention Training equipping officer to adequately respond to behavioral health related dispatches. They also provide behavioral health specialists working with frequent offenders with behavioral health issues referred by law enforcement. The specialist works with connecting offenders to care and supportive services and monitoring services. Funds put into behavioral health enhance case management services to benefit clients that have multiple addiction, mental health, and legal issues. Many times clients assisted through these public service agencies spend time in jail. CDBG dollars help alleviate expenses that allow staff costs associated with services for identified individuals.

Money Follows the Person (MFP) employ housing facilitators who work with individuals with disabilities; are currently residing in a care facility, and desire to live in a community setting. MFP staff work with the ND Centers for Independent Living (CIL) Transition Coordinators to identify suitable and affordable housing, assist with the leasing process, and identify rental assistance resources. CIL Transition coordinators will then provide supportive services for one year to help the individual maintain tenancy. MFP staff will utilize NDHFA's Opening Doors Landlord Risk Mitigation program for individuals who have housing barriers obtain coverage to incentivize a housing provider to allow the individual to sign a lease.

North Dakota's Behavioral Health Division created a Free Through Recovery (FTR) Program which is a community based behavioral health program designed to increase recovery support services to individuals involved with the criminal justice system who have behavioral health concerns. FTR participants receive care coordination, recovery services and peer support. The program is to improve healthcare outcomes and reduce recidivism. FTR providers also utilize Opening Doors program for FTR participants. FTR was expended creating funding for Community Connect, to create a program similar to FTR, but separate from the criminal justice system.

## **Discussion**

In 2021, North Dakota received Emergency Rental Assistance (ERA) funding from US Treasury. ERA funds were allocated to ND Department of Human Services (DHS) to create the ND Rent Help Program which is now called ND Rent Stabilization. As part of the program DHS contracted with Application Counselors who are responsible for outreach and application preparation for renters and individuals who are homeless to apply for rental assistance. In addition ERA funds were used to create Housing Facilitator positions. These facilitators provide housing stability support services to renters who are experiencing high levels of instability. The hope is to demonstrate the effectiveness of these positions and identify

funding opportunities to continue the work once ERA funds are exhausted.

For youth exiting foster care and other youth facilities, and the juvenile justice system, goals and objectives were identified in the Coordinated Community Plan for YHDP. A system navigation workgroup has been created with youth providers across the state to help develop processes and to advocate for system change, if needed.

Opening Doors Landlord Risk Mitigation Program, administered by NDHFA is a program which provides up to \$2000 of coverage for excessive damages or lost revenue. This program works in conjunction with service providers who are working with Medicaid eligible households to find affordable housing. Households who may otherwise be denied under ordinary rental criteria due to criminal convictions or poor rental history may be eligible for coverage. This program is meant to encourage housing providers to take a chance on a household who would otherwise be denied housing.

## **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 barriers to accessing funds.

HOME, HTF, Low-Income Housing Tax Credits, and the state's Housing Incentive Fund (HIF) are all administered by NDHFA. In the 2021 September application round, NDHFA aligned the application submission process. Applicants are able to apply for multiple sources with a single application package which reduces administrative burden for applicants. NDHFA has aligned long-term compliance monitoring for each of the programs as where regulation allows.

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.

Rural communities have continued to voice concerns in accessing affordable housing resources. Citing cost constraints, labor/contract shortage, and developer willingness as barriers. In March, 2022 DCS, NDHFA and partners began meeting under the Rural Housing Task Force. This group's focus was to identify barriers to both single family and multifamily housing in rural communities, identify possible solutions, and create a white paper action plan. The task force identified several factors such as challenges using federal funding, need for at least 50% equity to fund multifamily development, and identify a source for single family development. The State's Housing Incentive Fund has been an identified vehicle for rural housing solutions. HIF allocation plan was modified in 2024 to support the 50% equity need for rural projects.

### **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. DCS sponsors four one day trainings for the ND Building Officials Association.

**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 coordinated 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, an 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.

With the award of the Youth Homelessness Demonstration Program grant in 2021, With the award of the Youth Homelessness Demonstration Program grant in 2021, a ND Coordinated Community Plan was developed to address needs of homeless youth. Plan goals include creating a no wrong door system for accessing housing, increasing access to education, employment and increase overall health and well-being. A full copy of the community plan is available at <https://ndcontinuumofcare.org/wp-content/uploads/2022/05/YHDPCoordinatedCommunityPlan.pdf>

### **Actions planned to foster and maintain affordable housing**

Continue to fund existing rental and owner-occupied housing stock with an emphasis in rehabilitation for 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.

NDHFA requires all applicants to meet the requirements under the NDHFA Lead Based Paint Policy

manual available online at <https://www.ndhfa.org/index.php/development/lead-based-paint/>

### **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 combat 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 and utilize the CAAs to enroll in the state's Self-Sufficiently 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. DCS has been working with the North Dakota League of Cities (NDLC), which is a key resource for cities. NDLC provides educational opportunities and services to city officials, by connecting resources with needs, and representing the interests of municipalities in state and federal public policy discussions.

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 Apartment Association, the Missouri Valley Coalition for Homeless People, 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 worked 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 training has been in service for one year and is currently being updated.

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 evictions.

### **Discussion:**



## Program Specific Requirements

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

#### Introduction:

Specific program specific requirements are generally available in the applicable program distribution statement and annual allocation plans. The 2024 plans for each program are available as attachments to this plan. Below is a summary of certain provisions.

#### 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	0
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
<b>Total Program Income:</b>	<b>0</b>

#### 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, 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:

#### Homebuyer Downpayment Assistance: Resale & Recapture Provisions

Complete recapture and resale provisions are available in the attachment to this plan titled State Plans under HOME recapture and resale provisions and in the HOME Program Distribution Statement. Resale will be required for CLT properties that are subject to ground lease controls. (Note: The HOME Final Rule also requires Resale restrictions to be used when there is no buyer assistance, which would only occur in development projects and not in a DPA-only program.) Recapture will be used for all other non-CLT properties.

#### Resale Provisions

The HOME resale requirements are established in the HOME rule at §92.254(a)(5)(i). Under HOME resale provisions, the PJ (and Program Administrator) is required to ensure that, when a HOME-assisted homebuyer sells his or her property voluntarily or involuntarily during the affordability period:

- The property is sold to another low-income homebuyer who will use the property as his or her principal residence;
- The original homeowner(s) receives a “fair return” on their investment, (i.e., the homeowner’s share of the value of the property, including the value capital improvements made to the house); and
- The property is sold at a price that is “affordable to a reasonable range of low-income buyers.”

#### Recapture Provisions

In all projects that are not CLT properties, the Recapture method will be used. The HOME recapture provisions are established at §92.254(a)(5)(ii). Unlike the resale approach, recapture permits the original homebuyer to sell the property to any willing buyer during the period of affordability and the PJ recaptures all or a portion of the HOME-assistance

provided to the original homebuyer.

The HOME Final Rule permitted four models or options for recapture. NDHFA has elected the “full recapture” option. Under this option, the PJ (or Program Administrator) recaptures the entire amount of the direct HOME subsidy, subject to the net proceeds available from the sale, as defined

below.

- The original direct HOME subsidy is the amount of HOME assistance that enabled the homebuyer to buy the unit. The direct subsidy includes downpayment, closing costs, interest subsidies, or other HOME assistance provided directly to the homebuyer. In addition, direct subsidy includes any assistance that reduced the purchase price from fair market value to an affordable price.
- Net proceeds are defined as the sales price minus superior loan repayment (other than HOME funds) and any closing costs incurred by the seller. Under no circumstances can the PJ (or Program Administrator) recapture more than is available from the net proceeds of the sale. Seller Costs must be supported by the Settlement Statement.

Subsequent Sale of Home to an Income Eligible Homebuyer. The HOME Final Rule at 92.254(a)(5)(ii) permits PJs to allow the subsequent homebuyer to assume the HOME assistance if:

- the homebuyer is Low-Income;
- no additional HOME assistance is provided; and
- the new buyer agrees to be subject to the HOME requirements for the remainder of the original period of affordability.

Homeowner rehabilitation projects will be subject to repayment on a pro-rata reduction of the recapture amount in monthly increments based on a 5-year period of affordability.

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:

#### **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.

Homeowner Rehabilitation recapture is calculated on a monthly pro rata basis over a 5 year affordability period.

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.

5. If applicable to a planned HOME TBRA activity, a description of the preference for persons with special needs or disabilities. (See 24 CFR 92.209(c)(2)(i) and CFR 91.220(l)(2)(vii)).
6. If applicable to a planned HOME TBRA activity, a description of how the preference for a specific category of individuals with disabilities (e.g. persons with HIV/AIDS or chronic mental illness) will narrow the gap in benefits and the preference is needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2)(ii) and 91.220(l)(2)(vii)).

7. If applicable, a description of any preference or limitation for rental housing projects. (See 24 CFR 92.253(d)(3) and CFR 91.220(l)(2)(vii)). Note: Preferences cannot be administered in a manner that limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a).

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

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

The State and the ND CoC have collaborated on the written standards for ESG and the Continuum of Care Programs. The CoC Program interim rule requires that these standards be developed in consultation with the ESG recipient also funding projects within the CoC's geographic area.

ESG recipients are required to adopt the Written Standards for ESG and CoC. Although ESG recipients are not explicitly required to consult with CoCs on the development of written standards for providing ESG assistance, many of the ESG standards for prioritizing assistance will influence the development and implementation of the local plan to prevent and end homelessness, the implementation of a coordinated entry system, as well as the development of the CoC's written standards.

For further details, please reference the Written Standards for Emergency Solutions Grant and Continuum of Care Programs attached to this AAP.

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 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 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 involves three stages, Access, Assessment, and Stabilization.

**Access:** Designed to help make homelessness rare and brief through well-advertised and

coordinated access points and tools, as well as focusing on ways to resolve housing crises to prevent entry into homelessness or quickly rehouse persons if they do become homeless.

- Tool: Housing Crisis Triage
- When is this Done? At first point of contact. Prior to entering the homeless system.
- Who: Designated access sites.

**Assessment:** Designed to keep homelessness brief and one-time through a comprehensive and unbiased assessment of a person's history, needs, and desires by prioritizing and matching households through a thoughtful and standardized process. Assessment matches the unique needs of individuals to unique program services (currently only TH, RRH, PH, or PSH beds/units dedicated to homeless). The assessment stage includes the prioritization of the limited number of resources that are available across the state based on client choice, vulnerability, program criteria, and other varying factors.

- Tool: Housing Prioritization Tool/Prioritization List
- When is this done? The Housing Prioritization Tool is completed 7-14 days after initial contact with the access site, but can be done sooner if appropriate. Households are placed on the prioritization list with the completion of the assessment and are referred to housing when it becomes available based on client choice, vulnerability, program criteria, etc.
- Who: Designated assessment sites/priority list manager - (referrals to housing providers).

**Stabilization:** This stage is intended to increase the likelihood that homelessness is a one-time incident, so persons are stabilized in permanent housing and do not cycle back into homelessness.

- Tool: Service Prioritization Decision Assistance Tool (SPDAT)
- When is this done? After placement in housing on an annual basis as long as the household is a program participant.
- Who: Trained case managers.

#### Governance Structure

CARES is governed by a joint board of elected members from the ND and West Central MN CoCs. The board also includes non-voting advisory seats for the West Central MN CoC, State of ND, and CoC Coordinators.

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. All applicants will answer weighted questions that will be reviewed by a committee to score and rank. The committee will make its recommendations to NDHFA based on the scoring and ranking results. Faith-based or religious

organizations are eligible on the same basis and any other organization, to receive ESG funds. Eligible applicants must be federally recognized non-profits or units of local government. Governmental organizations such as a 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
- maintain standard accounting practices including internal controls and fiscal accounting procedures
- track agency and program budgets by revenue sources and expenses
- 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 the State are not eligible ESG applicants and will not be eligible to receive an allocation of ESG funding. Applicants are encouraged to contact NDHFA 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 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 required to be active members of the North Dakota Continuum of Care and encouraged to join 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:

- 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 ESG.
- If the recipient is unable to meet requirement under the first bullet point, 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 ESG. The plan must be included in the annual action plan required under 24 CFR 91.220.
- 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 of occupants of facilities assisted under ESG. This involvement may include employment or volunteer services.

5. Describe performance standards for evaluating ESG.

1. The project must target those in most need of assistance by following the CARES Prioritization Policy.

2. Projects should strive to reduce the length of time persons are homeless by:

a. Assuring data is current (entered in a timely manner per CARES policies) and accurate when entering and exiting households in HMIS or alternative databases;

b. Support clients in housing search in order to secure housing more rapidly; and

c. Utilize the Housing First approach providing permanent housing to people experiencing homelessness quickly without preconditions or service participation requirements, thus ending their homelessness and serving as a platform for which they can pursue personal goals and improve their quality of life.

3. Projects should assure all staff participate in all trainings required by the CoC or other funders.

4. Programs must abide by Fair Housing and Equal Access Rules.

5. Programs design must support housing stability by:

a. Facilitating connections to mainstream and community supports;

b. CoC: Having contact with households at least weekly during the first year if services are provided and have regular in-home contact;

ESG: Housing stability case management. While providing homelessness prevention or rapid rehousing assistance to a program participant, the subrecipient must:

1. Require the program participant to meet with a case manager not less than once per month to assist the program participant in ensuring long-term housing stability; and

2. Develop a 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.

The recipient or subrecipient is exempt from the requirement if the Violence Against Women Act of



1994 (42 U.S.C. 13701 et seq.) or the Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.) prohibits that recipient or subrecipient from making its shelter or housing conditional on the participant's acceptance of services.

This assistance cannot exceed 30 days during the period the program participant is seeking permanent housing and cannot exceed 24 months during the period the program participant is living in permanent housing.

- c. Focusing on increasing household income, both earned and unearned;
  - d. Using creative engagement strategies; and
  - e. Integrating transition strategies to support smooth exit from program assistance.
6. Program funded activities effectiveness at fulfilling the needs they were intended to meet.
  7. Programs compliance with these Written Standards.
  8. Projects have a plan to review and use of performance outcomes to improve performance.

The ESG Written Standards that include the performance standards are attached to this annual action plan.

**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".

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, 2024 Up to \$3,000,000

Round 2: September 30, 2025 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 2024 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 2023 limits.

The State uses the HOME maximum per unit limits, as published by HUD. 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 programs exist. 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; Capital Needs Assessments (if applicable); and broadband infrastructure (if applicable).

The Minimum Housing Rehabilitation and Property Standards Policy is attached.

# Minimum Rehabilitation and Property Standards



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## I. PREFACE

This document is intended to provide the minimum acceptable standards for existing dwellings rehabilitated in whole or in part with North Dakota Housing Finance Agency administered program funds.

The standards contained within are not intended to reduce or exclude 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 Agency 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 Agency funds.

These standards assume that a knowledgeable inspector will thoroughly inspect each building to verify the presence and condition of all components, systems, and equipment of the building. All components, systems, and equipment of a building 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 consider any extraordinary circumstances of the occupants of the building (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 building.

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 building 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 Agency's consideration, a list of all non-conforming items along with his/her recommendation to waive, or not to waive, the individual non-conforming items. Any waiver of a non-conforming items is at the sole discretion of Agency. Items necessary to meet HUD Uniform Physical Conditions Standards may not be waived.

Rehabilitation projects (including adaptive reuse) must address 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

**Agency:** North Dakota Housing Finance Agency

**Building:** A structure, facility, or portion thereof that contains or serves one or more dwelling units.

**Covered Multifamily Dwelling(s):** Buildings consisting of four (4) or more dwelling units if such buildings have one or more elevators; and ground floor dwelling units in other buildings consisting of four (4) or more dwelling units.

**Common Use Area:** Rooms, spaces, or elements inside or outside of a building that are made available for the use of residents of a building or the guests thereof. These areas include hallways, lounges, lobbies, laundry rooms, refuse rooms, mail rooms, recreational areas, and passageways among and between buildings.

**Dwelling:** Any building, structure, or portion thereof that is occupied as, or designed or intended for occupancy as, a residence by one or more families.

**Dwelling unit:** A single unit of residence for a family or one or more persons. Examples of dwelling units include: a single-family home; an apartment unit within an apartment building; and in other types of buildings in which sleeping accommodations are provided but toileting or cooking facilities are shared by occupants of more than one room or portion of the building, rooms in which people sleep.

**Egress:** A permanent and unobstructed means of exiting from the building in an emergency escape or rescue situation.

**Energy Star:** 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 criterion.

**Habitable Space(s):** Space within the building for living, sleeping, eating, or cooking. Bathrooms, toilet rooms, closets, halls, storage, or utility spaces, and similar areas are not considered Habitable Spaces.

**HIF:** North Dakota Housing Incentive Fund program as administered by the Agency

**HOME:** HOME Investment Partnerships program as administered by the Agency

**HTF:** National Housing Trust Fund program as administered by the Agency

**LIHTC:** Low-Income Housing Tax Credits program as administered by the Agency

**Rehabilitation:** Rehabilitation of existing housing and adaptive reuse of existing non-residential building(s) which create new housing.

### III. 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.
1. The bathtub and/or shower unit(s) need not be in the same room as the flush water closet and lavatory. The bathtub and/or shower unit may be 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 follows 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 follow 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, hard-wired with battery back-up, interconnected with all other alarms, and installed per manufacturer's installation instructions. Smoke detectors shall be located:

1. On the ceiling or wall outside of each separate sleeping area in the immediate vicinity of bedrooms; and
2. In each room used for sleeping purposes, and
3. In each story within a building, 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.

**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. 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. 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 follow 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. 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 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 ductworks 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 Agency 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 building, 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 in unheated spaces. Similarly, distribution piping for general use hot water shall also be protected from heat loss where such piping is in unheated spaces. All water distribution piping shall be protected from freezing.
4. Attic access passageways (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. 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. 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 building 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 building. 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. SPACE, USE, AND LOCATION REQUIREMENTS

- A. No cellar space shall be converted to Habitable Space.
- B. No basement space shall be used as Habitable Space unless all Habitable Space requirements and all 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. PLUMBING SYSTEMS**

- A.** All building plumbing systems shall be capable of safely and adequately providing a water supply and wastewater disposal for all plumbing fixtures. Every building 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 building.
  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. 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, unclean, 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 clothes washing machines) 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. 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 assisted by HOME and HTF programs are 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. Recipients should refer to the NDHFA Lead-Based Paint Policy for further guidance.

## **XIV. ACCESSIBILITY**

Housing assisted with Agency 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 within this document and within 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 Agency 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. All deficiencies identified during annual compliance monitoring site visits of Agency-assisted properties must be cured. Agency will monitor property condition standards by the same processes and procedures as have been used by Agency 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 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.

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

- A. 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:

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

- B. 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:

1. 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.
2. FIRE ESCAPE: BLOCKED EGRESS OR LADDERS; VISIBLY MISSING COMPONENTS.
3. Foundation: Cracks or gaps; Spalling; Exposed rebar.
4. Lighting: Broken fixtures or bulbs.
5. Roof: 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.
6. Walls: Cracks or gaps; Damaged chimneys; Missing or damaged caulking or mortar; Missing pieces, holes, or spalling; Stained, peeling, or needs paint.
7. 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.

- C. 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:

1. 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.
  2. Electrical System: Blocked access or improper storage; Burnt breakers; Evidence of leaks or corrosion; Frayed wiring; MISSING BREAKERS OR FUSES; MISSING OUTLET COVERS.
  3. Elevators: Not operable.
  4. Emergency Power: Auxiliary lighting inoperable; Run-up records/Documentation not available.
  5. Fire Protection: Missing/disabled/painted/blocked/capped sprinkler head; Missing, damaged, or expired extinguishers.
  6. HVAC: Boiler or pump leaks; Fuel supply leaks; General rust or corrosion; MISALIGNED CHIMNEY OR VENTILATION SYSTEM.
  7. Roof Exhaust System: Roof exhaust fan(s) inoperable.
  8. Sanitary System: Broken, leaking, or clogged pipes or drains; Missing drain, cleanout, or manhole covers.
- D. Dwelling:** Each dwelling within a building must be structurally sound, habitable, and in good repair. All inspectable items of the dwelling (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 include, but are not limited to:

1. 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.
2. Call-for-Aid (if applicable): Inoperable.
3. Ceiling: Bulging, bucking, or leaking; Holes, missing tiles, panels, or cracks; Peeling or missing paint; Water stains, water damage, mold or mildew.
4. 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.
5. Electrical System: Blocked access to electrical panel; Burnt breakers; Evidence of leaks or corrosion; Frayed wiring; GFI inoperable; MISSING BREAKERS OR FUSES; MISSING COVERS.
6. 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.

7. Hot Water Heater: MISALIGNED CHIMNEY OR VENTILATION SYSTEM; Inoperable unit or components; Leaking valves, tanks, or pipes; Pressure relief valve missing; Rust or corrosion.
  8. 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.
  9. 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.
  10. Laundry Area: Dryer vent is missing, damaged, or inoperable.
  11. Lighting: Missing or inoperable fixture.
  12. Outlets/Switches: Missing outlet or switch; MISSING OR BROKEN COVER PLATE.
  13. Patio/Porch/Balcony: Baluster or side railings damaged.
  14. SMOKE DETECTOR: MISSING OR INOPERABLE.
  15. Stairs: Broken, missing, or damaged steps or handrail.
  16. Walls: Bulging or buckling; Damaged wall surface; Damaged or deteriorated trim; Peeling or missing paint; Water stains, water damage, mold, or mildew.
  17. Windows: Cracked, broken, or missing panes; Damaged windowsill; Missing or deteriorated caulking, seals, glazing; Inoperable or not lockable; Peeling or missing paint; SECURITY BARS PREVENT EGRESS.
- E. Common Use 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 use 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, a 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.
1. Handrails: Missing or damaged balusters or side railings.
  2. Storage: Cabinets missing or damaged.
  3. Call-for-Aid (if applicable): Inoperable.
  4. Ceiling: Holes, missing tiles or panels, cracks; Peeling or missing paint; Water stains, water damage, mold, or mildew; Bulging or buckling.
  5. Chutes: Damaged or missing components.
  6. Countertops: Missing or damaged.
  7. Dishwasher or Garbage Disposal: Inoperable.

8. 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.
  9. Dryer Vent: Missing, damaged, or inoperable.
  10. 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.
  11. Fencing: Damaged or not intact.
  12. 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.
  13. Market Appeal: Graffiti, Litter
  14. 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.
  15. Lavatory Sink: Damaged or missing fixture.
  16. Lighting: Missing, damaged, or inoperable fixture.
  17. Mailbox: Missing or damaged.
  18. Plumbing: Clogged drains; Leaking faucet or pipes.
  19. Range Hood/Exhaust Fans: Excessive grease buildup; Inoperable.
  20. Range/Stove: Missing, damaged, or inoperable.
  21. Refrigerator: Missing, damaged, or inoperable.
  22. Shower/Tub/Sink: Damaged or missing.
  23. SMOKE DETECTORS: MISSING OR INOPERABLE.
  24. Stairs: Broken, damaged, or missing steps or handrail.
  25. Ventilation/Exhaust System: Inoperable.
  26. Walls: Bulging or buckling; Damaged surface, peeling or missing paint; Damaged or deteriorated trim; Water stains, water damage, mold, or mildew.
  27. Water Closet/Toilet: Damaged, clogged, or missing.
  28. Windows: Cracked, broken, or missing panes; Damaged windowsill; Inoperable or missing lock; Missing or deteriorated caulking, seals, or glazing; Peeling or missing paint; SECURITY BARS PREVENT EGRESS.
- F. 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 building 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:

1. Air Quality: Mold and/or mildew observed; PROPANE, NATURAL GAS, OR METHANE GAS DETECTED; Sewer odor detected.
2. ELECTRICAL HAZARDS: EXPOSED WIRES; OPEN PANELS; WATER LEAKS ON OR NEAR ELECTRICAL EQUIPMENT.
3. Elevator: Elevator is misaligned with floor by  $\frac{3}{4}$  inches or more.
4. Emergency Fire Exits: EXITS BLOCKED OR UNUSABLE; Missing exit signs.
5. Flammable or Combustible Material: Improperly stored and secured.
6. Garbage and Debris: Present indoors or outdoors.
7. General Hazards: Sharp edges; Tripping; unsafe or missing handrails.
8. Infestation: Insects, rats, mice, or other vermin.

- G. 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 Agency-assisted housing must comply. Agency-assisted housing must continue to adhere to those codes.

Agency is responsible for conducting physical inspections of Agency-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 Agency funds and involving 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**

All multi-family housing assisted by Agency programs involving rehabilitation or adaptive reuse must commission a Capital Needs Assessment (CNA). HTF regulations at 24 CFR Part 93.301(b)(1)(ii) and HOME at 92.251(b)(1)(ii) allows projects under 26 units in size to forego a CNA. However, to ensure that all needed rehabilitation work is performed so that, upon completion, the project will be decent, safe, sanitary, and in good repair, Agency has chosen to establish requirements which exceed regulations. **All rehabilitation, except owner-occupied rehabilitation, projects assisted by Agency programs must commission a CNA. For owner-occupied rehabilitation, if the remaining useful life of any component is less than 50 percent of the expected useful life or less than five (5) years, immediate rehabilitation will be required.**

The CNA must be completed by a competent, independent third party acceptable to Agency, 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.



- A. 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.
- B. 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 or less than five (5) years, 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.
- C. 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; and
  - 2. Structural systems: both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system, and drainage; and
  - 3. Interiors: including unit and common use area finishes (carpeting, tile, plaster walls, paint condition, etc.), unit kitchen finishes, cabinets and appliances, unit bathroom finishes and fixtures, and common use area lobbies and corridors; and
  - 4. Mechanical Systems: including plumbing and domestic hot water; HVAC, electrical, lighting fixtures, fire protection, and elevators.
- D. Applicants are advised to also consider the requirements of other funding sources, such as USDA Rural Development, when ordering a CNA.

**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.

There is no limit on the beneficiaries or preferences to a particular segment of the extremely low- or very low-income populations. Preference is given to the development of housing located on or owned by a Tribal entity. The housing itself must not limit tenant applications, except as required by the income parameters of the HTF program.

**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:**

Other HOME Program Limits.

1. The State intends to use HOME funds for homebuyer assistance and for rehabilitation of owner-occupied single family housing. The State will use the currently published HOME Homeownership Value limits for both activities.

2. HOME application process for each eligible activity type.

- Homebuyer Assistance Program: Assistance is provided through approved Community Land Trust Programs.

Potential homeowner applicants should visit the Grand Forks Community Land Trust website for application details at [www.gfclt.org](http://www.gfclt.org). Other eligible CLTs include Minot Area Community Land Trust <http://www.minotclt.org/> and Cass Clay Community Land Trust <https://cassclayclt.org/>, if awarded, program details will be located on the applicable website.

The program does not give preference for any particular segment of the low to moderate income population.

- Single-Family Homeowner Rehabilitation: \$840,000 program funds and \$60,000 administration funds set aside for ND Community Action Agencies (CAAs) to use for their homeowner rehabilitation program. CAAs must submit an updated application annually beginning August 1. The application is provided directly to the CAAs by NDHFA. Beginning January 1, if there remains any unapplied for funds, CAAs who have drawn down 75 percent of their current award may apply for additional funds. Any HOME fund uncommitted by March, 2025 will be reallocated to the Rental Production and Rehabilitation General Pool Funds for the next program year.

Homeowners seeking assistance under the single-family homeowner rehabilitation program should visit the North Dakota Community Action Agency Partnership website for application details. <https://www.capnd.org/>

Preferences are not limited to any particular segment of the low to moderate income population.

- Rental Production and Rehabilitation: **Eligible Applicants**: Units of local, state, and tribal government; local and tribal housing authorities; community action agencies; regional planning councils; and nonprofit organizations and for-profit developers. Community Housing Development Organizations (CHDOs) are included in eligible applicant definition. CHDOs must complete an annual certification application annually by April 1 to maintain their certification. **Application Process**: Multifamily Rental Production and Rehabilitation applications are available on NDHFA's website under Project Financing. Applications are due by the last business day in September. The application selection is competitive. Applications that meet minimum threshold are scored and ranked based on the scoring criteria outlined in the program distribution statement. Applicants will be notified of award in November.

CHDO Operating up to \$50,000 of the CHDO Reserve may be used for CHDO Operating. Certified CHDOs may submit a CHDO Operating Application to NDHFA anytime following HUD's approval of the Annual Action Plan. If funds are not applied for by September 30th, they will be conditionally committed to CHDO multifamily rental projects.

## Attachments

