

# State of North Dakota

2020-2024  
Consolidated Plan



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## EXECUTIVE SUMMARY

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### ES-05 EXECUTIVE SUMMARY - 24 CFR 91.200(C), 91.220(B)

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In 1994, the U.S. Department of Housing and Urban Development (HUD) issued new rules consolidating the planning, application, reporting and citizen participation processes to the Community Development Block Grants (CDBG), Emergency Solutions Grant (ESG), Housing Opportunities for Persons with AIDS (HOPWA), and HOME Investment Partnership (HOME). The new single-planning process was intended to more comprehensively fulfill three basic goals: to provide decent housing, to provide a suitable living environment and to expand economic opportunities. It was termed the Consolidated Plan for Housing and Community Development.

According to HUD, the Consolidated Plan is designed to be a collaborative process whereby a community establishes a unified vision for housing and community development actions. It offers entitlement communities the opportunity to shape these housing and community development programs into effective, coordinated neighborhood and community development strategies. It also allows for strategic planning and citizen participation to occur in a comprehensive context, thereby reducing duplication of effort.

As the lead agency for the Consolidated Plan, the North Dakota Department of Commerce hereby follows HUD's guidelines for citizen and community involvement. Furthermore, it is responsible for overseeing citizen participation requirements that accompany the Consolidated Plan.

The State of North Dakota has prepared this Consolidated Plan to meet the guidelines as set forth by HUD and is broken into five sections: The Process, Needs Assessment, Market Analysis, Strategic Plan, and Annual Action Plan.

### **Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview**

The goals of the CDBG and HOME programs are to provide decent housing, a suitable living environment for the Area's low- and moderate-income residents, and economic opportunities for low-moderate income residents. The State strives to accomplish these goals by maximizing and effectively utilizing all available funding resources to conduct housing and community development activities. These goals are further explained as follows:

- Providing decent housing means helping homeless persons obtain appropriate housing and assisting those at risk of homelessness; preserving the affordable housing stock; increasing availability of permanent housing that is affordable to low- and moderate-income persons without discrimination; and increasing the supply of supportive housing.
- Providing a suitable living environment entails improving the safety and livability of neighborhoods; increasing access to quality facilities and services; and reducing the isolation of income groups within an area through integration of low-income housing opportunities.
- Expanding economic opportunities involves creating jobs that are accessible to low- and moderate-income persons; making down payment and closing cost assistance available for low-

and moderate-income persons; promoting long term economic and social viability; and empowering low-income persons to achieve self-sufficiency.

### **Evaluation of past performance**

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

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

### **Summary of citizen participation process and consultation process**

A variety of public outreach and citizen participation was used to develop this Consolidated Plan. The Housing and Community Development survey was used to help establish priorities for throughout the State by gathering feedback on the level of need for housing and community development categories. A series of focus groups and regional public meetings were held prior to the release of the draft plan to garner feedback on preliminary findings. The Plan was released for public review and a public hearing will be held to offer residents and stakeholders the opportunity to comment on the plan.

### **Summary of public comments**

Comments made during the public review meetings are included in the form of transcripts in the Appendix.

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

Not applicable.

### **Summary**

The Needs Assessment and Market Analysis, which has been guided by the Housing and Community Development Survey and public input, identified seven (7) priority needs. These are described below:

- **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 and cost burdens, which 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 homeless 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 in a high priority. This also includes planning funds for local jurisdictions.

These Priority Needs are addressed with the following Goals:

### **Increase Access to Affordable Housing**

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.

### **Support Efforts to Combat Homelessness**

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.

### **Support Public Facilities and Services**

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.

### **Encourage Economic Development**

This goal provides employment opportunities for low- and moderate-income people and promotes businesses in the State.

### **Enhance Local Public Infrastructure and Planning**

This goal will fund public infrastructure, such as, but not limited to, water systems, streets, sidewalks, and other vital public facilities. This also includes local strategic planning funding.

## THE PROCESS

### PR-05 LEAD & RESPONSIBLE AGENCIES 24 CFR 91.200(B)

**Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source**

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

Agency Role	Name	Department/Agency
<b>CDBG Administrator</b>	North Dakota	North Dakota Department of Commerce, DCS
<b>ESG Administrator</b>	North Dakota	North Dakota Department of Commerce, DCS
<b>HOME Administrator</b>	North Dakota	North Dakota Department of Commerce, DCS
<b>HTF Administrator</b>	North Dakota	North Dakota Finance Agency

**Table 1 – Responsible Agencies**

### Narrative

The North Dakota Department of Commerce, DCS, is designated as the lead agency for developing, implementing, monitoring, and reporting on the achievements of the Consolidated Plan. Other entities that play a key role in the implementation of the Plan are the State's eight Regional Planning Councils, seven Community Action Agencies (CAAs), Community Development Housing Organizations (CHDO), non-profits, the North Dakota Housing Finance Agency (NDHFA), Cass County Housing Authority, Stutsman County Housing Authority, and the cities of Bismarck and Grand Forks.

### Consolidated Plan Public Contact Information

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## **PR-10 CONSULTATION - 91.100, 91.200(B), 91.215(L)**

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### **Introduction**

When preparing the Consolidated Plan, consultation is made with public and private agencies that provide housing, health and social services. State health and child welfare agencies are also consulted concerning lead-based paint hazards. Through the use of focus groups, surveys and direct communication, the Department of Commerce collected input from a variety of statewide and local agencies. This input was utilized to help develop the Plan and determine priorities for the State.

### **Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I)).**

The Department of Commerce encourages the coordination of public and private housing and service providers by utilizing statewide information to determine priorities for funding throughout the State. The Department of Commerce prioritizes funding activities that include coordination between public and private housing and service providers.

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

The ESG program works very closely with the 25 shelters in the State and the North Dakota Coalition for Homeless People to identify and address the needs of the homeless and the chronic homeless. The North Dakota Finance Agency works closely with the NDFHA, which is the lead agency for the Statewide CoC.

### **Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of HMIS**

Funds are allocated based on the priority needs as established in this Plan. Through the planning process, the State consulted with the Statewide CoC and service agencies to determine how the needs of the homeless will best be addressed and how the State can help fulfil the goals to reduce and end homeless throughout North Dakota.

### **Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities**

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

2	<b>Agency/Group/Organization</b>	Tri-County Regional Dev Council
	<b>Agency/Group/Organization Type</b>	Regional organization Planning organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Non-Homeless Special Needs Economic Development Market Analysis
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Regional public input meetings, regional needs, surveys
3	<b>Agency/Group/Organization</b>	Souris Basin Planning Council
	<b>Agency/Group/Organization Type</b>	Regional organization Planning organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Non-Homeless Special Needs Economic Development Market Analysis
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Regional needs, regional public input, survey
4	<b>Agency/Group/Organization</b>	North Central Planning Council
	<b>Agency/Group/Organization Type</b>	Regional organization Planning organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs Economic Development Market Analysis
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Regional needs, regional public input, survey
5	<b>Agency/Group/Organization</b>	Red River Regional Council
	<b>Agency/Group/Organization Type</b>	Regional organization Planning organization

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs Economic Development Market Analysis
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Regional needs, regional public input, survey
6	<b>Agency/Group/Organization</b>	Lake Agassiz Regional Council
	<b>Agency/Group/Organization Type</b>	Regional organization Planning organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs Economic Development Market Analysis
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Regional needs, regional public input, survey
7	<b>Agency/Group/Organization</b>	South Central Dakota Regional Council
	<b>Agency/Group/Organization Type</b>	Regional organization Planning organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs Economic Development Market Analysis
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Regional needs, regional public input, survey
8	<b>Agency/Group/Organization</b>	Lewis & Clark Regional Development Council
	<b>Agency/Group/Organization Type</b>	Regional organization Planning organization

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs Economic Development Market Analysis
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Regional needs, regional public input, survey
9	<b>Agency/Group/Organization</b>	Roosevelt Custer Regional Council for Dev.
	<b>Agency/Group/Organization Type</b>	Regional organization Planning organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs Economic Development Market Analysis
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Regional needs, regional public input, survey
10	<b>Agency/Group/Organization</b>	NORTH DAKOTA COALITION FOR HOMELESS PEOPLE
	<b>Agency/Group/Organization Type</b>	Services-homeless Planning organization
	<b>What section of the Plan was addressed by Consultation?</b>	Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Survey, Continuum of Care plan coordination
11	<b>Agency/Group/Organization</b>	High Plains Fair Housing Center
	<b>Agency/Group/Organization Type</b>	Service-Fair Housing



<b>What section of the Plan was addressed by Consultation?</b>	Fair Housing
<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted with in the development of the State's Analysis of Impediments in 2020

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

The State made every attempt to be inclusive in its outreach efforts.

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

<b>Name of Plan</b>	<b>Lead Organization</b>	<b>How do the goals of your Strategic Plan overlap with the goals of each plan?</b>
Continuum of Care	NDHFA	The State’s Plan aligns with the CoC’s overarching objectives.

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

**Describe cooperation and coordination with other public entities, including the State and any adjacent units of general local government, in the implementation of the Consolidated Plan (91.215(l))**

The State has or will comply with the following:

1. It has consulted with affected units of local government in the non-entitlement area of the State in determining the method of distribution of funding;
2. It engages in or will engage in planning for community development activities;
3. It provides or will provide technical assistance to units of local government in connection with community development programs; and
4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

**Narrative (optional):**

**PR-15 CITIZEN PARTICIPATION**

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

The State undertook a series of steps to engage citizens and stakeholders in the development of this Consolidated Plan. These included the Housing and Community Development Survey, a series of focus groups, regional public input meetings, and a public review meeting after the release of the draft plan. Input from these efforts were a part of the Needs Assessment and Market Analysis, and ultimately helped shape the outcome of the Plan’s Five Year Goals and Objectives.

**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	Internet outreach	Non-targeted/broad community	A total of 164 surveys were received throughout the State.	The results are available as part of the Needs Assessment and Market Analysis.	Not applicable.	
2	Focus Groups	Stakeholders	Three focus groups were held on the topics of homelessness, affordable housing, and public services.	A complete set of transcripts will be included in the Appendix.	Not applicable.	
2	Public Meeting	Non-targeted/broad community	A public input meeting was held on October 29, 2019.	Notes from comments received during these meetings will be included in the Appendix.	Not applicable.	
3	Public Hearing	Non-targeted/broad community Stakeholders	A public hearing will be held during the public review period on April 21.	A complete set of transcripts will be included in the Appendix.	Not applicable.	

**Table 4 – Citizen Participation Outreach**

# NEEDS ASSESSMENT

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## NA-05 OVERVIEW

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### Needs Assessment Overview

The following section will describe the socio-economic and housing situation in the State of North Dakota.

The population in The State of North Dakota grew from 672,591 persons in 2010 to 760,077 person in 2018. There has not been a significant change in the racial or ethnic makeup of the State. Household with income over \$100,000 have grown as a proportion of the population, while conversely, poverty has declined slightly. The proportion of persons in poverty has grown from 11.9 percent in 2000 to 10.9 percent in 2018.

A significant proportion of households have housing problems, particularly cost burdens, with 21.6 percent of households experiencing cost burdens. Renter households are particularly impacted by cost burdens, at a rate of 35.7 percent. In addition, black, American Indian, and Hispanic households face housing problems at a disproportionate rate.

The homeless population continues to need a variety of services, even as the homeless population declined since 2014, from 1,258 persons in the North Dakota Statewide Continuum of Care to 557 persons in 2019, according to Point-in-Time counts. The North Dakota Department of Public Instruction collects information on public school students that are experiencing homelessness. This data helps illuminate the larger homeless population in the State of North Dakota, which represents over 2,400 students in the 2018-2019 school year, much higher than the 557 reported in 2019 Point-in-Time Count. In addition, there are a variety of non-homeless special needs populations in the State. This includes the elderly population, which has grown by 15.9 percent since 2010.

The following Needs Assessment and Market Analysis include two different table types. The first is the default data sets that come from the eCon Planning Suite. These tables are orange. The second is a set of tables that has the most up-to-date data available for North Dakota. These tables are teal. Most of the narrative in the following sections will reference the teal tables by table number.

### NA-10 HOUSING NEEDS ASSESSMENT - 24 CFR 91.205 (A,B,C)

Demographics	Base Year: 2009	Most Recent Year: 2015	% Change
Population	672,591	721,640	7%
Households	273,035	299,638	10%
Median Income	\$45,140.00	\$57,181.00	27%

**Table 5 - Housing Needs Assessment Demographics**

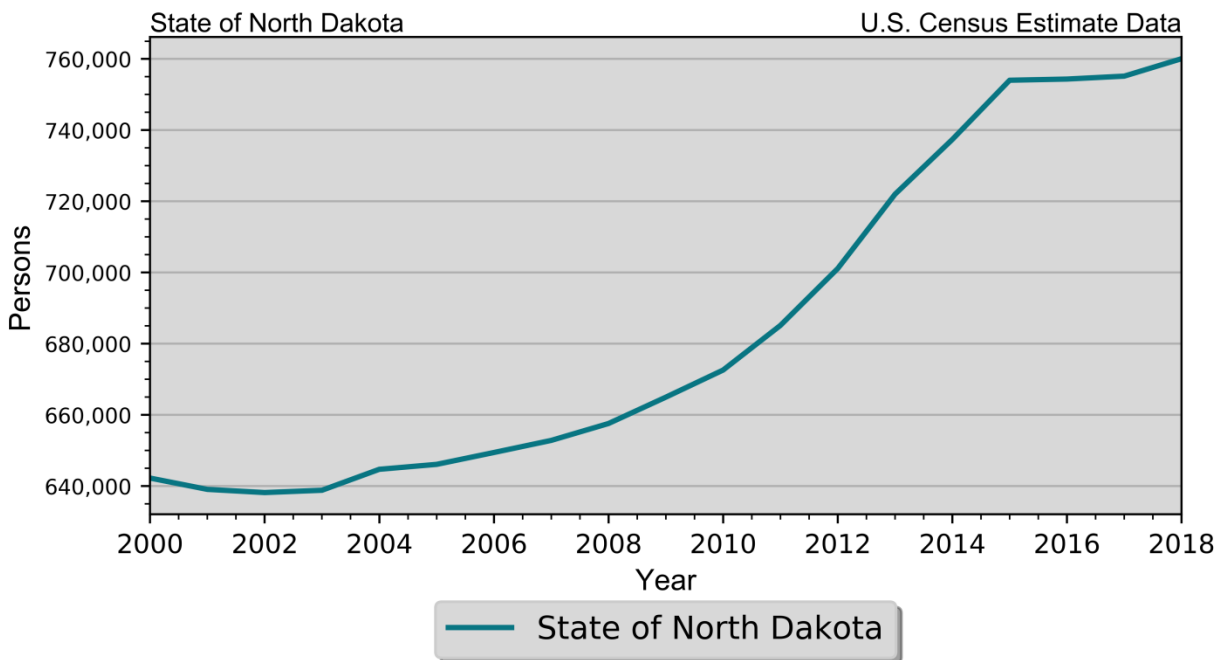
**Data Source:** 2005-2009 ACS (Base Year), 2011-2015 ACS (Most Recent Year)

### Population Estimates

The Census Bureau’s current census estimates for each year since the 2010 Census are presented in Table Na-10.1. The 2018 estimates indicate that the State of North Dakota’s population increased from 672,591 in 2010 to 760,077 in 2018, or by 13 percent. The 2018 population estimate is not yet available broken down by race, age, or gender. For those purposes, we will use the 2018 Five-year ACS estimates. Population trends for State of North Dakota since 2000 are displayed below in Diagram NA-10.1.

<b>Table NA-10.1 Population Estimates</b> State of North Dakota 2010-2018 Census Data and Intercensal Estimates	
<b>2010 Census</b>	<b>672,591</b>
2011 Population Estimate	685,136
2012 Population Estimate	701,116
2013 Population Estimate	721,999
2014 Population Estimate	737,382
2015 Population Estimate	754,022
2016 Population Estimate	754,353
2017 Population Estimate	755,176
<b>2018 Population Estimate</b>	<b>760,077</b>

**Diagram NA-10.1  
Population**  
State of North Dakota



The State of North Dakota population by race and ethnicity is shown in Table NA-10.2. The white population increased by 8.6 percent, representing 87.1 percent of the population in 2018, compared with the black population, which increased by 210.6 percent and accounted for 2.7 percent of the population. The Hispanic population represented 3.5 percent of the population, which increased from 13,467 to 29,529 people between 2010 and 2018, or by 119.3 percent.

<b>Table NA-10.2</b>				
<b>Population by Race and Ethnicity</b>				
State of North Dakota				
2010 Census & 2018 Five-Year ACS				
Race	2010 Census		2018 Five-Year ACS	
	Population	% of Total	Population	% of Total
White	605,449	90.0%	655,268	87.1%
Black	7,960	1.2%	20,445	2.7%
American Indian	36,591	5.4%	39,462	5.2%
Asian	6,909	1.0%	10,814	1.4%
Native Hawaiian/ Pacific Islander	320	0%	378	0.1%
Other	3,509	0.5%	7,528	1.0%
Two or More Races	11,853	1.8%	18,306	2.4%
<b>Total</b>	<b>672,591</b>	<b>100.0%</b>	<b>752,201</b>	<b>100.0%</b>
<b>Non-Hispanic</b>	<b>659,124</b>	<b>98.0%</b>	<b>725,672</b>	<b>96.5%</b>
<b>Hispanic</b>	<b>13,467</b>	<b>2.0%</b>	<b>26,529</b>	<b>3.5%</b>

The change in race and ethnicity between 2010 and 2018 is shown in Table NA-10.3. During this time, the total non-Hispanic population was 725,672 persons in 2018. The Hispanic population was 26,529.

<b>Table NA-10.3</b>				
<b>Population by Race and Ethnicity</b>				
State of North Dakota				
2010 Census & 2018 Five-Year ACS				
Race	2010 Census		2018 Five-Year ACS	
	Population	% of Total	Population	% of Total
<b>Non-Hispanic</b>				
White	598,007	90.7%	639,477	88.1%
Black	7,720	1.2%	20,113	2.8%
American Indian	35,562	5.4%	38,308	5.3%
Asian	6,839	1.0%	10,664	1.5%
Native Hawaiian/ Pacific Islander	290	0%	366	0.1%
Other	341	0.1%	972	0.1%
Two or More Races	10,365	1.6%	15,772	2.2%
<b>Total Non-Hispanic</b>	<b>659,124</b>	<b>100.0%</b>	<b>725,672</b>	<b>100.0%</b>
<b>Hispanic</b>				
White	7,442	55.3%	15,791	59.5%
Black	240	1.8%	332	1.3%
American Indian	1,029	7.6%	1,154	4.3%
Asian	70	0.5%	150	0.6%
Native Hawaiian/ Pacific Islander	30	0.2%	12	0%
Other	3,168	23.5%	6,556	24.7%
Two or More Races	1,488	11.0%	2,534	9.6%
<b>Total Hispanic</b>	<b>13,467</b>	<b>100.0</b>	<b>26,529</b>	<b>100.0%</b>
<b>Total Population</b>	<b>672,591</b>	<b>100.0%</b>	<b>752,201</b>	<b>100.0%</b>

The group quarters population includes the institutionalized population, who live in correctional institutions, juvenile facilities, nursing homes, and other institutions, and the non-institutionalized population, who live in college dormitories, military quarters, and other group living situations. As seen in Table NA-10.4, between 2000 and 2010, the institutionalized population changed -0.1 percent in the State of North Dakota, from 9,688 people in 2000 to 9,675 in 2010. The non-institutionalized population changed by 10.3%, from 13,943 in 2000 to 15,381 in 2010.

<b>Table NA-10.4</b>					
<b>Group Quarters Population</b>					
State of North Dakota					
2000 & 2010 Census SF1 Data					
Group Quarters Type	2000 Census		2010 Census		% Change 00-10
	Population	% of Total	Population	% of Total	
<b>Institutionalized</b>					
Correctional Institutions	1,518	15.7%	2,489	25.7%	64.0%
Juvenile Facilities	.	.	383	4.0%	.
Nursing Homes	7,254	74.9%	6,433	66.5%	-11.3%
Other Institutions	916	9.5%	370	3.8%	-59.6%
<b>Total</b>	<b>9,688</b>	<b>100.0%</b>	<b>9,675</b>	<b>100.0%</b>	<b>-0.1%</b>
<b>Non-institutionalized</b>					
College Dormitories	10,137	72.7%	10,570	68.7%	4.3%
Military Quarters	1,244	8.9%	1,380	9.0%	10.9%
Other Non-institutionalized	2,562	18.4%	3,431	22.3%	33.9%
<b>Total</b>	<b>13,943</b>	<b>100.0%</b>	<b>15,381</b>	<b>100.0%</b>	<b>10.3%</b>
<b>Group Quarters Population</b>	<b>23,631</b>	<b>100.0%</b>	<b>25,056</b>	<b>100.0%</b>	<b>6.0%</b>

Households by type and tenure are shown in Table NA-10.5. Family households represented 59.8 percent of households, while non-family households accounted for 40.2 percent. These changed from 60.8 and 39.2 percent, respectively.

<b>Table NA-10.5</b>				
<b>Household Type by Tenure</b>				
State of North Dakota				
2010 Census SF1 & 2018 Five-Year ACS Data				
Household Type	2010 Census		2018 Five-Year ACS	
	Households	Households	Households	% of Total
Family Households	170,916	60.8%	188,288	59.8%
Married-Couple Family	136,522	79.9%	151,214	80.3%
Owner-Occupied	117,507	86.1%	125,695	83.1%
Renter-Occupied	19,015	13.9%	25,519	16.9%
Other Family	34,394	20.1%	37,074	18.3%
Male Householder, No Spouse Present	11,406	33.2%	13,122	30.8%
Owner-Occupied	6,856	60.1%	7,023	53.5%
Renter-Occupied	4,550	39.9%	6,099	46.5%
Female Householder, No Spouse Present	22,988	66.8%	23,952	62.0%
Owner-Occupied	10,856	47.2%	10,773	45.0%
Renter-Occupied	12,132	52.8%	13,179	55.0%
Non-Family Households	110,276	39.2%	126,615	40.2%
Owner-Occupied	48,724	44.2%	53,856	42.5%
Renter-Occupied	61,552	55.8%	72,759	57.5%
<b>Total</b>	<b>281,192</b>	<b>100.0%</b>	<b>314,903</b>	<b>100.0%</b>

## Household Income and Poverty

Households by income for the 2010 and 2018 Five-Year ACS are shown in Table NA-10.6. Households earning more than 100,000 dollars per year represented 27.9 percent of households in 2018, compared to 14.6 percent in 2010. Meanwhile, households earning less than 15,000 dollars accounted for 9.9 percent of households in 2018, compared to 14.3 percent in 2000.

<b>Table NA-10.6</b>				
<b>Households by Income</b>				
State of North Dakota				
2010 & 2018 Five-Year ACS Data				
Income	2010 Five-Year ACS		2018 Five-Year ACS	
	Households	% of Total	Households	% of Total
Less than \$15,000	39,425	14.3%	31,291	9.9%
\$15,000 to \$19,999	16,011	5.8%	13,158	4.2%
\$20,000 to \$24,999	16,678	6.0%	12,633	4.0%
\$25,000 to \$34,999	32,772	11.8%	27,910	8.9%
\$35,000 to \$49,999	41,563	15.0%	39,929	12.7%
\$50,000 to \$74,999	55,089	19.9%	57,047	18.1%
\$75,000 to \$99,999	34,795	12.6%	45,061	14.3%
\$100,000 or More	40,309	14.6%	87,874	27.9%
<b>Total</b>	<b>276,642</b>	<b>100.0%</b>	<b>314,903</b>	<b>100.0%</b>

The rate of poverty for State of North Dakota is shown in Table NA-10.7. In 2017, there were an estimated 79,270 people or 10.9 percent living in poverty, compared to 11.9 percent living in poverty in 2000. In 2017, some 10.9 percent of those in poverty were under age 6 and 12.0 percent were 65 or older.

<b>Table NA-10.7</b>				
<b>Poverty by Age</b>				
State of North Dakota				
2000 Census SF3 & 2018 Five-Year ACS Data				
Age	2000 Census		2018 Five-Year ACS	
	Persons in Poverty	% of Total	Persons in Poverty	% of Total
Under 6	8,173	11.1%	8,604	10.9%
6 to 17	13,990	19.0%	12,258	15.5%
18 to 64	41,568	56.6%	48,920	61.7%
65 or Older	9,726	13.2%	9,488	12.0%
<b>Total</b>	<b>73,457</b>	<b>100.0%</b>	<b>79,270</b>	<b>100.0%</b>
<b>Poverty Rate</b>	<b>11.9%</b>	<b>.</b>	<b>10.9%</b>	<b>.</b>

### Number of Households Table

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
<b>Total Households</b>	40,895	37,115	57,250	33,265	131,110
<b>Small Family Households</b>	8,900	9,050	18,625	13,315	70,410
<b>Large Family Households</b>	1,425	2,065	3,590	2,670	10,470
<b>Household contains at least one person 62-74 years of age</b>	5,810	7,180	9,650	5,885	23,195
<b>Household contains at least one person age 75 or older</b>	9,445	7,635	7,565	2,915	7,025
<b>Households with one or more children 6 years old or younger</b>	5,695	5,560	8,675	6,015	14,845

**Table 6 - Total Households Table**

Data Source: 2011-2015 CHAS

### Housing Needs Summary Tables

1. Housing Problems (Households with one of the listed needs)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
<b>NUMBER OF HOUSEHOLDS</b>										
<b>Substandard Housing - Lacking complete plumbing or kitchen facilities</b>	600	335	205	25	1,165	180	230	80	85	575
<b>Severely Overcrowded - With &gt;1.51 people per room (and complete kitchen and plumbing)</b>	295	210	235	170	910	40	40	45	110	235
<b>Overcrowded - With 1.01-1.5 people per room (and none of the above problems)</b>	580	410	435	235	1,660	130	280	245	200	855
<b>Housing cost burden greater than 50% of income (and none of the above problems)</b>	13,615	2,595	880	55	17,145	5,200	1,995	1,140	240	8,575



	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
<b>Housing cost burden greater than 30% of income (and none of the above problems)</b>	5,130	8,065	3,465	550	17,210	3,075	3,585	5,065	1,530	13,255
<b>Zero/negative Income (and none of the above problems)</b>	1,865	0	0	0	1,865	950	0	0	0	950

**Table 7 – Housing Problems Table**

Data Source: 2011-2015 CHAS

2. Housing Problems 2 (Households with one or more Severe Housing Problems: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
<b>NUMBER OF HOUSEHOLDS</b>										
<b>Having 1 or more of four housing problems</b>	15,090	3,545	1,755	480	20,870	5,555	2,545	1,505	630	10,235
<b>Having none of four housing problems</b>	10,410	16,495	23,870	9,995	60,770	7,025	14,535	30,115	22,160	73,835
<b>Household has negative income, but none of the other housing problems</b>	1,865	0	0	0	1,865	950	0	0	0	950

**Table 8 – Housing Problems 2**

Data Source: 2011-2015 CHAS

3. Cost Burden > 30%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
<b>NUMBER OF HOUSEHOLDS</b>								
Small Related	4,850	2,950	1,395	9,195	1,540	1,740	2,805	6,085
Large Related	610	340	179	1,129	300	505	440	1,245
Elderly	4,045	2,645	1,285	7,975	4,775	2,220	1,145	8,140
Other	10,280	5,180	1,575	17,035	1,815	1,270	1,830	4,915
<b>Total need by income</b>	<b>19,785</b>	<b>11,115</b>	<b>4,434</b>	<b>35,334</b>	<b>8,430</b>	<b>5,735</b>	<b>6,220</b>	<b>20,385</b>

Table 9 – Cost Burden > 30%

Data Source: 2011-2015 CHAS

4. Cost Burden > 50%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
<b>NUMBER OF HOUSEHOLDS</b>								
Small Related	3,735	675	250	4,660	1,080	665	545	2,290
Large Related	395	90	4	489	170	130	20	320
Elderly	2,720	1,040	405	4,165	2,670	715	230	3,615
Other	7,555	965	265	8,785	1,345	520	340	2,205
<b>Total need by income</b>	<b>14,405</b>	<b>2,770</b>	<b>924</b>	<b>18,099</b>	<b>5,265</b>	<b>2,030</b>	<b>1,135</b>	<b>8,430</b>

Table 10 – Cost Burden > 50%

Data Source: 2011-2015 CHAS

5. Crowding (More than one person per room)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
<b>NUMBER OF HOUSEHOLDS</b>										
Single family households	660	540	460	215	1,875	155	260	220	280	915
Multiple, unrelated family households	175	90	80	70	415	25	55	65	30	175
Other, non-family households	55	35	135	120	345	0	4	4	4	12
<b>Total need by income</b>	<b>890</b>	<b>665</b>	<b>675</b>	<b>405</b>	<b>2,635</b>	<b>180</b>	<b>319</b>	<b>289</b>	<b>314</b>	<b>1,102</b>

**Table 11 – Crowding Information - 1/2**

Data Source: 2011-2015 CHAS

**Housing Problems**

The Census identified the following four housing problems in the CHAS data. Households are considered to have housing problems if they have one of more of the four problems.

1. Housing unit lacks complete kitchen facilities;
2. Housing unit lacks complete plumbing facilities;
3. Household is overcrowded; and
4. Household is cost burdened.

Overcrowding is defined as having from 1.1 to 1.5 people per room per residence, with severe overcrowding defined as having more than 1.5 people per room. Households with overcrowding are shown in Table NA-10.8. In 2017, an estimated 1.3 percent of households were overcrowded, and an additional 0.7 percent were severely overcrowded.

<b>Table NA-10.8</b>							
<b>Overcrowding and Severe Overcrowding</b>							
State of North Dakota							
2010 & 2018 Five-Year ACS Data							
Data Source	No Overcrowding		Overcrowding		Severe Overcrowding		Total
	Households	% of Total	Households	% of Total	Households	% of Total	
<b>Owner</b>							
2010 Five-Year ACS	182,789	99.3%	1,159	0.6%	169	0.1%	184,117
2018 Five-Year ACS	195,551	99.1%	1,535	0.8%	261	0.1%	197,347
<b>Renter</b>							
2010 Five-Year ACS	90,894	98.2%	1,258	1.4%	373	0.4%	92,525
2018 Five-Year ACS	112,995	96.1%	2,576	2.2%	1,985	1.7%	117,556
<b>Total</b>							
2010 Five-Year ACS	273,683	98.9%	2,417	0.9%	542	0.2%	276,642
2018 Five-Year ACS	308,546	98.0%	4,111	1.3%	2,246	0.7%	314,903

Incomplete plumbing and kitchen facilities are another indicator of potential housing problems. According to the Census Bureau, a housing unit is classified as lacking complete plumbing facilities when any of the following are not present: piped hot and cold water, a flush toilet, and a bathtub or shower. Likewise, a unit is categorized as deficient when any of the following are missing from the kitchen: a sink with piped hot and cold water, a range or cook top and oven, and a refrigerator. This data is displayed in Table NA-10.9 and Table NA-10.10, below.

There were a total of 1,152 households with incomplete plumbing facilities in 2018, representing 0.4 percent of households in the State of North Dakota. This is compared to 0.3 percent of households lacking complete plumbing facilities in 2010.

<b>Table NA-10.9</b>		
<b>Households with Incomplete Plumbing Facilities</b>		
2010 and 2018 Five-Year ACS Data		
<b>Households</b>	<b>2010 Five-Year ACS</b>	<b>2018 Five-Year ACS</b>
With Complete Plumbing Facilities	275,922	313,751
Lacking Complete Plumbing Facilities	720	1,152
<b>Total Households</b>	<b>276,642</b>	<b>314,903</b>
<b>Percent Lacking</b>	<b>0.3%</b>	<b>0.4%</b>

There were 2,173 households lacking complete kitchen facilities in 2018, compared to 1,748 households in 2010. This was a change from 0.6 percent of households in 2010 to 0.7 percent in 2018.

<b>TableNA-10.10</b>		
<b>Households with Incomplete Kitchen Facilities</b>		
State of North Dakota		
2010 and 2018 Five-Year ACS Data		
<b>Households</b>	<b>2010 Five-Year ACS</b>	<b>2018 Five-Year ACS</b>
With Complete Kitchen Facilities	274,894	312,730
Lacking Complete Kitchen Facilities	1,748	2,173
<b>Total Households</b>	<b>276,642</b>	<b>314,903</b>
<b>Percent Lacking</b>	<b>0.6%</b>	<b>0.7%</b>

Cost burden is defined as gross housing costs that range from 30.0 to 50.0 percent of gross household income; severe cost burden is defined as gross housing costs that exceed 50.0 percent of gross household income. For homeowners, gross housing costs include property taxes, insurance, energy payments, water and sewer service, and refuse collection. If the homeowner has a mortgage, the determination also includes principal and interest payments on the mortgage loan. For renters, this figure represents monthly rent and selected electricity and natural gas energy charges.

As seen in Table NA-10.11, in the State of North Dakota 12.1 percent of households had a cost burden and 9.5 percent had a severe cost burden. Some 18.4 percent of renters were cost burdened, and 17.3 percent were severely cost burdened. Owner-occupied households without a mortgage had a cost burden rate of 4.8 percent and a severe cost burden rate of 4.3 percent. Owner occupied households with a mortgage had a cost burden rate of 11.5 percent, and severe cost burden at 5.3 percent.

<b>Table NA-10.11</b>									
<b>Cost Burden and Severe Cost Burden by Tenure</b>									
State of North Dakota									
2010 & 2018 Five-Year ACS Data									
Data Source	Less Than 30%		31%-50%		Above 50%		Not Computed		Total
	Households	% of Total	Households	% of Total	Households	% of Total	Households	% of Total	
<b>Owner With a Mortgage</b>									
2010 Five-Year ACS	78,485	78.0%	15,888	15.8%	5,981	5.9%	266	0.3%	100,620
2018 Five-Year ACS	87,060	82.9%	12,073	11.5%	5,573	5.3%	273	0.3%	104,979
<b>Owner Without a Mortgage</b>									
2010 Five-Year ACS	72,750	87.1%	5,927	7.1%	4,307	5.2%	513	0.6%	83,497
2018 Five-Year ACS	83,032	89.9%	4,466	4.8%	3,968	4.3%	902	1.0%	92,368
<b>Renter</b>									
2010 Five-Year ACS	49,269	53.2%	16,711	18.1%	17,299	18.7%	9,246	10.0%	92,525
2018 Five-Year ACS	66,261	56.4%	21,605	18.4%	20,358	17.3%	9,332	7.9%	117,556
<b>Total</b>									
2010 Five-Year ACS	200,504	72.5%	38,526	13.9%	27,587	10.0%	10,025	3.6%	276,642
2018 Five-Year ACS	236,353	75.1%	38,144	12.1%	29,899	9.5%	10,507	3.3%	314,903

**Describe the number and type of single person households in need of housing assistance.**

There are over 96,000 one-person households in the State of North Dakota in 2017. These one-person households that are below 30 percent HUD Area Median Family Income (HAMFI) are the most likely to need housing assistance in the area.

**Estimate the number and type of families in need of housing assistance who are disabled or victims of domestic violence, dating violence, sexual assault and stalking.**

Disability by age, as estimated by the 2018 ACS, is shown in Table NA-10.12, below. The disability rate for females was 10.5 percent, compared to 11.0 percent for males. The disability rate grew precipitously higher with age, with 46.7 percent of those over 75 experiencing a disability.

<b>Table NA-10.12</b>						
<b>Disability by Age</b>						
State of North Dakota						
2018 Five-Year ACS Data						
Age	Male		Female		Total	
	Disabled Population	Disability Rate	Disabled Population	Disability Rate	Disabled Population	Disability Rate
Under 5	187	0.7%	127	0.5%	314	0.6%
5 to 17	3,847	6.2%	1,689	2.9%	5,536	4.6%
18 to 34	4,989	4.8%	5,376	5.9%	10,365	5.3%
35 to 64	15,931	11.8%	12,484	9.7%	28,415	10.8%
65 to 74	7,279	25.3%	6,059	20.7%	13,338	23.0%
75 or Older	9,142	47.7%	12,234	45.9%	21,376	46.7%
<b>Total</b>	<b>41,375</b>	<b>11.0%</b>	<b>37,969</b>	<b>10.5%</b>	<b>79,344</b>	<b>10.8%</b>

The number of disabilities by type, as estimated by the 2018 ACS, is shown in Table NA-10.13. Some 5.3 percent have an ambulatory disability, 3.9 have an independent living disability, and 1.7 percent have a self-care disability.

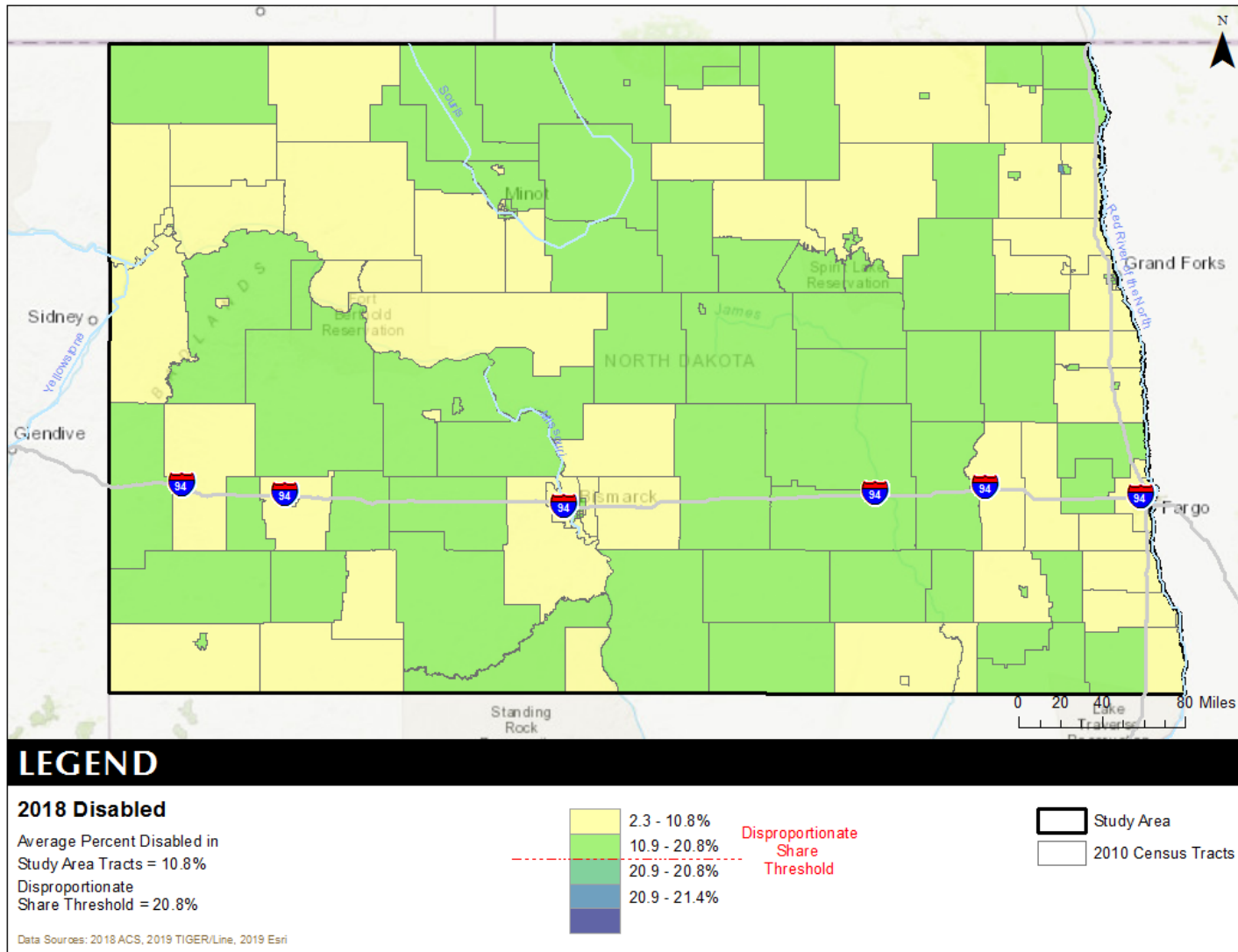
<b>Disability Type</b>	<b>Population with Disability</b>	<b>Percent with Disability</b>
Hearing disability	27,895	3.8%
Vision disability	14,195	1.9%
Cognitive disability	26,893	3.9%
Ambulatory disability	36,281	5.3%
Self-Care disability	11,426	1.7%
Independent living disability	22,017	3.9%

Pinpointing specific numbers of domestic violence victims is difficult due to the lack of reporting and other mitigating factors. According to CAWS North Dakota, an estimated 6,203 incidents of domestic violence were reported to crisis intervention centers in North Dakota, and 5,172 new victims received services at crisis intervention centers in 2018.<sup>1</sup> In addition, the North Dakota Department of Health reported 1,007 sexual assaults in 2017, an increase from 786 assaults reported in 2014.<sup>2</sup>

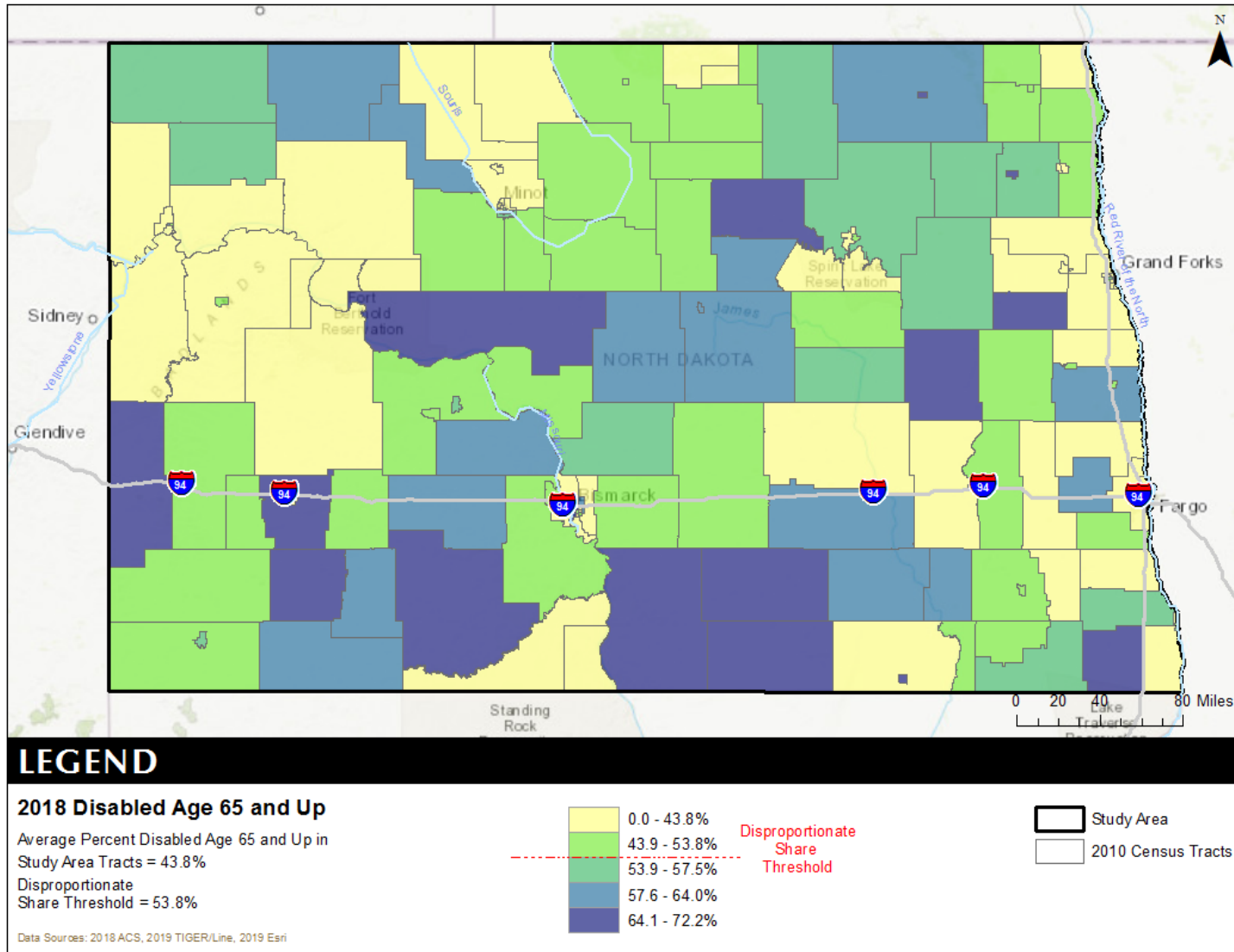
<sup>1</sup> [http://www.cawsnorthdakota.org/wp-content/uploads/2019/04/2018-ND-DV-Fact-Sheet\\_8.5x11.pdf](http://www.cawsnorthdakota.org/wp-content/uploads/2019/04/2018-ND-DV-Fact-Sheet_8.5x11.pdf)

<sup>2</sup> <https://www.health.nd.gov/sexual-violence-and-intimate-partner-violence-data>

**Map NA-10.1**  
**2018 Persons with Disabilities**  
 State of North Dakota  
 2018 ACS, Tigerline



**Map NA-10.2**  
**2018 Persons with Disabilities Age 65 and Older**  
 State of North Dakota  
 2018 ACS, Tigerline





### What are the most common housing problems?

Cost burdens are the most common housing problem in the State, by far. Housing cost burdens between 31 and 50 percent of income impact 12.1 percent of households in the State. Severe cost burdens over 50 percent of income impact 9.5 percent of households. These housing problems impact 21.6 percent of the total population in the State.

<b>Table NA-10.14</b> <b>Cost Burden and Severe Cost Burden by Tenure</b> State of North Dakota 2010 & 2018 Five-Year ACS Data									
Data Source	Less Than 30%		31%-50%		Above 50%		Not Computed		Total
	Households	% of Total	Households	% of Total	Households	% of Total	Households	% of Total	
<b>Owner With a Mortgage</b>									
2010 Five-Year ACS	78,485	78.0%	15,888	15.8%	5,981	5.9%	266	0.3%	100,620
2018 Five-Year ACS	87,060	82.9%	12,073	11.5%	5,573	5.3%	273	0.3%	104,979
<b>Owner Without a Mortgage</b>									
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<b>Renter</b>									
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<b>Total</b>									
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2018 Five-Year ACS	236,353	75.1%	38,144	12.1%	29,899	9.5%	10,507	3.3%	314,903

### Are any populations/household types more affected than others by these problems?

For homeowners, an estimated 12.2 percent face cost burdens or severe cost burdens. Elderly non-family households experience cost burdens at a higher rate, at 24.5 percent. At lower income levels, "other" households experience cost burdens at a higher rate. Below 30 percent HAMFI, "other" households face housing problems at a rate of 65.9 percent. These data are shown in Table NA-10.15.

Renters are more likely to experience cost burdens than owner households, at a rate of 33.5 percent for all renter households in the State. Elderly non-family households experience the highest rate of cost burdens overall, for renter households, at 47.3 percent. As seen with owner households, "other" renter households experience cost burdens at the highest rate at 78.9 percent. Small families below 30 percent HAMFI experience cost burdens at a rate of 75.7 percent. Large families with incomes below 30 percent HAMFI experience cost burdens at a rate of 54.4 percent. These data are shown in Table NA-10.16.

**Describe the characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)). Also discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance**

Households most likely to be at risk of becoming unsheltered are those that with extremely low incomes that are severely cost-burdened. There are 19,775 households in the State that are below

30 percent HAMFI with severe cost burdens. These 5,220 homeowner households and 14,555 renter households are the most at-risk of becoming homeless.

**If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates:**

Not applicable.

**Specify particular housing characteristics that have been linked with instability and an increased risk of homelessness**

According to the National Alliance to End Homelessness, there are various factors that contribute to an increased risk of homelessness. These housing characteristics include households that are doubled up, or living with friends or family, persons recently released from prison, and young adults out of foster care. Economic factors include households with severe cost burden and households facing unemployment. As described here and in the following sections, there are a large number of households facing cost burdens and other housing problems that create instability and increase their risk of homelessness.

## **Discussion**

The population in the North Dakota grew slightly between 2010 and 2018. However, there has not been significant changes in the racial and ethnic makeup of the area. Income disparity is growing, with households earning more than \$100,000 a year growing to account for 29.7 percent of the population in 2018. Meanwhile, persons in poverty declined slightly from 11.9 percent of the population in 2000 to 10.9 percent of the population in 2018.

Over a fifth of all households have housing problems, particularly cost burdens, with 21.6 percent of households experiencing cost burdens. Renter households are particularly impacted by cost burdens, at a rate of 36.5 percent.

<b>Table NA-10.15</b> <b>Owner-Occupied Households by Income and Family Status and Cost Burden</b> State of North Dakota 2012–2016 HUD CHAS Data						
Income	Elderly Family	Small Family	Large Family	Elderly Non-Family	Other Household	Total
<b>Cost Burden</b>						
\$0 to \$25,350	475	425	105	1,550	415	2,970
\$25,351 to \$42,250	630	1,010	355	870	770	3,635
\$42,251 to \$67,600	640	2,110	355	475	1,400	4,980
\$67,601 to \$84,500	260	820	155	75	400	1,710
Above \$84,500	260	950	110	55	365	1,740
<b>Total</b>	<b>2,265</b>	<b>5,315</b>	<b>1,080</b>	<b>3,025</b>	<b>3,350</b>	<b>15,035</b>
<b>Severe Cost Burden</b>						
\$0 to \$25,350	515	885	195	2,185	1,440	5,220
\$25,351 to \$42,250	300	640	175	385	450	1,950
\$42,251 to \$67,600	120	470	25	115	340	1,070
\$67,601 to \$84,500	30	70	4	10	145	259
Above \$84,500	15	90	4	0	65	174
<b>Total</b>	<b>980</b>	<b>2,155</b>	<b>403</b>	<b>2,695</b>	<b>2,440</b>	<b>8,673</b>
<b>Total</b>						
\$0 to \$25,350	1,735	2,140	500	6,080	2,815	13,270
\$25,351 to \$42,250	4,300	3,580	1,090	5,020	2,805	16,795
\$42,251 to \$67,600	6,995	10,315	2,230	5,455	6,350	31,345
\$67,601 to \$84,500	4,965	9,535	2,069	1,910	3,840	22,319
Above \$84,500	20,100	61,415	10,064	4,805	13,785	110,169
<b>Total</b>	<b>38,095</b>	<b>86,985</b>	<b>15,953</b>	<b>23,270</b>	<b>29,595</b>	<b>193,898</b>

<b>Table NA-10.16</b>						
<b>Renter-Occupied Households by Income and Family Status and Cost Burden</b>						
State of North Dakota						
2012–2016 HUD CHAS Data						
<b>Income</b>	<b>Elderly Family</b>	<b>Small Family</b>	<b>Large Family</b>	<b>Elderly Non-Family</b>	<b>Other Household</b>	<b>Total</b>
<b>Cost Burden</b>						
\$0 to \$25,350	145	1,070	135	1,215	2,670	5,235
\$25,351 to \$42,250	230	2,520	325	1,500	4,105	8,680
\$42,251 to \$67,600	305	1,325	265	615	1,530	4,040
\$67,601 to \$84,500	0	230	60	130	235	655
Above \$84,500	15	110	4	60	80	269
<b>Total</b>	<b>695</b>	<b>5,255</b>	<b>789</b>	<b>3,520</b>	<b>8,620</b>	<b>18,879</b>
<b>Severe Cost Burden</b>						
\$0 to \$25,350	250	3,510	360	2,670	7,765	14,555
\$25,351 to \$42,250	35	865	110	945	950	2,905
\$42,251 to \$67,600	50	80	4	410	260	804
\$67,601 to \$84,500	35	15	0	35	0	85
Above \$84,500	20	0	0	55	0	75
<b>Total</b>	<b>390</b>	<b>4,470</b>	<b>474</b>	<b>4,115</b>	<b>8,975</b>	<b>18,424</b>
<b>Total</b>						
\$0 to \$25,350	635	6,060	910	6,525	13,230	27,360
\$25,351 to \$42,250	710	5,625	1,070	4,040	8,860	20,305
\$42,251 to \$67,600	1,090	8,280	1,189	2,995	13,090	26,644
\$67,601 to \$84,500	385	3,720	620	1,070	6,150	11,945
Above \$84,500	1,225	9,750	1,159	1,525	11,340	24,999
<b>Total</b>	<b>4,045</b>	<b>33,435</b>	<b>4,948</b>	<b>16,155</b>	<b>52,670</b>	<b>111,253</b>

**NA-15 DISPROPORTIONATELY GREATER NEED: HOUSING PROBLEMS – 91.205 (B)(2)**

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

**Introduction**

Discussed in NA-30.

**0%-30% of Area Median Income**

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	29,024	9,547	2,977
White	23,596	7,811	2,359
Black / African American	1,001	97	75
Asian	402	169	139
American Indian, Alaska Native	2,798	1,070	323
Pacific Islander	10	0	0
Hispanic	787	198	57

**Table 13 - Disproportionally Greater Need 0 - 30% AMI**

Data Source: 2011-2015 CHAS

\*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

**30%-50% of Area Median Income**

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	18,004	19,517	0
White	15,413	17,293	0
Black / African American	560	451	0
Asian	361	157	0
American Indian, Alaska Native	787	1,109	0
Pacific Islander	0	4	0
Hispanic	537	430	0

**Table 14 - Disproportionally Greater Need 30 - 50% AMI**

Data Source: 2011-2015 CHAS

\*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

**50%-80% of Area Median Income**

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	11,847	45,426	0
White	10,616	41,078	0
Black / African American	104	709	0
Asian	73	291	0
American Indian, Alaska Native	337	1,659	0
Pacific Islander	0	0	0
Hispanic	515	1,146	0

**Table 15 - Disproportionally Greater Need 50 - 80% AMI**

Data Source: 2011-2015 CHAS

\*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

**80%-100% of Area Median Income**

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	3,274	30,295	0
White	3,046	28,097	0
Black / African American	65	259	0
Asian	4	92	0
American Indian, Alaska Native	78	861	0
Pacific Islander	0	10	0
Hispanic	44	664	0

**Table 16 - Disproportionally Greater Need 80 - 100% AMI**

Data Source: 2011-2015 CHAS

\*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

**Discussion** Discussed in NA-30.

**NA-20 DISPROPORTIONATELY GREATER NEED: SEVERE HOUSING PROBLEMS – 91.205 (B)(2)**

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

**Introduction**

Discussed in NA-30.

**0%-30% of Area Median Income**

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	20,912	17,679	2,977
White	16,617	14,787	2,359
Black / African American	792	317	75
Asian	355	216	139
American Indian, Alaska Native	2,156	1,716	323
Pacific Islander	10	0	0
Hispanic	595	379	57

**Table 17 – Severe Housing Problems 0 - 30% AMI**

Data Source: 2011-2015 CHAS

\*The four severe housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than 1.5 persons per room,
4. Cost Burden over 50%

**30%-50% of Area Median Income**

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	6,256	31,108	0
White	5,214	27,291	0
Black / African American	333	674	0
Asian	177	342	0
American Indian, Alaska Native	248	1,632	0
Pacific Islander	0	4	0
Hispanic	231	730	0

**Table 18 – Severe Housing Problems 30 - 50% AMI**

Data Source: 2011-2015 CHAS

\*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

**50%-80% of Area Median Income**

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	3,276	53,911	0
White	2,633	48,954	0
Black / African American	64	744	0
Asian	50	314	0
American Indian, Alaska Native	231	1,754	0
Pacific Islander	0	0	0
Hispanic	273	1,383	0

**Table 19 – Severe Housing Problems 50 - 80% AMI**

Data Source: 2011-2015 CHAS

\*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

**80%-100% of Area Median Income**

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,172	32,406	0
White	1,029	30,137	0
Black / African American	65	259	0
Asian	0	96	0
American Indian, Alaska Native	64	875	0
Pacific Islander	0	10	0
Hispanic	8	694	0

**Table 20 – Severe Housing Problems 80 - 100% AMI**

Data Source: 2011-2015 CHAS

\*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

**Discussion** Discussed in NA-30.



## NA-25 DISPROPORTIONATELY GREATER NEED: HOUSING COST BURDENS – 91.205 (B)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

### Introduction

Discussed in NA-30.

### Housing Cost Burden

Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)
Jurisdiction as a whole	234,596	33,991	27,386	3,055
White	214,971	29,817	22,978	2,413
Black / African American	2,551	583	868	75
Asian	2,090	348	409	149
American Indian, Alaska Native	7,679	1,437	1,832	379
Pacific Islander	37	0	10	0
Hispanic	4,018	844	864	61

**Table 21 – Greater Need: Housing Cost Burdens AMI**

Data Source: 2011-2015 CHAS

### Discussion

Discussed in NA-30.

**NA-30 DISPROPORTIONATELY GREATER NEED: DISCUSSION – 91.205(B)(2)**

**Are there any Income categories in which a racial or ethnic group has disproportionately greater need than the needs of that income category as a whole?**

The following tables show households with housing problems by race/ethnicity. These tables can be used to determine if there is a disproportionate housing need for any racial or ethnic groups. If any racial/ethnic group faces housing problems at a rate of ten percentage points or high than the jurisdiction average, then they have a disproportionate share of housing problems. Housing problems are defined as any household that has overcrowding, inadequate kitchen or plumbing facilities, or are cost burdened who pay more than 30 percent of their income on housing.

Overall, there are 67,072 households with housing problems in the State of North Dakota. This includes 2,645 black households, 957 Asian households, 3,895 American Indian, 15 Pacific Islander, and 1,330 “other” race households with housing problems. As for ethnicity, there are 2,660 Hispanic households with housing problems. This is shown in Table NA-30.2. The overall rate of housing problems in the State is 22.0 percent. Black, American Indian, and Hispanic households face housing problems at a disproportionate rate, at 50.7 percent, 35.0 percent, and 40.6 percent, respectively.

<b>Table NA-30.1</b>								
<b>Percent of Total Households with Housing Problems by Income and Race</b>								
State of North Dakota 2012–2016 HUD CHAS Data								
Income	Non-Hispanic by Race						Hispanic (Any Race)	Total
	White	Black	Asian	American Indian	Pacific Islander	Other Race		
<b>With Housing Problems</b>								
\$0 to \$25,350	70.7%	80.6%	65.1%	65.8%	100.0%	66.2%	82.4%	70.9%
\$25,351 to \$42,250	47.2%	62.6%	66.7%	45.3%	0%	63.6%	64.2%	48.7%
\$42,251 to \$67,600	20.6%	23.1%	23.9%	16.3%	0%	25.4%	32.4%	21.0%
\$67,601 to \$84,500	9.9%	38.2%	4.6%	6.1%	0%	15.7%	10.8%	10.0%
Above \$84,500	3.1%	15.6%	8.1%	7.0%	0%	6.3%	11.6%	3.4%
<b>Total</b>	<b>20.2%</b>	<b>50.7%</b>	<b>30.8%</b>	<b>35.0%</b>	<b>37.5%</b>	<b>30.7%</b>	<b>40.6%</b>	<b>22.0%</b>
<b>Without Housing Problems</b>								
\$0 to \$25,350	22.6%	10.2%	10.9%	24.7%	0%	32.7%	11.7%	22.0%
\$25,351 to \$42,250	52.8%	37.4%	33.3%	54.7%	0%	36.4%	35.8%	51.3%
\$42,251 to \$67,600	79.4%	76.9%	76.1%	83.7%	0%	74.6%	67.6%	79.0%
\$67,601 to \$84,500	90.1%	61.8%	95.4%	93.9%	100.0%	84.3%	89.2%	90.0%
Above \$84,500	96.9%	84.4%	91.9%	93.0%	100.0%	93.7%	88.4%	96.6%
<b>Total</b>	<b>79.0%</b>	<b>46.5%</b>	<b>64.2%</b>	<b>61.8%</b>	<b>62.5%</b>	<b>69.2%</b>	<b>58.2%</b>	<b>77.1%</b>

**Table NA-30.2**  
**Total Households with Housing Problems by Income and Race**  
 State of North Dakota  
 2012–2016 HUD CHAS Data

Income	Non-Hispanic by Race						Hispanic (Any Race)	Total
	White	Black	Asian	American Indian	Pacific Islander	Other Race		
<b>With Housing Problems</b>								
\$0 to \$25,350	23,005	1,310	420	2,465	15	485	1,095	28,795
\$25,351 to \$42,250	14,900	820	320	865	0	420	735	18,060
\$42,251 to \$67,600	10,630	295	94	335	0	255	565	12,174
\$67,601 to \$84,500	3,120	105	8	60	0	80	70	3,443
Above \$84,500	3,915	115	115	170	0	90	195	4,600
<b>Total</b>	<b>55,570</b>	<b>2,645</b>	<b>957</b>	<b>3,895</b>	<b>15</b>	<b>1,330</b>	<b>2,660</b>	<b>67,072</b>
<b>Total</b>								
\$0 to \$25,350	32,535	1,625	645	3,745	15	733	1,329	40,627
\$25,351 to \$42,250	31,595	1,310	480	1,910	0	660	1,145	37,100
\$42,251 to \$67,600	51,545	1,275	394	2,050	0	1,005	1,745	58,014
\$67,601 to \$84,500	31,665	275	173	990	10	510	650	34,273
Above \$84,500	127,480	735	1,415	2,420	15	1,430	1,680	135,175
<b>Total</b>	<b>274,820</b>	<b>5,220</b>	<b>3,107</b>	<b>11,115</b>	<b>40</b>	<b>4,338</b>	<b>6,549</b>	<b>305,189</b>

**If they have needs not identified above, what are those needs?**

No other needs identified.

**Are any of those racial or ethnic groups located in specific areas or neighborhoods in your community?**

Native American and Hispanic households are seen in higher concentrations in parts of North Dakota. This is discussed further in section MA-50.

## NA-35 PUBLIC HOUSING – 91.205(B)

### Introduction

Not required for a Statewide Plan.

### Totals in Use

Program Type									
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers in use	6	209	1,695	6,695	173	6,410	74	20	0

**Table 22 - Public Housing by Program Type**

**\*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition**

Data Source: PIC (PIH Information Center)

### Characteristics of Residents

Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers				
				Total	Project-based	Tenant-based	Special Purpose Voucher	
							Veterans Affairs Supportive Housing	Family Unification Program
# Homeless at admission	3	4	30	119	13	93	13	0
# of Elderly Program Participants (>62)	0	12	563	1,593	105	1,477	9	1
# of Disabled Families	6	61	462	2,065	40	1,952	58	4
# of Families requesting accessibility features	6	209	1,695	6,695	173	6,410	74	20
# of HIV/AIDS program participants	0	0	0	0	0	0	0	0
# of DV victims	0	0	0	0	0	0	0	0

**Table 23 – Characteristics of Public Housing Residents by Program Type**

Data Source: PIC (PIH Information Center)

**Race of Residents**

Program Type									
Race	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
White	5	160	1,357	5,501	158	5,248	63	14	0
Black/African American	0	13	111	436	2	432	2	0	0
Asian	0	1	26	53	0	53	0	0	0
American Indian/Alaska Native	1	33	198	696	13	669	8	6	0
Pacific Islander	0	2	3	9	0	8	1	0	0
Other	0	0	0	0	0	0	0	0	0

**\*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition**

**Table 24 – Race of Public Housing Residents by Program Type**

Data Source: PIC (PIH Information Center)

**Ethnicity of Residents**

Program Type									
Ethnicity	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
Hispanic	0	5	34	169	4	150	14	1	0
Not Hispanic	6	204	1,661	6,526	169	6,260	60	19	0

**\*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition**

**Table 25 – Ethnicity of Public Housing Residents by Program Type**

Data Source: PIC (PIH Information Center)

## NA-40 HOMELESS NEEDS ASSESSMENT – 91.205(c)

### Introduction:

There is one Continuum of Care in the State of North Dakota, the North Dakota Statewide CoC. The North Dakota Housing Finance Agency acts as the Lead Agency for the ND Statewide CoC. The North Dakota Coalition for Homeless People (NDCHP) is a nonprofit organization comprised of agencies that serve homeless populations. The NDCHP is the lead entity of the North Dakota CoC. Eight regional coalitions carry out the work of the statewide CoC at the local level. At least one representative from each regional coalition serves on the CoC Steering Committee.

Homelessness in North Dakota has seen a decline since 2014 to 2019 from a total counted of 1,258 in 2014 to 557 in 2019. These counts are considered to be an underestimation of the actual homeless population, according to service providers.

<b>Table NA-40 1</b> <b>Homeless Persons</b> State of North Dakota Statewide CoC Point-in-Time Counts						
	2014	2015	2016	2017	2018	2019
<b>Total Homeless Count</b>	1,258	1,305	923	1,089	542	557

The North Dakota Department of Public Instruction collects information on public school students that are experiencing homelessness. This data helps illuminate the larger homeless population in the State of North Dakota, which represents over 2,400 students in the 2018-2019 school year, much higher than the 557 reported in 2019 Point-in-Time Count.

<b>Table NA-40 2</b> <b>Homeless K-12 Students</b> State of North Dakota North Dakota Department of Public Instruction						
	2014	2015	2016	2017	2018	2019
<b>Total Homeless Count</b>	2,436	2,828	2,777	2,362	2,204	2,554

Population	Estimate the # of persons experiencing homelessness on a given night		Estimate the # experiencing homelessness each year	Estimate the # becoming homeless each year	Estimate the # exiting homelessness each year	Estimate the # of days persons experience homelessness
	Sheltered	Unsheltered				
Persons in Households with Adult(s) and Child(ren)	171	9	0	0	0	0
Persons in Households with Only Children	3	0	0	0	0	0
Persons in Households with Only Adults	371	3	0	0	0	0
Chronically Homeless Individuals	73	0	0	0	0	0
Chronically Homeless Families	0	0	0	0	0	0
Veterans	49	0		0	0	0
Unaccompanied Child	3	0	0	0	0	0
Persons with HIV	1	0	0	0	0	0

**Nature and Extent of Homelessness: (Optional)**

Race:	Sheltered:	Unsheltered (optional)
White	313	9
Black or African American	87	3
Asian	1	0
American Indian or Alaska Native	101	0
Pacific Islander	7	0
Ethnicity:	Sheltered:	Unsheltered (optional)
Hispanic	82	0
Not Hispanic	463	12

**Estimate the number and type of families in need of housing assistance for families with children and the families of veterans.**

During the 2019 count, there were 51 households with at least one adult and one child. This includes a total of 180 persons, with 124 children under the age of 18. Of these households, some 48 were sheltered and three were unsheltered at the time of the count. There were 49 veterans counted in 2019. All of these counted veterans were sheltered, and none were unsheltered.

**Describe the Nature and Extent of Homelessness by Racial and Ethnic Group.**

The majority of the homeless persons counted in 2019 were white, accounting for 322 of the 557 persons counted. Some 90 persons were black, 101 were American Indian or Alaskan Native. In terms of ethnicity, some 82 were Hispanic.

**Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.**

During the 2019 count, some 97.8 percent of people counted were sheltered. For those with severe mental illness, an estimated 100 percent were sheltered. Persons with chronic substance abuse were also sheltered at a rate of 100 percent. Victims of domestic violence were also sheltered at a rate of 100 percent, according to the count.

**Discussion:**

The homeless population for the Statewide CoC has declined between 2014 and 2019. As such, the need for housing and service options continues to be prevalent. In addition, the number of households in the area who are at risk of homelessness continue to be a high priority to keep the number of homeless households from increasing.

The Homelessness Focus Group emphasized the need for services and outreach, as well as the fact that the point in time count may not be capturing the total extent of homelessness in the State.



## NA-45 NON-HOMELESS SPECIAL NEEDS ASSESSMENT - 91.205 (B,D)

### Introduction:

The following section describes the non-homeless special needs populations in the State of North Dakota. These non-homeless special needs population include the elderly, persons with disabilities, people with drug and alcohol addictions, victims of domestic violence, and persons with HIV/AIDS.

### Describe the characteristics of special needs populations in your community:

#### Elderly and Frail Elderly

Table NA-45.1 presents the population of the State of North Dakota by age and gender from the 2010 Census and 2018 current census estimates. The 2010 Census count showed a total of 339,864 males, who accounted for 50.5 percent of the population, and the remaining 49.5 percent, or 332,727 persons, were female. In 2018, the number of males rose to 389,350 persons, and accounted for 51.2 percent of the population, with the remaining 48.8 percent, or 370,727 persons being female.

Table NA-45.1 Population by Age and Gender State of North Dakota 2010 Census and Current Census Estimates							
Age	2010 Census			2018 Current Census Estimates			% Change 10-18
	Male	Female	Total	Male	Female	Total	
Under 14 years	63,702	60,759	124,461	78,012	74,537	152,549	22.6%
15 to 24 years	56,156	50,274	106,430	58,233	52,628	110,861	4.2%
25 to 44 years	48,052	42,433	90,485	62,423	52,377	114,800	26.9%
45 to 54 years	38,826	36,436	75,262	48,016	42,386	90,402	20.1%
55 to 64 years	48,767	47,890	96,657	41,137	38,868	80,005	-17.2%
65 and Over	41,934	39,885	81,819	47,869	46,954	94,823	15.9%
<b>Total</b>	<b>339,864</b>	<b>332,727</b>	<b>672,591</b>	<b>389,350</b>	<b>370,727</b>	<b>760,077</b>	<b>13.0%</b>
<b>% of Total</b>	50.5%	49.5%	.	51.2%	48.8%	.	

#### People with Disabilities

Disability by age, as estimated by the 2018 ACS, is shown in Table NA-45.2. The disability rate for females was 10.5 percent, compared to 11.0 percent for males. The disability rate grew precipitously higher with age, with 46.7 percent of those over 75 experiencing a disability.

<b>Table NA-45.2</b>						
<b>Disability by Age</b>						
State of North Dakota 2018 Five-Year ACS Data						
Age	Male		Female		Total	
	Disabled Population	Disability Rate	Disabled Population	Disability Rate	Disabled Population	Disability Rate
Under 5	187	0.7%	127	0.5%	314	0.6%
5 to 17	3,847	6.2%	1,689	2.9%	5,536	4.6%
18 to 34	4,989	4.8%	5,376	5.9%	10,365	5.3%
35 to 64	15,931	11.8%	12,484	9.7%	28,415	10.8%
65 to 74	7,279	25.3%	6,059	20.7%	13,338	23.0%
75 or Older	9,142	47.7%	12,234	45.9%	21,376	46.7%
<b>Total</b>	<b>41,375</b>	<b>11.0%</b>	<b>37,969</b>	<b>10.5%</b>	<b>79,344</b>	<b>10.8%</b>

The number of disabilities by type, as estimated by the 2018 ACS, is shown in Table NA-45.3. Some 5.3 percent have an ambulatory disability, 3.9 percent have an independent living disability, and 1.7 percent have a self-care disability.

<b>Table NA-45.3</b>		
<b>Total Disabilities Tallied: Aged 5 and Older</b>		
State of North Dakota 2018 Five-Year ACS		
Disability Type	Population with Disability	Percent with Disability
Hearing disability	27,895	3.8%
Vision disability	14,195	1.9%
Cognitive disability	26,893	3.9%
Ambulatory disability	36,281	5.3%
Self-Care disability	11,426	1.7%
Independent living disability	22,017	3.9%

### People with Alcohol and Drug Addictions

According to the North Dakota Prevention Resource, some 62.1 percent of North Dakota high school students have used alcohol and 17.6 percent report binge drinking.<sup>3</sup> The non-medical use of prescription drugs accounted for 43 deaths in 2014, and an estimated 14.5 percent of North Dakota high schools students misused prescription drugs in 2015.<sup>4</sup> An estimated 2.4 percent of students in North Dakota have used cocaine, 1.7 percent have used heroin, and 6.3 percent of adults have used Amphetamines.<sup>5</sup> According to the National Institute on Drug Abuse, there were 9.2 drug overdoses per 100,000 persons in North Dakota in 2017, the majority of which were caused by opioids.<sup>6</sup> This rate is below the national average of 21.7 per 100,000.

### Victims of Domestic Violence

Pinpointing specific numbers of domestic violence victims is difficult due to the lack of reporting and other mitigating factors. According to CAWS North Dakota, an estimated 6,203 incidents of domestic violence were reported to crisis intervention centers in North Dakota, and 5,172 new victims received services at crisis intervention centers in 2018.<sup>7</sup> In addition, the North Dakota

<sup>3</sup> <https://prevention.nd.gov/sites/default/files/pdf/AlcoholConsumption.pdf>

<sup>4</sup> <https://prevention.nd.gov/sites/default/files/pdf/PrescriptionDrugs.pdf>

<sup>5</sup> <https://sund.nd.gov/#/by-substance>

<sup>6</sup> <https://www.drugabuse.gov/opioid-summaries-by-state/north-dakota-opioid-summary>

<sup>7</sup> [http://www.cawsnorthdakota.org/wp-content/uploads/2019/04/2018-ND-DV-Fact-Sheet\\_8.5x11.pdf](http://www.cawsnorthdakota.org/wp-content/uploads/2019/04/2018-ND-DV-Fact-Sheet_8.5x11.pdf)

Department of Health reported 1,007 sexual assaults in 2017, an increase from 786 assaults reported in 2014.<sup>8</sup>

### What are the housing and supportive service needs of these populations and how are these needs determined?

The Housing and Community development survey found that the special needs groups with the highest rated needs include persons with substance abuse addiction, persons with severe mental illness, and at-risk youth.

<b>Table NA-45.4 Needs of Special Populations</b>						
State of North Dakota Housing and Community Development Survey						
<b>Question</b>	<b>No Need</b>	<b>Low Need</b>	<b>Medium Need</b>	<b>High Need</b>	<b>Missing</b>	<b>Total</b>
<b>Please rate the need for the following HOUSING types for special needs populations in the state:</b>						
Persons with substance use addictions	2	4	30	66	62	164
Persons with severe mental illness	2	12	31	56	63	164
At-Risk Youth	2	12	33	55	62	164
At-Risk Youth aging out of the foster system	2	15	32	53	62	164
Homeless persons	4	29	19	51	61	164
At-Risk for Homelessness	5	22	24	51	62	164
The elderly (age 85+)	1	10	42	49	62	164
The elderly (age 85+)	1	10	42	49	62	164
The elderly (age 62+)	3	12	43	44	62	164
Persons with intellectual or developmental disabilities	2	12	44	44	62	164
Victims/survivors of domestic violence or sexual assault	3	11	44	44	62	164
Persons recently released from incarceration	5	20	33	44	62	164
Persons with physical disabilities	0	17	41	43	63	164
Veterans	2	21	38	42	61	164
Persons with HIV/AIDS	13	43	32	13	63	164
Other	6	1	0	2	155	164

### Discuss the size and characteristics of the population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Area:

According to the CDC's 2018 HIV Surveillance Data, there were 36 new HIV diagnoses in North Dakota in 2018, at a rate of 4.7 per 100,000. There are 262 cumulative cases of AIDS in the State. Black persons have the highest rate of HIV infection in the State, at 886.5 versus 36.8 for white persons.<sup>9</sup>

#### Discussion:

The special needs populations in North Dakota include the elderly and frail elderly. It also includes persons with disabilities, which account for 10.8 percent of the population and 46.7 percent of those aged 75 and older. In addition, there are other special needs populations, such as veterans, persons with alcohol and drug abuse disorders, victims of domestic violence, and persons with HIV/AIDS that are in need of services in the State.

<sup>8</sup> <https://www.health.nd.gov/sexual-violence-and-intimate-partner-violence-data>

<sup>9</sup> <https://www.cdc.gov/hiv/pdf/library/reports/surveillance/cdc-hiv-surveillance-report-2018-vol-30.pdf>

**NA-50 NON-HOUSING COMMUNITY DEVELOPMENT NEEDS – 91.215 (F)**

**Describe the jurisdiction’s need for Public Facilities:**

The most highly rated needs are childcare facilities, residential treatments centers, and recycling centers/services, according to the Housing and Community Development Survey. This was followed by cultural and art centers and youth centers.

<b>Table NA-50.1</b> <b>Providing a Suitable Living Environment</b> State of North Dakota Housing and Community Development Survey						
Question	No Need	Low Need	Medium Need	High Need	Missing	Total
<b>Please rate the need for the following COMMUNITY AND PUBLIC FACILITIES in North Dakota:</b>						
Childcare facilities	0	7	19	82	56	164
Residential treatment centers	2	11	41	54	56	164
Recycling Centers/Services	6	23	27	51	57	164
Cultural and Arts Centers	6	23	31	47	57	164
Youth centers	3	18	41	46	56	164
Demolition of Dilapidated Structures	6	24	34	43	57	164
Community centers	3	14	47	42	58	164
Healthcare facilities	2	19	45	42	56	164
Parks and recreational centers	6	26	38	38	56	164
Senior centers	6	23	44	35	56	164
Public buildings with improved accessibility	2	26	45	33	58	164
Libraries and learning centers	6	27	42	31	58	164
Public Safety (Fire Stations)	7	30	44	25	58	164

**How were these needs determined?**

These needs were determined by the Housing and Community Development survey.

**Describe the jurisdiction’s need for Public Improvements:**

The most highly rated needs are sidewalk improvements, bicycle and walking paths, and ADA Improvements, such as sidewalk improvements, ramps, according to the Housing and Community Development Survey. This was followed by sewer system improvements and flood drainage improvements.

<b>Table NA-50.2</b> <b>Providing a Suitable Living Environment</b> State of North Dakota Housing and Community Development Survey						
Question	No Need	Low Need	Medium Need	High Need	Missing	Total
<b>Please rate the need for the following INFRASTRUCTURE activities:</b>						
Sidewalk improvements	3	14	28	63	56	164
Bicycle and walking paths	6	23	30	48	57	164
ADA Improvements, such as sidewalk improvements, ramps, etc.	4	16	41	45	58	164
Flood drainage improvements	6	22	33	44	59	164
Sewer system improvements	4	30	32	39	59	164
Storm sewer system improvements	7	25	35	38	59	164
Water system capacity improvements	8	32	28	35	61	164
Solid waste facility improvements	5	29	38	32	60	164
Bridge improvements	11	28	35	31	59	164
Broadband/ Internet Services	6	29	42	29	58	164
Water quality improvements	9	37	32	25	61	164
Other	8	0	3	6	147	164

**How were these needs determined?**

These needs were determined by the Housing and Community Development survey.

**Describe the jurisdiction’s need for Public Services:**

The most highly rated needs are childcare, chemical dependency services, and mental health care services, according to the Housing and Community Development Survey. This was followed by youth services and transportation services.

**How were these needs determined?**

These needs were determined by the Housing and Community Development survey.

**Table NA-50.3**  
**Providing a Suitable Living Environment**

State of North Dakota  
 Housing and Community Development Survey

Question	No Need	Low Need	Medium Need	High Need	Missing	Total
<b>Please rate the need for the following HUMAN AND PUBLIC SERVICES in North Dakota.</b>						
Childcare services	1	3	18	85	57	164
Chemical dependency services	3	8	24	72	57	164
Mental health care services	3	7	26	71	57	164
Youth services	1	4	40	63	56	164
Transportation services	2	9	37	59	57	164
Healthcare services	2	15	33	56	58	164
Senior services	1	10	44	51	58	164
Legal Services	6	21	35	46	56	164
Fair housing activities	5	19	39	45	56	164
Homeless/At Risk Services	6	25	29	45	59	164
Tenant/Landlord counseling	6	28	31	42	57	164
Employment services	5	16	44	41	58	164
Fair housing education	5	22	41	40	56	164
Home buyer education	5	24	38	39	58	164
Veteran Services	6	19	50	32	57	164
Crime awareness education	9	30	41	27	57	164
Mitigation of radon hazards	14	46	25	22	57	164
Translation Services	13	41	29	22	59	164
Mitigation of lead-based paint hazards	16	53	17	21	57	164
Mitigation of asbestos hazards	11	42	33	19	59	164
Other	8	0	1	8	147	164

# HOUSING MARKET ANALYSIS

## MA-05 OVERVIEW

### Housing Market Analysis Overview:

Between 2010 and 2018, the number of housing units in the non-entitlement areas increased by 17.5 percent. The housing market saw an uptick in housing production between 2012 and 2015, which has since returned to more normal production rates, with 3,211 units produced statewide in 2018. Meanwhile, housing costs have continued to rise. The State has seen an increase in the number of vacant units between 2010 and 2018.

## MA-10 NUMBER OF HOUSING UNITS – 91.210(A)&(B)(2)

### Introduction

Table MA-10.1, below, shows housing units by type in 2010 and 2018. In 2010, there were 312,861 housing units, compared with 367,684 in 2018. Single-family units accounted for 63.0 percent of units in 2018, compared to 66.5 in 2010. Apartment units accounted for 23.8 percent in 2018, compared to 19.6 percent in 2010.

### All residential properties by number of units

Property Type	Number	%
1-unit detached structure	204,096	60%
1-unit, attached structure	18,026	5%
2-4 units	20,934	6%
5-19 units	31,641	9%
20 or more units	39,292	12%
Mobile Home, boat, RV, van, etc.	27,073	8%
<b>Total</b>	<b>341,062</b>	<b>100%</b>

**Table 28 – Residential Properties by Unit Number**

Data Source: 2011-2015 ACS

Table MA-10.1 Housing Units by Type State of North Dakota 2010 & 2018 Five-Year ACS Data				
Unit Type	2010 Five-Year ACS		2018 Five-Year ACS	
	Units	% of Total	Units	% of Total
Single-Family	208,028	66.5%	231,666	63.0%
Duplex	7,192	2.3%	7,608	2.1%
Tri- or Four-Plex	12,538	4.0%	14,120	3.8%
Apartment	61,360	19.6%	87,402	23.8%
Mobile Home	23,719	7.6%	26,767	7.3%
Boat, RV, Van, Etc.	24	0%	121	0%
<b>Total</b>	<b>312,861</b>	<b>100.0%</b>	<b>367,684</b>	<b>100.0%</b>

Table MA-10.2 shows housing units by tenure from 2010 to 2018. By 2018, there were 367,684 housing units. An estimated 62.7 percent were owner-occupied, and 14.4 percent were vacant.

<b>Table MA-10.2 Housing Units by Tenure</b> State of North Dakota 2010 Census & 2018 Five-Year ACS Data				
<b>Tenure</b>	<b>2010 Census</b>		<b>2018 Five-Year ACS</b>	
	<b>Units</b>	<b>% of Total</b>	<b>Units</b>	<b>% of Total</b>
Occupied Housing Units	281,192	88.6%	314,903	85.6%
Owner-Occupied	183,943	65.4%	197,347	62.7%
Renter-Occupied	97,249	34.6%	117,556	37.3%
Vacant Housing Units	36,306	11.4%	52,781	14.4%
<b>Total Housing Units</b>	<b>317,498</b>	<b>100.0%</b>	<b>367,684</b>	<b>100.0%</b>

The distribution of unit types by race are shown in Table Ma-10.3. An estimated 67.9 percent of white households occupy single-family homes, while 15.6 percent of black households do. Some 21.1 percent of white households occupied apartments, while 68.6 percent of black households do. An estimated 32.1 percent of Asian, and 60.2 percent of American Indian households occupy single-family homes.

<b>Table MA-10.3 Distribution of Units in Structure by Race</b> State of North Dakota 2018 Five-Year ACS Data							
<b>Unit Type</b>	<b>White</b>	<b>Black</b>	<b>American Indian</b>	<b>Asian</b>	<b>Native Hawaiian/Pacific Islanders</b>	<b>Other</b>	<b>Two or More Races</b>
Single-Family	67.9%	15.6%	60.2%	32.1%	44.3%	39.0%	45.7%
Duplex	1.7%	4.6%	2.5%	2.8%	0%	4.6%	5.1%
Tri- or Four-Plex	3.3%	7.3%	5.7%	7.2%	0%	5.0%	5.8%
Apartment	21.1%	68.6%	17.2%	56.2%	55.7%	41.2%	34.6%
Mobile Home	5.9%	3.8%	14.4%	1.8%	0%	10.1%	8.6%
Boat, RV, Van, Etc.	0%	0%	0.1%	0%	0%	0%	0.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Table MA-10.4 shows households by year home built for the 2010 and 2018 Five-Year ACS Data. Housing units built between 2000 and 2009, account for 10.4 percent of households in 2010 and 12.2 percent of households in 2018. Housing units built in 1939 or earlier represented 12.2 percent of households in 2018 and 16.1 percent of households in 2010.



<b>Table MA-10.4 Households by Year Home Built</b>				
State of North Dakota 2010 & 2018 Five-Year ACS Data				
Year Built	2010 Five-Year ACS		2018 Five-Year ACS	
	Households	% of Total	Households	% of Total
1939 or Earlier	44,468	16.1%	38,564	12.2%
1940 to 1949	13,577	4.9%	13,239	4.2%
1950 to 1959	29,365	10.6%	28,124	8.9%
1960 to 1969	30,162	10.9%	28,934	9.2%
1970 to 1979	61,690	22.3%	57,926	18.4%
1980 to 1989	36,021	13.0%	36,404	11.6%
1990 to 1999	32,465	11.7%	35,167	11.2%
2000 to 2009	28,894	10.4%	38,431	12.2%
2010 or Later	.	.	38,114	12.1%
<b>Total</b>	<b>276,642</b>	<b>100.0%</b>	<b>314,903</b>	<b>100.0%</b>

**Unit Size by Tenure**

	Owners		Renters	
	Number	%	Number	%
No bedroom	310	0%	4,274	4%
1 bedroom	3,978	2%	25,187	23%
2 bedrooms	37,338	19%	49,307	46%
3 or more bedrooms	150,559	78%	28,685	27%
<b>Total</b>	<b>192,185</b>	<b>99%</b>	<b>107,453</b>	<b>100%</b>

**Table 29 – Unit Size by Tenure**

Data Source: 2011-2015 ACS

**Describe the number and targeting (income level/type of family served) of units assisted with federal, state, and local programs.**

Programs will target households that have housing problems in the State of North Dakota. This includes over 67,000 households in the State, some 26,130 of which are owner households, and 40,930 of which are renter households. This is shown in Table MA-10.5.

**Provide an assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts.**

Map MA-10.1 shows the number of Section 8 contracts that are set to expire. In the range of this Consolidated Plan, there are numerous contracts that are set to expire over the next five years.

**Does the availability of housing units meet the needs of the population?**

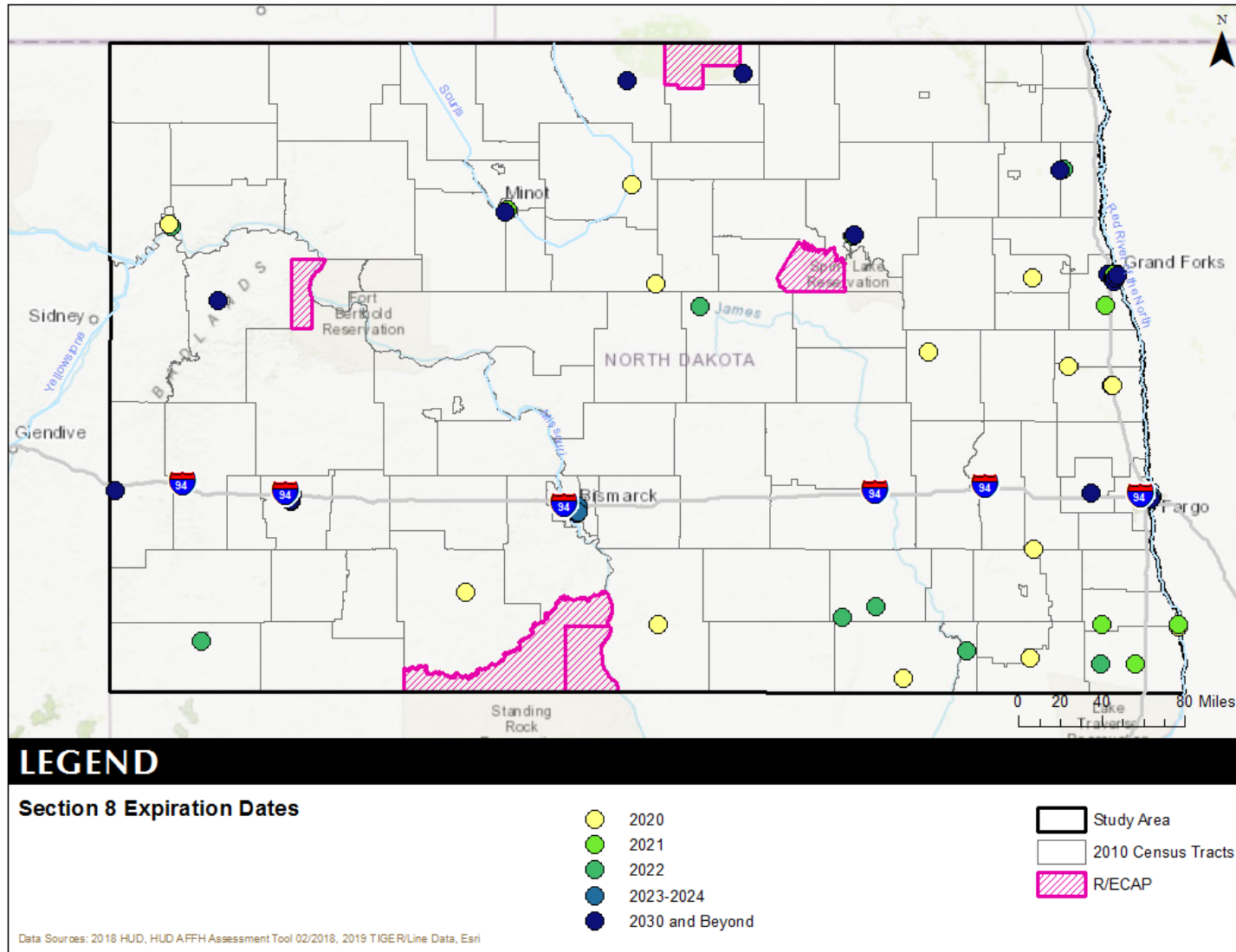
As seen in the Needs Assessment section, as well as information gathered from public input, current housing does not meet the needs of the population. This is seen most readily in the rate of cost burdens in the State, especially for lower income households. Renter households are more likely to be impacted by cost burdens, and are therefore most likely to not have housing units that meet their needs.

**Table MA-10.5  
Housing Problems by Income and Tenure**

State of North Dakota  
2012–2016 HUD CHAS Data

Housing Problem	\$0 to \$25,350	\$25,351 to \$42,250	\$42,251 to \$67,600	\$67,601 to \$84,500	Above \$84,500	Total
<b>Owner-Occupied</b>						
Lacking complete plumbing or kitchen facilities	185	210	135	55	340	925
Severely Overcrowded with > 1.51 people per room (and complete kitchen and plumbing)	35	25	40	115	115	330
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	135	310	225	195	635	1,500
Housing cost burden greater that 50% of income (and none of the above problems)	5,155	1,915	1,075	265	175	8,585
Housing cost burden greater than 30% of income (and none of the above problems)	2,885	3,535	4,935	1,705	1,730	14,790
Zero/negative income (and none of the above problems)	955	0	0	0	0	955
Has none of the 4 housing problems	3,915	10,800	24,940	19,990	107,185	166,830
<b>Total</b>	<b>13,265</b>	<b>16,795</b>	<b>31,350</b>	<b>22,325</b>	<b>110,180</b>	<b>193,915</b>
<b>Renter-Occupied</b>						
Lacking complete plumbing or kitchen facilities	705	270	215	45	335	1,570
Severely Overcrowded with > 1.51 people per room (and complete kitchen and plumbing)	340	255	305	150	495	1,545
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	655	500	555	235	440	2,385
Housing cost burden greater that 50% of income (and none of the above problems)	13,630	2,815	780	75	65	17,365
Housing cost burden greater than 30% of income (and none of the above problems)	5,055	8,230	3,900	605	275	18,065
Zero/negative income (and none of the above problems)	1,965	0	0	0	0	1,965
Has none of the 4 housing problems	4,995	8,240	20,895	10,835	23,395	68,360
<b>Total</b>	<b>27,345</b>	<b>20,310</b>	<b>26,650</b>	<b>11,945</b>	<b>25,005</b>	<b>111,255</b>
<b>Total</b>						
Lacking complete plumbing or kitchen facilities	890	480	350	100	675	2,495
Severely Overcrowded with > 1.51 people per room (and complete kitchen and plumbing)	375	280	345	265	610	1,875
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	790	810	780	430	1,075	3,885
Housing cost burden greater that 50% of income (and none of the above problems)	18,785	4,730	1,855	340	240	25,950
Housing cost burden greater than 30% of income (and none of the above problems)	7,940	11,765	8,835	2,310	2,005	32,855
Zero/negative income (and none of the above problems)	2,920	0	0	0	0	2,920
Has none of the 4 housing problems	8,910	19,040	45,835	30,825	130,580	235,190
<b>Total</b>	<b>40,610</b>	<b>37,105</b>	<b>58,000</b>	<b>34,270</b>	<b>135,185</b>	<b>305,170</b>

**Map MA-10.1**  
**Expiring Section 8 Contracts**  
 State of North Dakota  
 2018 HUD, Tigerline



### Describe the need for specific types of housing:

Table MA-10.6 shows the results of the Housing and Community Development Survey as it rated various housing needs. The top rated needs for housing include rental assistance, energy efficiency improvements, and updating existing housing to meet seniors' needs. This was followed by first-time home-buyer assistance, construction of new affordable single family homes for sale, and senior-friendly housing.

<b>Table MA-10.6</b> <b>Providing Decent Housing</b> State of North Dakota Housing and Community Development Survey						
Question	No Need	Low Need	Medium Need	High Need	Missing	Total
<b>Please rate the need for the following HOUSING activities in your community:</b>						
Rental assistance	2	14	37	64	47	164
Energy Efficiency Improvements	1	13	41	64	45	164
Updating existing housing to meet seniors' needs	2	14	40	63	45	164
First-time home-buyer assistance	2	14	43	59	46	164
Construction of new affordable single family homes, for sale	6	19	41	55	43	164
Senior-friendly housing	5	16	44	55	44	164
Preservation of federal subsidized housing	5	23	32	55	49	164
Rental housing for very low-income households	6	25	32	55	46	164
Homeowner housing rehabilitation	4	16	45	53	46	164
Supportive housing for people who are homeless or disabled	7	33	25	52	47	164
Rental housing rehabilitation	4	15	49	49	47	164
Construction of new affordable single family homes, for rent	7	29	34	48	46	164
Housing for Veterans	3	36	37	43	45	164
Construction of new affordable multi-family homes, for rent	7	35	35	42	45	164
Housing demolition	14	38	30	39	43	164
Workforce Housing for Single Family, For Sale	9	28	44	37	46	164
Workforce Housing for Single Family, For Rent	8	28	46	37	45	164
Workforce Housing for Multi-Family, For Rent	9	33	38	36	48	164
Homeownership in communities of color	22	38	22	34	48	164
Mixed income housing	11	26	51	32	44	164
Construction of new affordable multi-family homes, for sale	7	44	39	28	46	164
Mixed use housing (such as first floor stores or restaurants and upper floors apartments)	26	33	34	26	45	164
Market Rate Housing for Single Family, For Sale	13	31	47	26	47	164
Market Rate Housing Multi-Family, For Rent	15	34	42	26	47	164
Market Rate Housing Single Family, For Rent	13	32	48	25	46	164
Downtown housing	26	39	29	23	47	164
Accessory Dwelling Units (such as a mother-in-law apartment or tiny home)	20	49	28	20	47	164
Single Room Occupancy Units	29	40	29	18	48	164
Other	23	2	4	15	120	164

### Discussion

The current housing stock may not be meeting the needs of the population in the State, especially those in lower income levels. While the rate and type of market housing production, as described in the following section, may be providing additional housing options, they may not be meeting the needs of a large proportion of households in the State.

## MA-15 HOUSING MARKET ANALYSIS: COST OF HOUSING - 91.210(A)

### Cost of Housing

	Base Year: 2009	Most Recent Year: 2015	% Change
Median Home Value	104,300	153,800	47%
Median Contract Rent	466	631	35%

**Table 30 – Cost of Housing**

**Data Source:** 2005-2009 ACS (Base Year), 2011-2015 ACS (Most Recent Year)

### Housing Production

The Census Bureau reports building permit authorizations and “per unit” valuation of building permits by county annually. Single-family construction usually represents most residential development in the county. Single-family building permit authorizations in State of North Dakota decreased from 2,111 authorizations in 2017 to 1,905 authorizations in 2018.

The real value of single-family building permits increased from 236,464 dollars in 2017 to 243,696 dollars in 2018. This compares to an increase in permit value statewide, with values rising from 236,464 dollars in 2017 to 243,696 dollars in 2018. Additional details are given in Table MA-15.1 as well as in Diagram MA-15.1 and Diagram MA-15.2.

The concentration of homeowner households are shown in Map MA-15.1. The highest rates of homeownership were seen outside the larger cities of Bismarck, Grand Forks, and Fargo as well as many rural areas, with some areas exceeding 85.5 percent homeownership rates. In some of the other rural areas of the State, homeownership rates were lower than 65.4 percent. Renter concentrations were spread throughout the non-entitlement areas of the State. This is shown in Map MA-15.2.

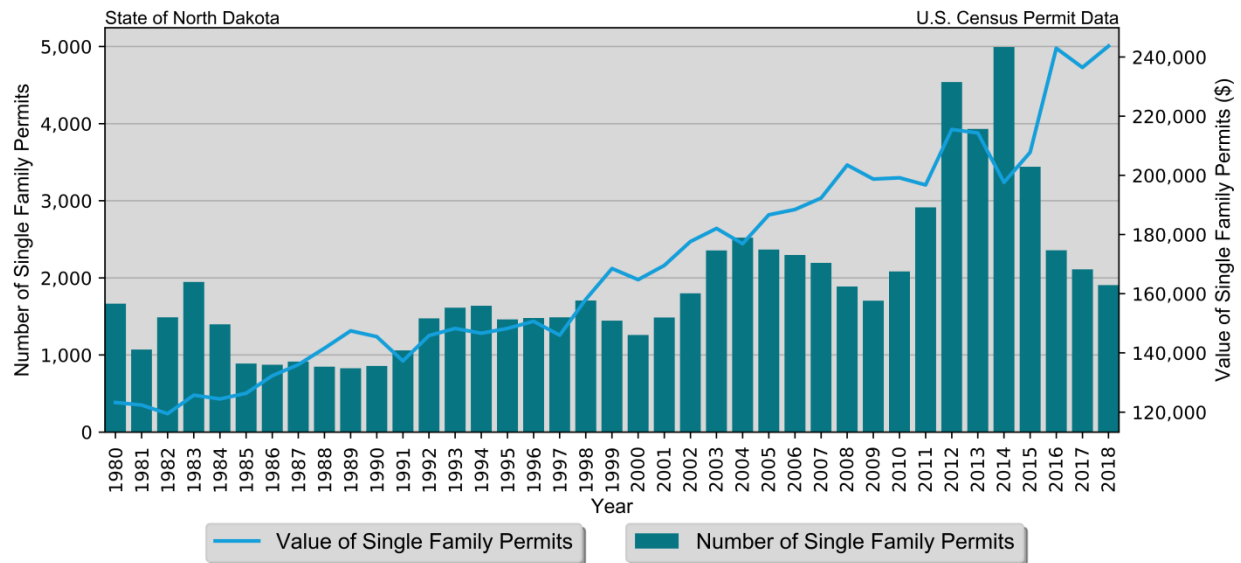
Median home values and median contract rents were both highest in the areas adjacent to the more urban areas in the State in Bismarck, Grand Forks, and Fargo, as well as in the western part of the State. The median home value exceeded \$220,600 in these higher cost areas. They were lowest, below \$96,200, in the central and rural parts of the State. A similar pattern was true for median contract rents.

**Table MA-15.1**  
**Building Permits and Valuation**  
 State of North Dakota  
 Census Bureau Data, 1980–2018

Year	Authorized Construction in Permit Issuing Areas					Per Unit Valuation, (Real 2017\$)	
	Single-Family	Duplex Units	Tri- and Four-Plex	Multi-Family Units	Total Units	Single-Family Units	Multi-Family Units
1980	1,666	168	214	1,087	3,135	123,259	59,959
1981	1,071	110	135	865	2,181	122,390	57,138
1982	1,488	66	153	1,178	2,885	119,469	45,664
1983	1,948	200	316	2,140	4,604	125,731	47,598
1984	1,397	142	204	1,442	3,185	124,447	50,852
1985	890	126	134	1,491	2,641	126,359	50,308
1986	874	102	112	614	1,702	132,277	50,684
1987	913	70	98	889	1,970	136,039	47,962
1988	848	46	121	800	1,815	141,590	45,844
1989	828	34	36	1,312	2,210	147,460	42,668
1990	858	10	23	621	1,512	145,502	42,413
1991	1,060	20	15	1,030	2,125	137,284	40,331
1992	1,475	10	51	1,082	2,618	145,866	43,440
1993	1,614	42	101	1,226	2,983	148,270	46,076
1994	1,639	38	90	1,613	3,380	146,645	48,190
1995	1,460	28	84	1,615	3,187	148,282	50,577
1996	1,480	36	50	759	2,325	150,677	54,010
1997	1,489	118	42	1,574	3,223	145,991	62,051
1998	1,707	176	82	1,012	2,977	158,118	63,036
1999	1,445	76	47	1,011	2,579	168,514	60,387
2000	1,259	88	119	664	2,130	164,759	54,241
2001	1,486	34	114	1,057	2,691	169,545	60,444
2002	1,800	104	93	1,275	3,272	177,623	62,893
2003	2,355	30	156	1,191	3,732	182,065	69,271
2004	2,521	60	98	1,354	4,033	176,905	71,305
2005	2,367	70	140	1,461	4,038	186,662	73,438
2006	2,297	60	126	1,046	3,529	188,455	103,170
2007	2,194	24	125	1,017	3,360	192,326	89,199
2008	1,888	44	39	862	2,833	203,488	84,955
2009	1,704	44	43	1,404	3,195	198,749	45,118
2010	2,084	48	38	1,663	3,833	199,177	77,107
2011	2,913	50	123	3,115	6,201	196,768	92,878
2012	4,540	310	233	5,257	10,340	215,518	93,294
2013	3,931	170	158	6,305	10,564	214,319	95,373
2014	4,995	84	22	7,541	12,642	197,649	103,469
2015	3,440	66	19	2,731	6,256	207,791	101,209
2016	2,359	56	51	1,515	3,981	242,953	102,732
2017	2,111	42	10	1,248	3,411	236,464	90,103
2018	1,905	50	15	1,241	3,211	243,696	106,118

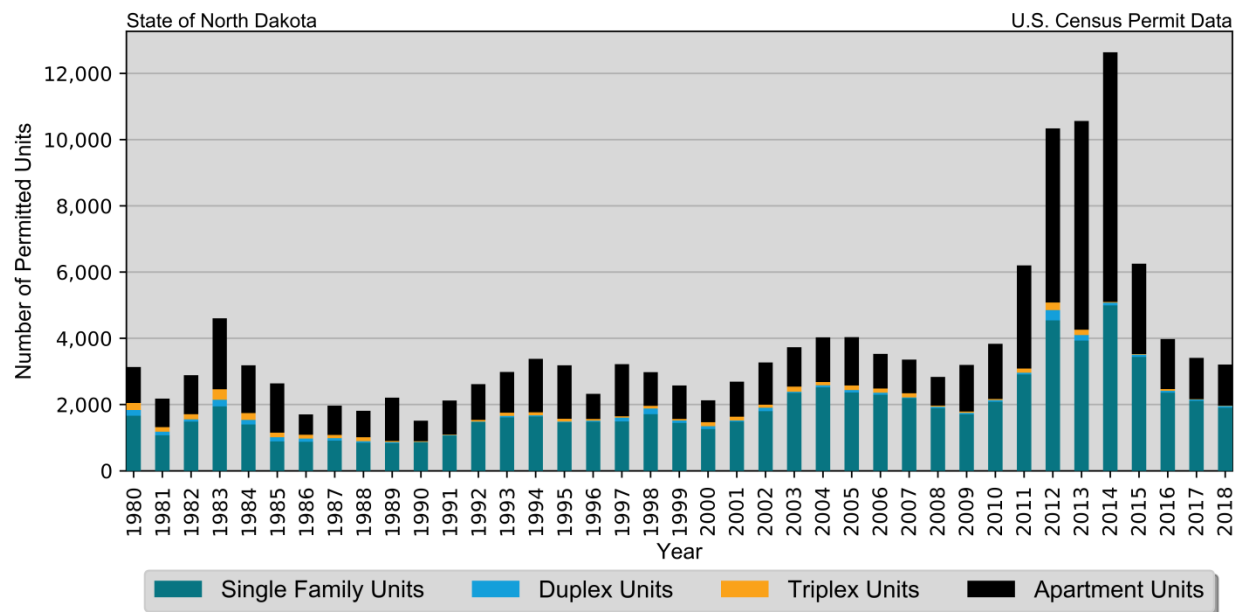
### Diagram MA-15.1 Single-Family Permits

State of North Dakota  
Census Bureau Data, 1980–2018

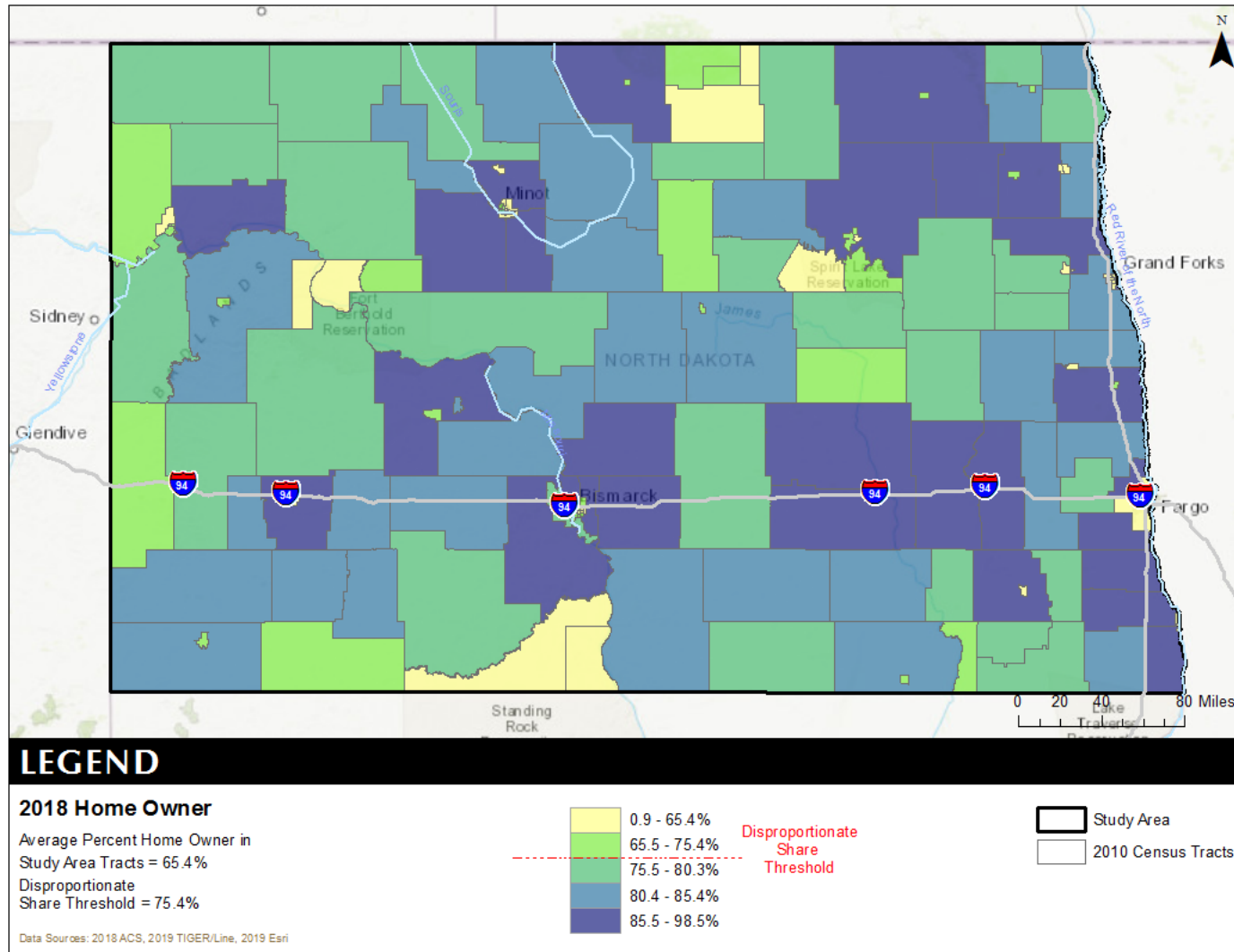


### Diagram MA-15.2 Total Permits by Unit Type

State of North Dakota  
Census Bureau Data, 1980–2018

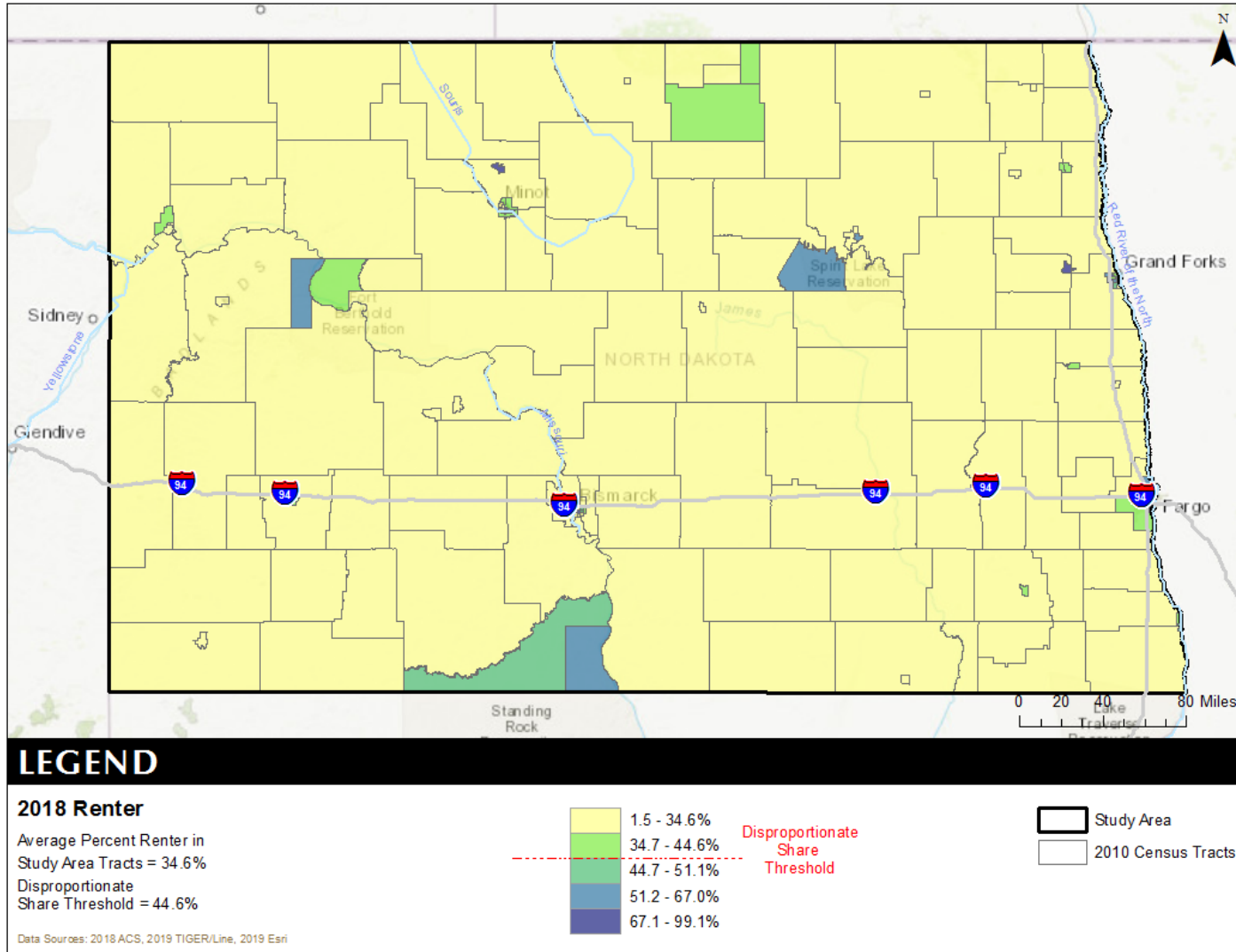


**Map MA-15.1**  
**2018 Homeowner Households**  
 State of North Dakota  
 2018 ACS, Tigerline

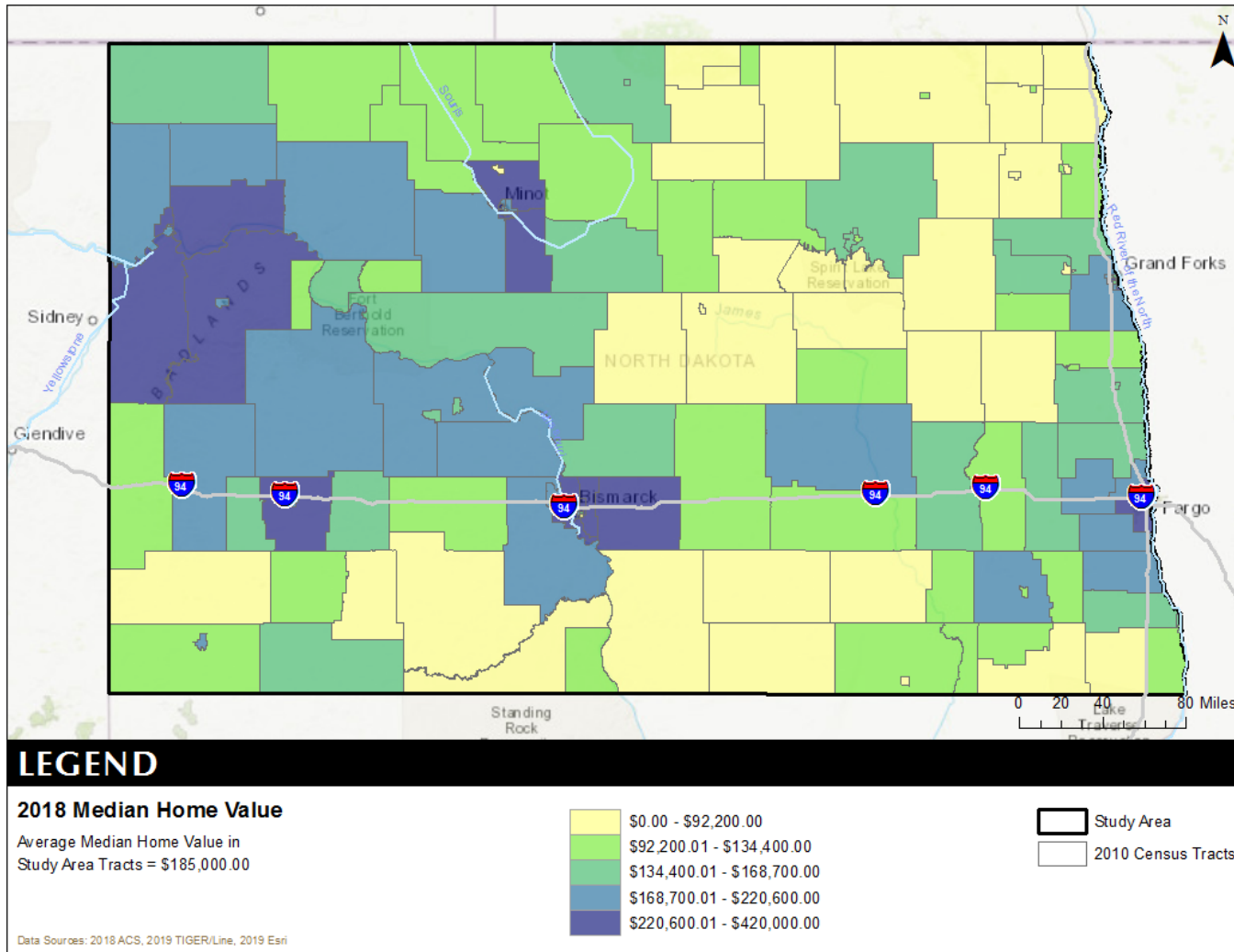




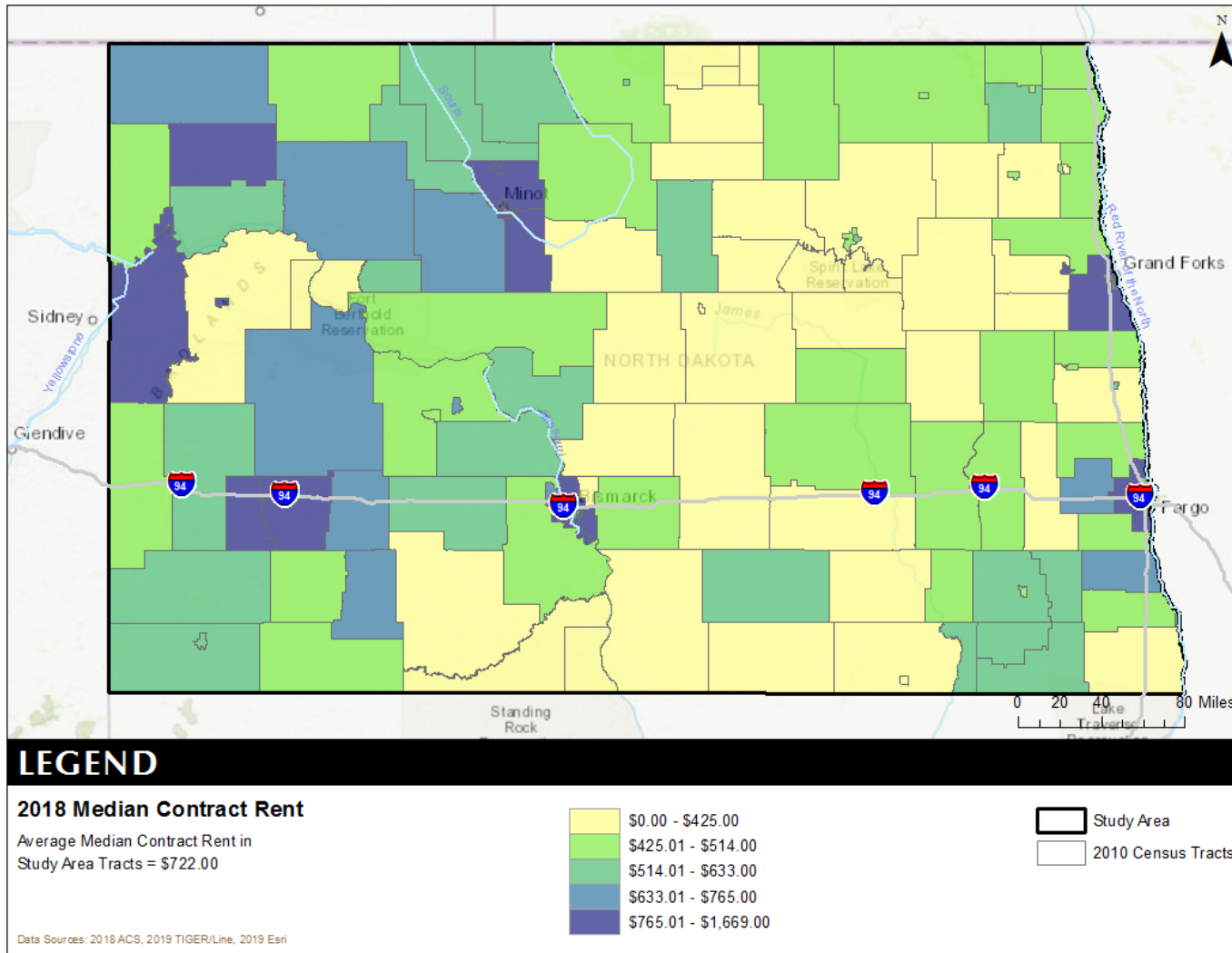
**Map MA-15.2**  
**2018 Renter Households**  
 State of North Dakota  
 2018 ACS, Tigerline



**Map MA-15.3**  
**2017 Median Home Value**  
 State of North Dakota  
 2018 ACS, Tigerline



**Map MA-15.4**  
**2017 Median Contract Rent**  
 State of North Dakota  
 2018 ACS, Tigerline



Rent Paid	Number	%
Less than \$500	37,843	35.2%
\$500-999	53,788	50.1%
\$1,000-1,499	10,982	10.2%
\$1,500-1,999	2,704	2.5%
\$2,000 or more	2,136	2.0%
<b>Total</b>	<b>107,453</b>	<b>100.0%</b>

**Table 31 - Rent Paid**

Data Source: 2011-2015 ACS

**Housing Affordability**

% Units affordable to Households earning	Renter	Owner
30% HAMFI	13,755	No Data
50% HAMFI	41,540	22,470
80% HAMFI	74,345	56,365
100% HAMFI	No Data	80,870
<b>Total</b>	<b>129,640</b>	<b>159,705</b>

**Table 32 – Housing Affordability**

Data Source: 2011-2015 CHAS

**Is there sufficient housing for households at all income levels?**

As demonstrated by the housing needs and cost burden sections in the Needs Assessment, there is a significant amount of the population that faces housing challenges. Low income households are particularly prone to facing cost burdens. This points to the fact that there is not sufficient housing options for all households, especially those at lower income levels. Additionally, public input comments indicated there is a significant need for affordable housing options for lower income households.

**How is affordability of housing likely to change considering changes to home values and/or rents?**

The State of North Dakota saw a significant increase in housing prices in recent years. If trends continue, the area will see increasing rent and home values. This would lead to additional households facing cost burdens.

**How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?**

There are no statewide HOME and Fair Market Rents that represent the entirety of North Dakota. However, each region has Fair Market Rents (FMR) and HOME Rents. These local area FMR and HOME rents may not be sufficient to meet the housing needs of households in various areas of the State. This may be especially true for larger families that require larger units.

**Discussion**

The cost of housing in the State continues to be out of reach for many low to moderate income households. This is reflected in the proportion of lower income households facing cost burdens and other housing problems. It is anticipated that housing cost burdens will continue to be a major factor for many households in the area and demonstrates the need for additional affordable housing options.

## MA-20 HOUSING MARKET ANALYSIS: CONDITION OF HOUSING – 91.210(A)

### Introduction

The following section will describe the condition of housing in the State of North Dakota.

### Definitions

Units that are classified as substandard condition are in poor condition and do not meet all state and local codes. Units that are substandard condition but are suitable for rehabilitation are both structurally and financially feasible to rehabilitate.

### Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	25,876	13%	37,602	35%
With two selected Conditions	515	0%	1,826	2%
With three selected Conditions	80	0%	108	0%
With four selected Conditions	3	0%	9	0%
No selected Conditions	165,711	86%	67,908	63%
<b>Total</b>	<b>192,185</b>	<b>99%</b>	<b>107,453</b>	<b>100%</b>

Table 34 - Condition of Units

Data Source: 2011-2015 ACS

### Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	33,164	17%	21,659	20%
1980-1999	41,552	22%	29,031	27%
1950-1979	77,675	40%	41,558	39%
Before 1950	39,794	21%	15,205	14%
<b>Total</b>	<b>192,185</b>	<b>100%</b>	<b>107,453</b>	<b>100%</b>

Table 35 – Year Unit Built

Data Source: 2011-2015 CHAS

Table MA-20.1 shows households by year home built for the 2010 and 2018 Five-Year ACS Data. Housing units built between 2000 and 2009, account for 10.4 percent of households in 2010 and 12.2 percent of households in 2018. Housing units built in 1939 or earlier represented 12.2 percent of households in 2018 and 16.1 percent of households in 2010.

<b>Table MA-20.1</b>				
<b>Households by Year Home Built</b>				
State of North Dakota				
2010 & 2018 Five-Year ACS Data				
Year Built	2010 Five-Year ACS		2018 Five-Year ACS	
	Households	% of Total	Households	% of Total
1939 or Earlier	44,468	16.1%	38,564	12.2%
1940 to 1949	13,577	4.9%	13,239	4.2%
1950 to 1959	29,365	10.6%	28,124	8.9%
1960 to 1969	30,162	10.9%	28,934	9.2%
1970 to 1979	61,690	22.3%	57,926	18.4%
1980 to 1989	36,021	13.0%	36,404	11.6%
1990 to 1999	32,465	11.7%	35,167	11.2%
2000 to 2009	28,894	10.4%	38,431	12.2%
2010 or Later	.	.	38,114	12.1%
<b>Total</b>	<b>276,642</b>	<b>100.0%</b>	<b>314,903</b>	<b>100.0%</b>

**Risk of Lead-Based Paint Hazard**

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	117,469	61%	56,763	53%
Housing Units build before 1980 with children present	22,695	12%	14,025	13%

**Table 36 – Risk of Lead-Based Paint**

Data Source: 2011-2015 ACS (Total Units) 2011-2015 CHAS (Units with Children present)

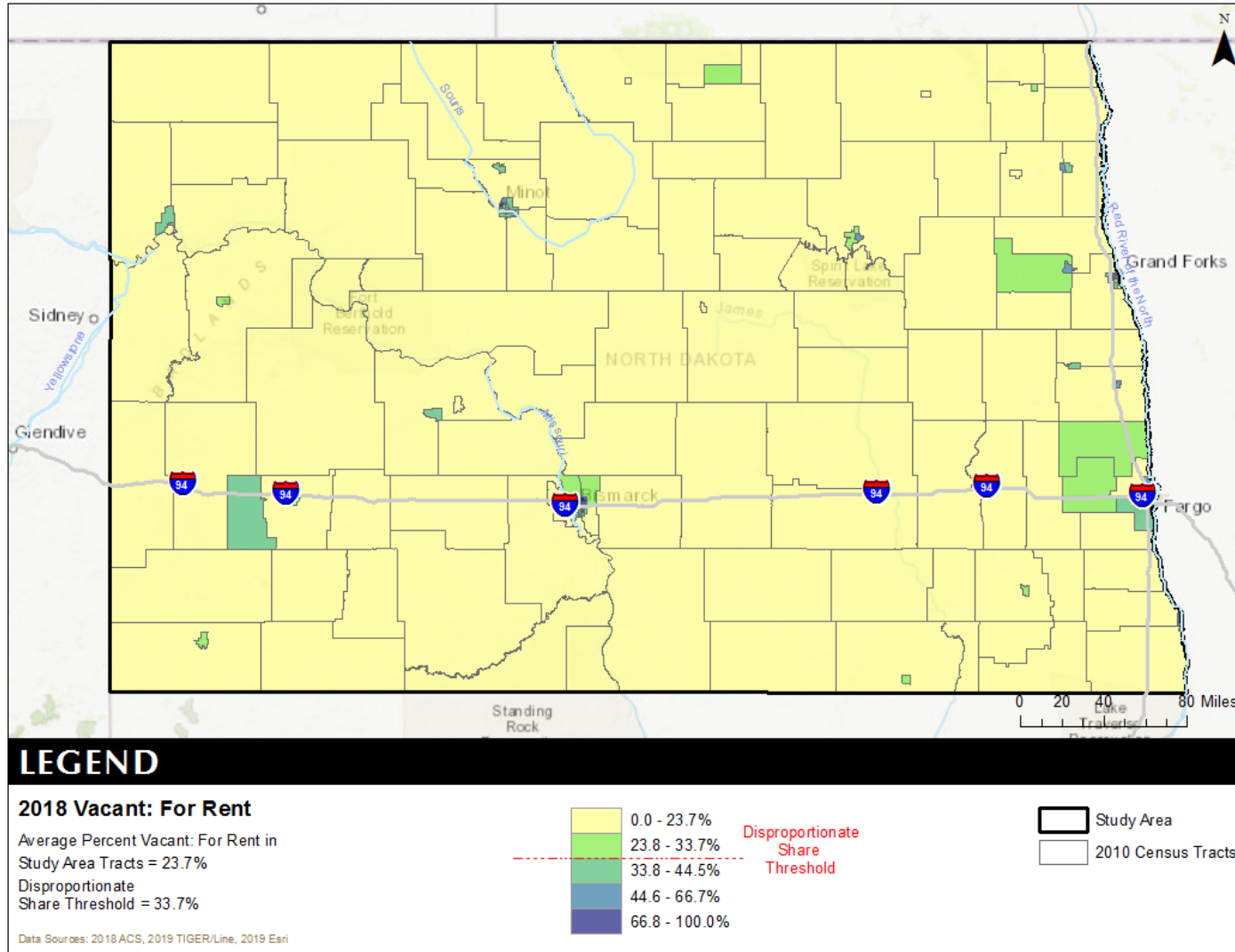
The disposition of vacant units between 2010 and 2018 are shown in Table MA-20.2. An estimated 20.4 percent of vacant units were for rent in 2010. In addition, some 7.5 percent of vacant units were for sale. “Other” vacant units represented 35.1 percent of vacant units in 2010. “Other” vacant units are not for sale or rent, or otherwise available to the marketplace. These units may be problematic if concentrated in certain areas, and may create a “blighting” effect.

By 2018, for rent units accounted for 23.7 percent of vacant units, while for sale units accounted for 5.8 percent. “Other” vacant units accounted for 31.2 percent of vacant units, representing a total of 16,478 “other” vacant units.

<b>Table MA-20.2</b>				
<b>Disposition of Vacant Housing Units</b>				
State of North Dakota				
2010 Census & 2018 Five-Year ACS Data				
<b>Disposition</b>	<b>2010 Census</b>		<b>2018 Five-Year ACS</b>	
	<b>Units</b>	<b>% of Total</b>	<b>Units</b>	<b>% of Total</b>
For Rent	7,422	20.4%	12,502	23.7%
For Sale	2,734	7.5%	3,054	5.8%
Rented Not Occupied	554	1.5%	2,694	5.1%
Sold Not Occupied	1,043	2.9%	1,297	2.5%
For Seasonal, Recreational, or Occasional Use	11,483	31.6%	15,898	30.1%
For Migrant Workers	319	0.9%	858	1.6%
Other Vacant	12,751	35.1%	16,478	31.2%
<b>Total</b>	<b>36,306</b>	<b>100.0%</b>	<b>52,781</b>	<b>100.0%</b>

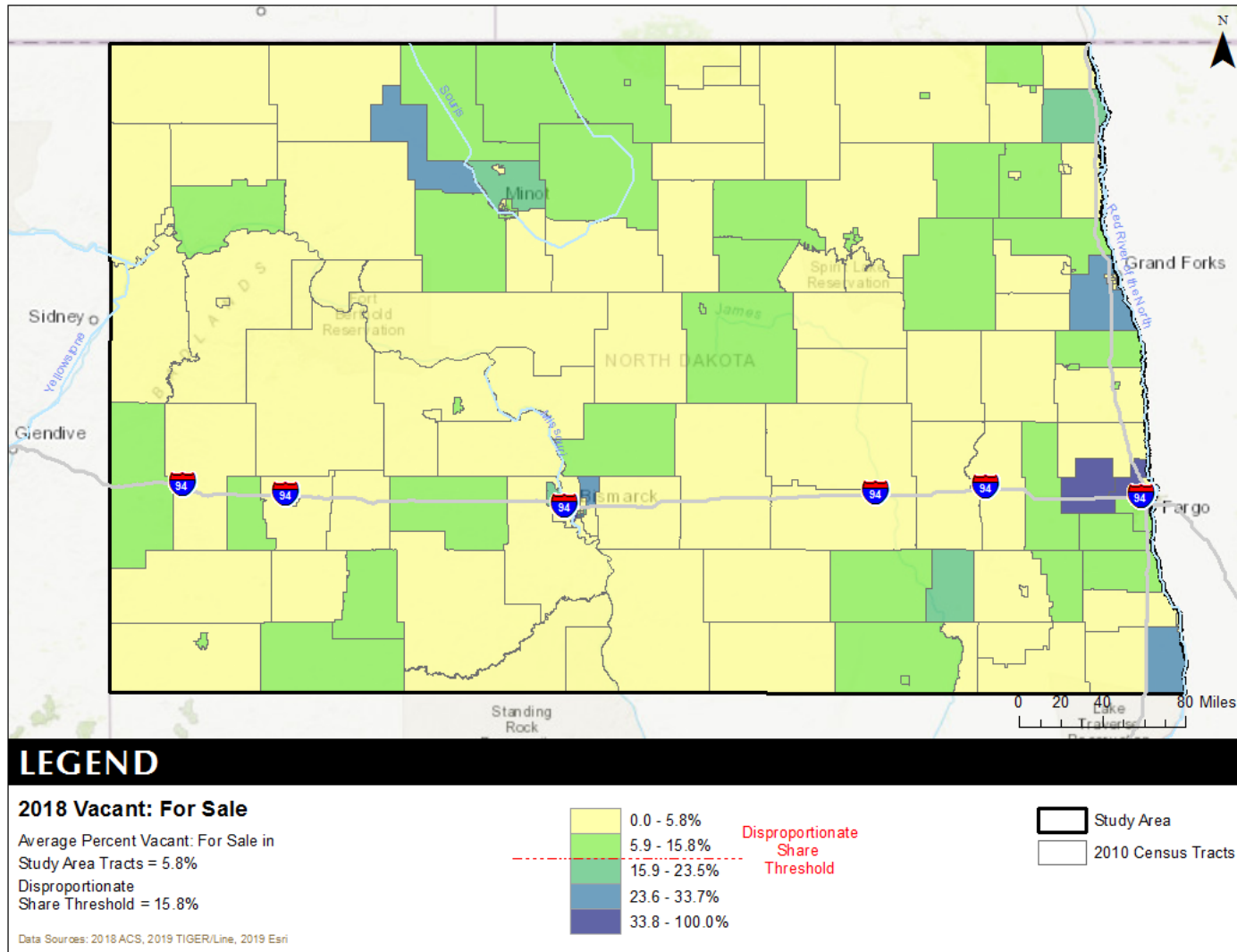
Map MA-20.1 shows the concentration of vacant units for rent, according to 2018 American Community Survey (ACS) data. While there were pockets of these units in various parts of the state, there tended to be more in the urban areas of North Dakota. The same was true for vacant for sale units, as well as areas in central North Dakota, as seen in Map MA-20.2. "Other" vacant units are shown for both 2010 and 2018. The concentration of these units shifted somewhat between 2010 and 2018. By 2018, these units tended to be found in the eastern half of the State at the highest rate. "Other" vacant units are not for sale or for rent and are not otherwise available to the marketplace. These units can become problematic if concentrated in certain areas and may create a "blighting" effect.

**Map MA-20.1**  
**2018 Vacant for Rent**  
 State of North Dakota  
 2018 ACS, Tigerline

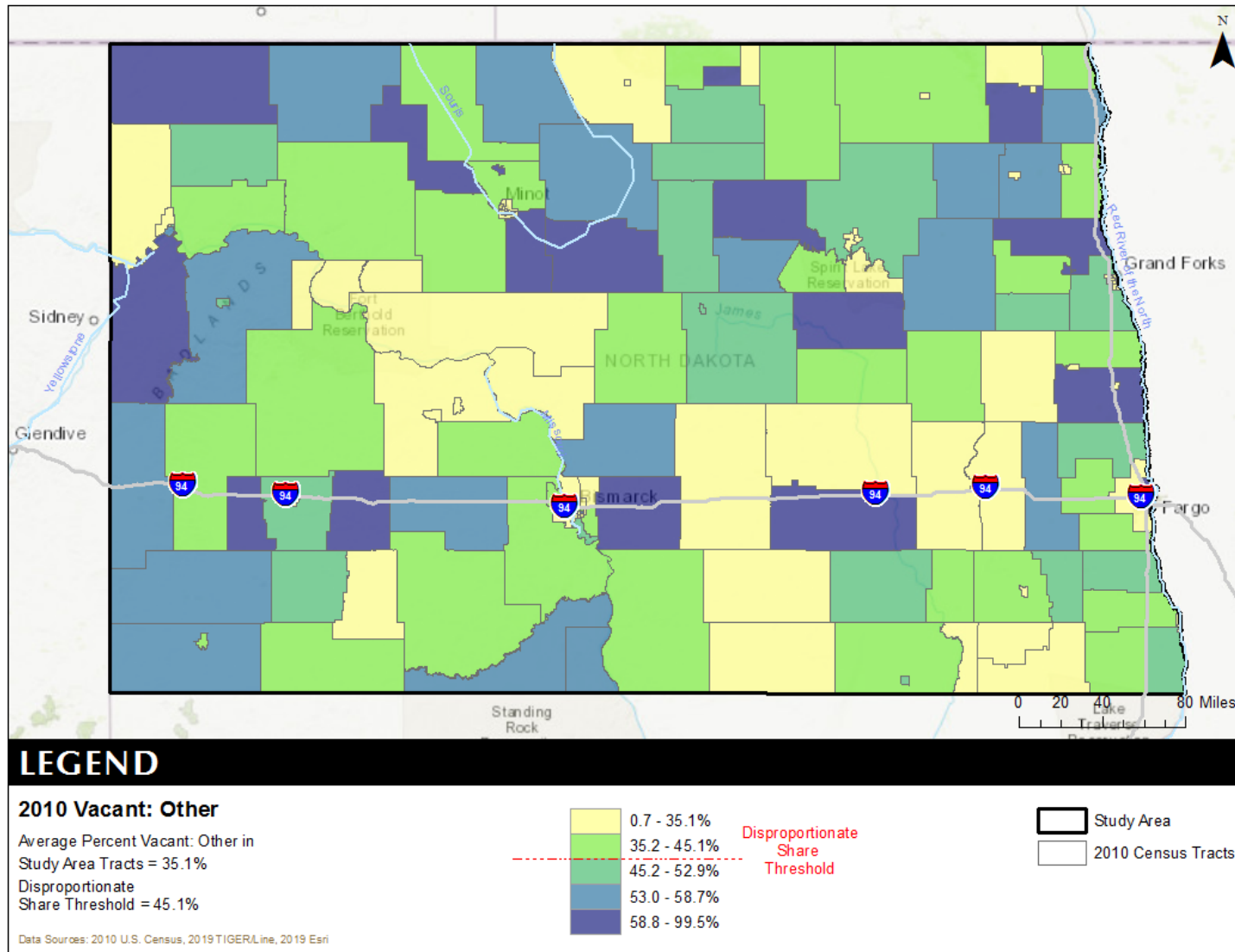




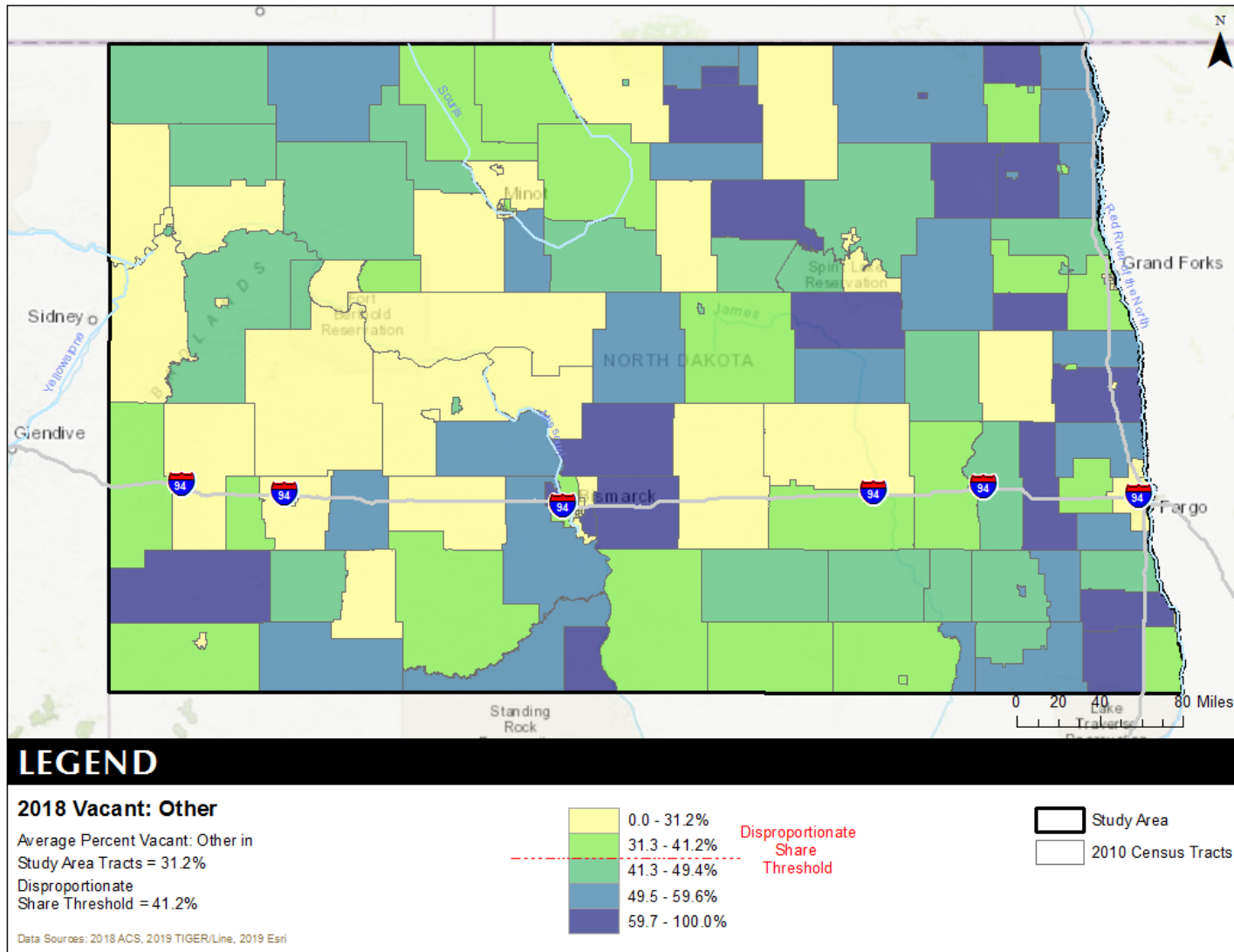
**Map MA-20.2**  
**2018 Vacant for Sale**  
 State of North Dakota  
 2018 ACS, Tigerline



**Map MA-20.3**  
**2010 "Other" Vacant**  
 State of North Dakota  
 2010 Census, Tigerline



**Map MA-20.4**  
**2018 “Other” Vacant**  
 State of North Dakota  
 2018 ACS, Tigerline



### Need for Owner and Rental Rehabilitation

As seen in Section MA-10, Table MA-10.6, there is a moderate need for owner rehabilitation. The age of the housing stock does also indicate a moderate level of need for rehabilitation for units.

### Estimated Number of Housing Units Occupied by Low or Moderate Income Families with LBP Hazards

Table MA-20.3 shows the risk of lead-based paint for households with young children present. As seen therein, there are an estimated 18,360 households built between 1940 and 1979 with young children present, and 5,355 built prior to 1939.

<b>Table MA-20.3</b> <b>Vintage of Households by Income and Presence of Young Children</b> State of North Dakota 2012–2016 HUD CHAS Data			
Income	One or more children age 6 or younger	No children age 6 or younger	Total
<b>Built 1939 or Earlier</b>			
\$0 to \$25,350	545	5,705	6,250
\$25,351 to \$42,250	655	4,850	5,505
\$42,251 to \$67,600	1,155	6,895	8,050
\$67,601 to \$84,500	925	3,880	4,805
Above \$84,500	2,075	13,915	15,990
<b>Total</b>	<b>5,355</b>	<b>35,245</b>	<b>40,600</b>
<b>Built 1940 to 1979</b>			
\$0 to \$25,350	2,415	17,105	19,520
\$25,351 to \$42,250	2,290	14,465	16,755
\$42,251 to \$67,600	3,390	22,775	26,165
\$67,601 to \$84,500	2,425	12,885	15,310
Above \$84,500	7,840	46,390	54,230
<b>Total</b>	<b>18,360</b>	<b>113,620</b>	<b>131,980</b>
<b>Built 1980 or Later</b>			
\$0 to \$25,350	2,495	12,350	14,845
\$25,351 to \$42,250	2,945	11,890	14,835
\$42,251 to \$67,600	4,045	19,745	23,790
\$67,601 to \$84,500	2,460	11,690	14,150
Above \$84,500	12,075	52,885	64,960
<b>Total</b>	<b>24,020</b>	<b>108,560</b>	<b>132,580</b>
<b>Total</b>			
\$0 to \$25,350	5,455	35,160	40,615
\$25,351 to \$42,250	5,890	31,205	37,095
\$42,251 to \$67,600	8,590	49,415	58,005
\$67,601 to \$84,500	5,810	28,455	34,265
Above \$84,500	21,990	113,190	135,180
<b>Total</b>	<b>47,735</b>	<b>257,425</b>	<b>305,160</b>

**MA-25 PUBLIC AND ASSISTED HOUSING – 91.210(B)**

**Introduction**

Not required for Statewide Plan.

Program Type									
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers available	10	194	1,817	7,810	177	2,733	641	0	0
# of accessible units			2						

\*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

**Table 38 – Total Number of Units by Program Type**

Data Source: PIC (PIH Information Center)

**Describe the supply of public housing developments:**

**Describe the number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan:**

Not applicable.

**Public Housing Condition**


**Table 39 - Public Housing Condition**

**Describe the restoration and revitalization needs of public housing units in the jurisdiction:**

Not applicable.

**Describe the public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing:**

Not applicable.

**Discussion:**

**MA-30 HOMELESS FACILITIES AND SERVICES – 91.210(C)**

**Introduction**

The following section describes the facilities and services available in the North Dakota Statewide Continuum of Care.

**Facilities Targeted to Homeless Persons**

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year Round Beds (Current & New)	Current & New	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	155		97	250	
Households with Only Adults	395		44	492	
Chronically Homeless Households				372	
Veterans			3	222	
Unaccompanied Youth	30		25	0	

**Table 40 - Facilities Targeted to Homeless Persons**

**Describe mainstream services, such as health, mental health, and employment services to the extent those services are to complement services targeted to homeless persons**

There are currently a number of organizations in the State of North Dakota that offer a variety of services to both aid those who have become homeless and to prevent persons from becoming homeless. A partial list of the organizations providing services to the homeless population is provided in Table MA.30-1. Services to aid the homeless include: health clinics, housing referrals, addiction aid, employment readiness skills training, domestic/sexual abuse support, and veteran support.

**List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.**

According to information from the North Dakota Statewide CoC and the US Department of Housing and Urban Development, there are a number of facilities within the state that offer shelter and facilities to homeless persons in North Dakota. Organizations offering shelter facilities to homeless persons are listed in Table MA-30.1.

<b>Table MA-30.1</b> <b>Homeless Service Providers</b> State of North Dakota Statewide CoC 2019 HIC	
<b>Homeless Service Providers</b>	
	Abused Adult Recourse Center
	Cass County YMCA
	City of Fargo
	Community Violence and Intervention Center
	Family Crisis Shelter of ND
	Fraser Ltd.
	Mercy County Women's Action and Resource Center
	Minot Area Men's Winter Refuge
	Missouri Slope Area United Way
	New Life Center
	Northlands Rescue Mission
	Red River Valley Community Action
	Safe Shelter
	Welcome House
	Women's Alliance DBA
	Youthworks
	Center Inc

## **MA-35 SPECIAL NEEDS FACILITIES AND SERVICES – 91.210(D)**

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### **Introduction**

There are a variety of services available in the State for special needs populations, including at-risk youth, seniors, substance abuse, and persons with disabilities.

**Including the elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addictions, persons with HIV/AIDS and their families, public housing residents and any other categories the jurisdiction may specify, and describe their supportive housing needs**

### **Elderly and Frail Elderly Persons**

In North Dakota, support for the elderly population is provided by the State's Aging Services Division, within the Department of Human Services. The Department of Human Services administers programs and services that help older adults and people with physical disabilities to live safely and productively in the least restrictive, appropriate setting. Some of the programs for seniors include assisted living services, family caregiver support program, home and community-based care, and the Aging and Disability Resource-LINK, which connects older adults and people with disabilities to care options.

### **People with Disabilities (Mental, Physical, Developmental)**

The State's Developmental Disabilities Division and the Division of Vocational Rehabilitation have a variety of services for persons with disabilities. The Developmental Disabilities Division offers a variety of services including case management, family support and subsidies, and home health aid. The North Dakota Division of Vocational Rehabilitation's primary mission is to assist North Dakotans with disabilities to improve their employment opportunities and to assist North Dakota businesses in finding solutions to their disability-related issues.

### **People with Alcohol or other Drug Addictions**

The Division of Mental Health and Substance Abuse is a part of the North Dakota Department of Human Services. The Department of Human Services' Mental Health and Substance Abuse Services Division provides leadership for the planning, development, and oversight of a system of care for children, adults, and families with severe emotional disorders, mental illness, and/or substance abuse issues. The Division provides mental health and substance abuse services through eight regional human service centers and the North Dakota State Hospital in Jamestown. The Division also has the North Dakota Substance Abuse Prevention Program that provides prevention resources and education, with the mission to provide effective, innovative, quality, and culturally appropriate substance abuse prevention infrastructure, strategies and resources to the individuals and communities of North Dakota.

### **Victims of Domestic Violence**

CAWS North Dakota is a statewide sexual and domestic violence coalition that supports and presents a unified voice for the 20 crisis intervention centers across North Dakota. The mission of



CAWS North Dakota is to provide leadership and support in the identification, intervention and prevention of sexual and domestic violence.

Services for victims of domestic abuse are provided by a variety of non-profit and faith-based organizations across the state. Many of the shelters have 24-hour crisis lines and offer temporary housing, advocacy, referral programs, counseling, and transportation, as well as many other services.

### **People with HIV/AIDS and Their Families**

A combination of private non-profit providers and the Department of Health's HIV Program provide HIV/AIDS services in North Dakota. The Department of Health's HIV Program includes three sections: HIV Surveillance, HIV Prevention, and Ryan White Program Part B.

HIV testing and services are provided by numerous public health clinics throughout the state. Free HIV testing is also provided by many non-profit organizations along with a bevy of other services, such as case management, transitional housing, housing referrals, food pantries, direct financial assistance, support groups and mental health counseling.

### **Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing**

The Statewide CoC works closely with non-profit service providers and public institutions to ensure that the needs of persons making transitions from health facilities receive appropriate housing. This includes coordinating services and using HMIS to match persons with the most appropriate services available.

### **Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)**

The North Dakota DOC plans to continue to fund activities for special needs populations by encouraging sub recipients to prioritize these populations. As a high need group, the special needs population will continue to remain a funding priority with HOME and CDBG funds that are allocated throughout the upcoming program year.

### **For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. (91.220(2))**

Not applicable.

**MA-40 BARRIERS TO AFFORDABLE HOUSING – 91.210(E)**

**Negative Effects of Public Policies on Affordable Housing and Residential Investment**

The Housing and Community Development survey found that the biggest barriers to the development of affordable housing include the cost of labor, the cost of materials, the cost of land or lot, and the lack of access to affordable housing financial resources.

<b>Table MA-40.1</b> <b>Providing Decent Housing</b> State of North Dakota Housing and Community Development Survey	
Question	Response
<b>Do any of the following items act as barriers to the development or preservation of affordable housing in North Dakota?</b>	
Cost of labor	76
Cost of materials	72
Cost of land or lot	66
Lack of access to affordable housing financial resources	62
Not In My Back Yard (NIMBY) mentality	46
Lack of qualified contractors or builders	40
Lack of affordable housing development policies	36
Construction fees	35
Lack of other infrastructure	23
Lack of available land	19
Location impacted by Environmental Concerns (e.g., frequent flooding and/or impacted by other natural or man-made disasters)	19
Building codes	18
Lot size	17
Permitting process	16
Lack of water system	15
Lack of sewer system	15
Density or other zoning requirements	13
ADA codes	12
Permitting fees	11
Impact fees	7
Lack of water	6

In addition, the State conducted its 2020 Analysis of Impediments to Fair Housing Choice and identified several contributing factors and fair housing issues. These are described in further detail in section SP-55.

## MA-45 NON-HOUSING COMMUNITY DEVELOPMENT ASSETS – 91.215 (F)

### Introduction

The following section describes the economic atmosphere in North Dakota. This section utilizes, along with other sources, Bureau of Economic Analysis (BEA) and Bureau of Labor Statics (BLS) data.

### Economic Development Market Analysis

#### Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	20,983	29,065	10	14	5
Arts, Entertainment, Accommodations	22,102	18,832	10	9	-1
Construction	18,475	21,930	9	11	2
Education and Health Care Services	33,985	25,045	16	12	-3
Finance, Insurance, and Real Estate	13,137	10,300	6	5	-1
Information	3,584	3,496	2	2	0
Manufacturing	14,964	15,483	7	8	1
Other Services	7,367	6,455	3	3	0
Professional, Scientific, Management Services	11,764	8,697	5	4	-1
Public Administration	0	0	0	0	0
Retail Trade	29,076	23,521	13	11	-2
Transportation and Warehousing	14,274	16,730	7	8	2
Wholesale Trade	17,996	17,433	8	9	0
Total	207,707	196,987	--	--	--

**Table 42 - Business Activity**

Data Source: 2011-2015 ACS (Workers), 2015 Longitudinal Employer-Household Dynamics (Jobs)

#### Labor Force

Total Population in the Civilian Labor Force	263,494
Civilian Employed Population 16 years and over	252,193
Unemployment Rate	2.85
Unemployment Rate for Ages 16-24	9.12
Unemployment Rate for Ages 25-65	1.92

**Table 43 - Labor Force**

Data Source: 2011-2015 ACS

Table MA-45.1 shows labor force statistics for the State of North Dakota between 1990 and 2018. The unemployment rate in the State of North Dakota was 2.6 percent in 2018, with 10,544 unemployed persons and 404,299 in the labor force and 393,755 people were employed.

<b>Table MA-45.1</b>					
<b>Labor Force Statistics</b>					
State of North Dakota					
1990 - 2018 BLS Data					
Year	State of North Dakota			Unemployment Rate	Statewide Unemployment Rate
	Unemployment	Employment	Labor Force		
1990	12,781	304,436	317,217	4.0%	4.0%
1991	13,735	301,479	315,214	4.4%	4.4%
1992	14,985	300,939	315,924	4.7%	4.7%
1993	13,866	310,061	323,927	4.3%	4.3%
1994	12,493	324,314	336,807	3.7%	3.7%
1995	10,951	329,348	340,299	3.2%	3.2%
1996	10,125	337,412	347,537	2.9%	2.9%
1997	9,568	341,823	351,391	2.7%	2.7%
1998	10,091	339,414	349,505	2.9%	2.9%
1999	11,272	332,180	343,452	3.3%	3.3%
2000	10,161	332,407	342,568	3.0%	3.0%
2001	9,996	331,820	341,816	2.9%	2.9%
2002	12,674	327,957	340,631	3.7%	3.7%
2003	12,824	331,852	344,676	3.7%	3.7%
2004	12,063	340,403	352,466	3.4%	3.4%
2005	12,037	343,508	355,545	3.4%	3.4%
2006	11,638	349,821	361,459	3.2%	3.2%
2007	11,468	355,766	367,234	3.1%	3.1%
2008	11,692	359,333	371,025	3.2%	3.2%
2009	15,210	353,455	368,665	4.1%	4.1%
2010	14,289	364,053	378,342	3.8%	3.8%
2011	13,481	375,153	388,634	3.5%	3.5%
2012	12,193	385,674	397,867	3.1%	3.1%
2013	11,801	394,392	406,193	2.9%	2.9%
2014	11,023	402,521	413,544	2.7%	2.7%
2015	11,531	401,537	413,068	2.8%	2.8%
2016	12,769	399,996	412,765	3.1%	3.1%
2017	10,947	399,449	410,396	2.7%	2.7%
2018	10,544	393,755	404,299	2.6%	2.6%

Diagram MA-45.1 shows the employment and labor force for the State of North Dakota. The difference between the two lines represents the number of unemployed persons. In the most recent year, employment stood at 393,755 persons, with the labor force reaching 404,299, indicating there were a total of 10,544 unemployed persons

**Diagram MA-45.1**  
**Employment and Labor Force**  
 State of North Dakota

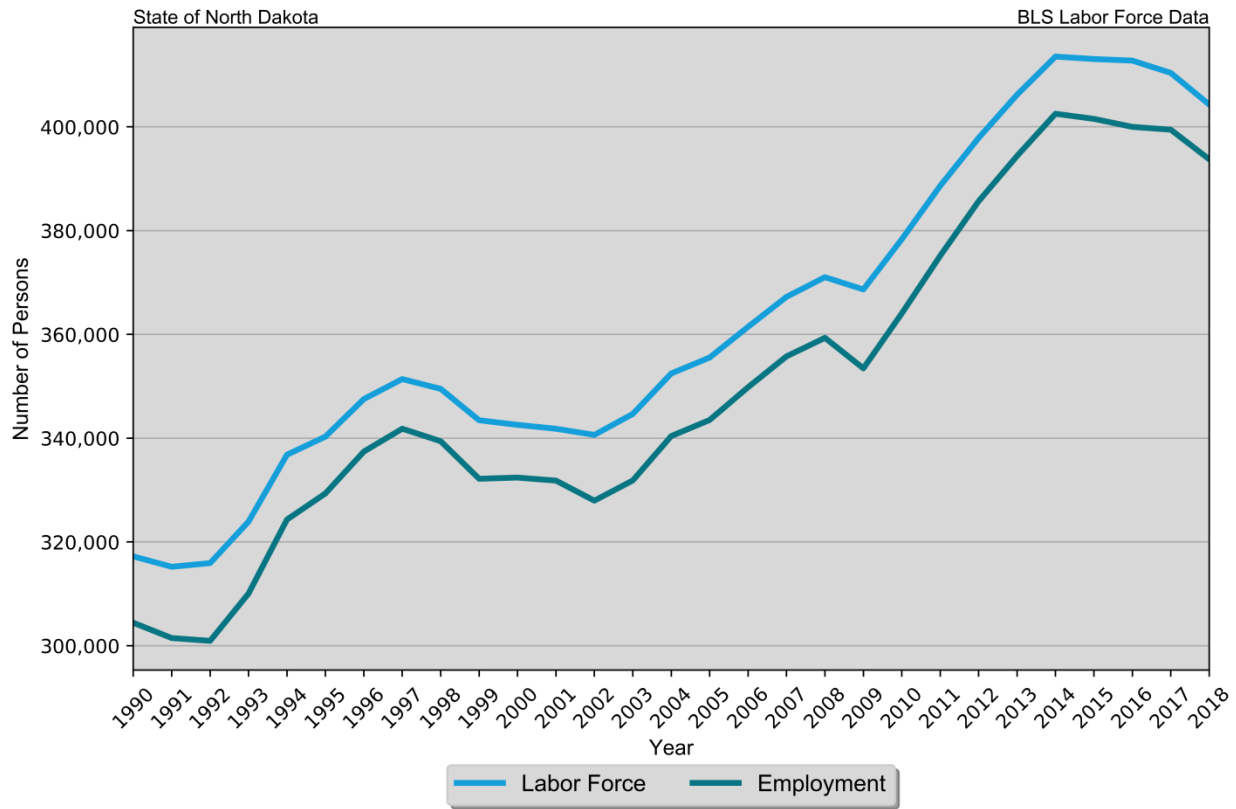


Diagram MA-45.2 shows the unemployment rate for the State of North Dakota. During the 1990's the average rate for the State of North Dakota was 3.6 percent. Between 2000 and 2010 the unemployment rate had an average of 3.4 percent. Since 2010, the average unemployment rate was 3.0 percent. Over the course of the entire period the State of North Dakota had an average unemployment rate of 3.3 percent.

**Diagram MA-45.2**  
**Annual Unemployment Rate**  
 State of North Dakota  
 1990 – 2018 BLS Data

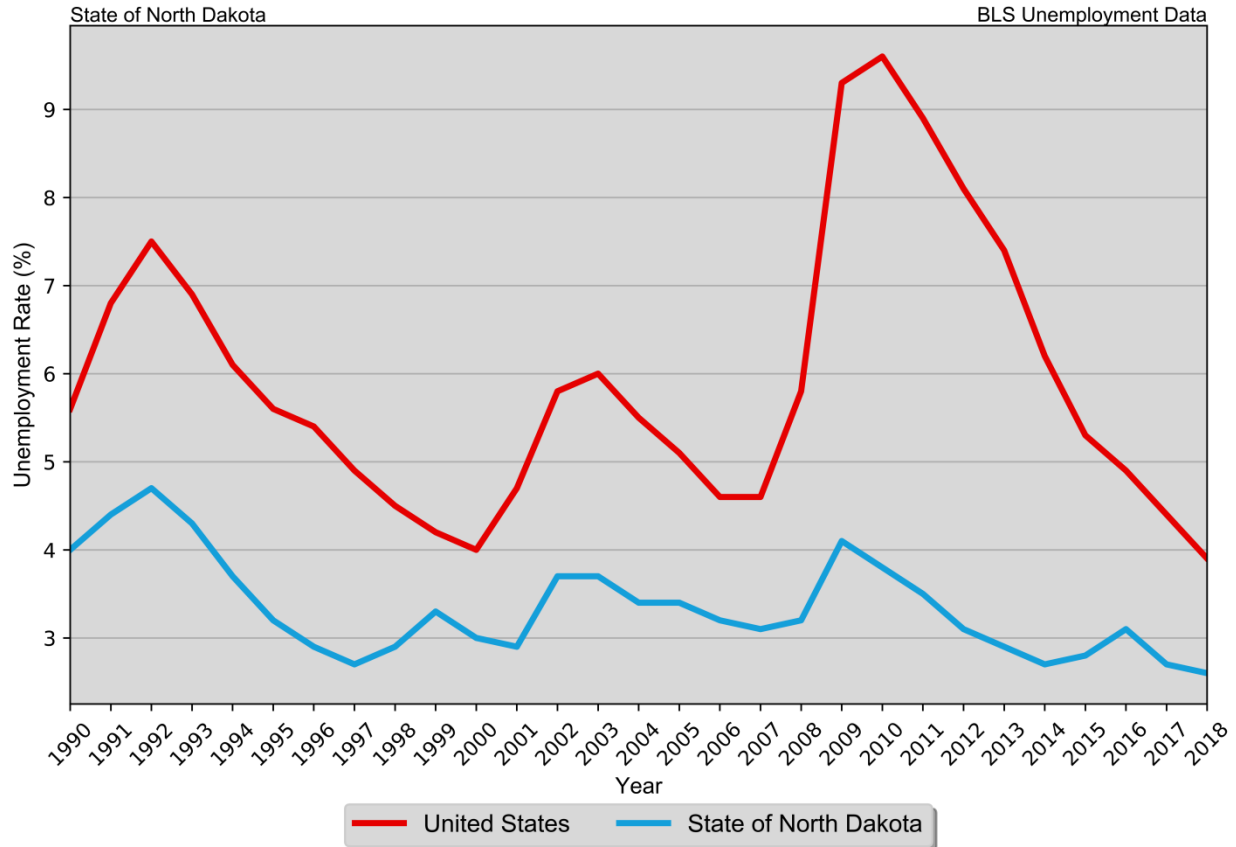
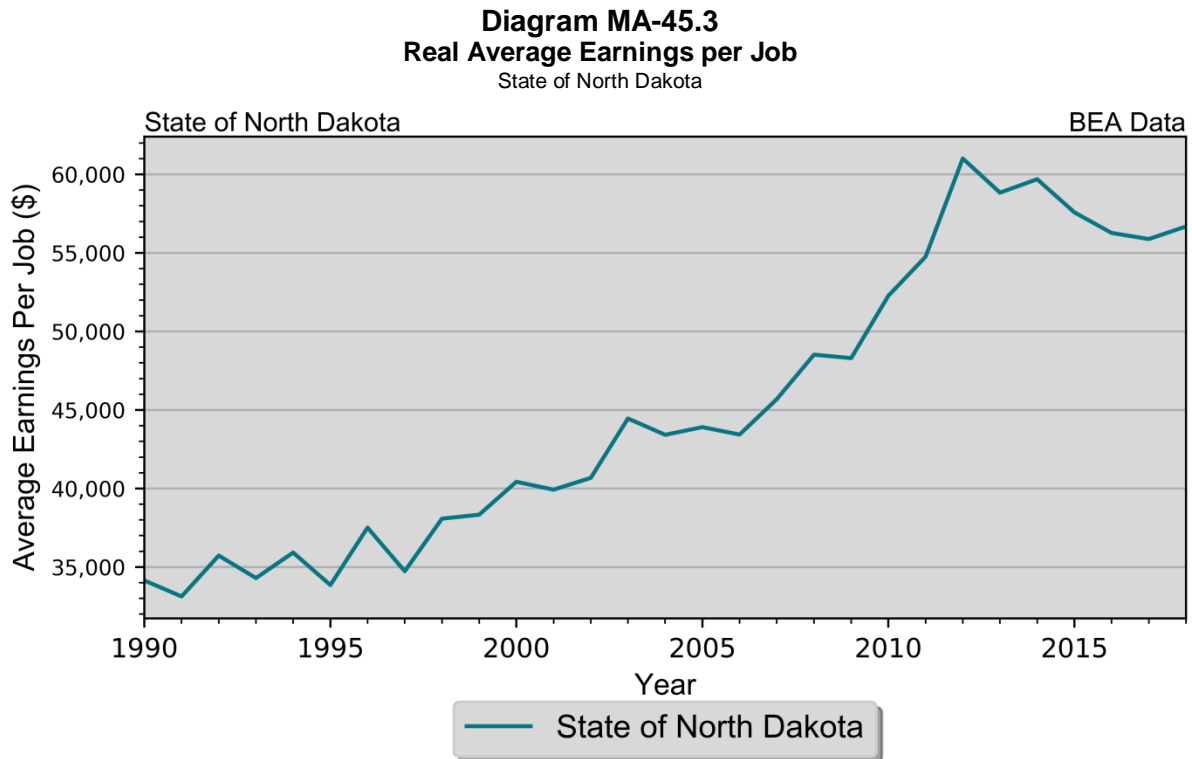


Diagram MA-45.3 shows real average earnings per job for the State of North Dakota from 1990 to 2017. Over this period the average earning per job for the State of North Dakota was 45,085 dollars.



Occupations by Sector	Number of People Median Income
Management, business and financial	57,228
Farming, fisheries and forestry occupations	8,051
Service	28,414
Sales and office	54,160
Construction, extraction, maintenance and repair	37,040
Production, transportation and material moving	18,039

**Table 44 – Occupations by Sector**

Data Source: 2011-2015 ACS

**Travel Time**

Travel Time	Number	Percentage
< 30 Minutes	195,124	82%
30-59 Minutes	30,553	13%
60 or More Minutes	13,447	6%
<b>Total</b>	<b>239,124</b>	<b>100%</b>

**Table 45 - Travel Time**

Data Source: 2011-2015 ACS

**Education:**

**Educational Attainment by Employment Status (Population 16 and Older)**

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
Less than high school graduate	8,357	673	5,062
High school graduate (includes equivalency)	53,156	1,880	13,804
Some college or Associate's degree	81,513	1,689	15,402
Bachelor's degree or higher	58,195	463	6,994

**Table 46 - Educational Attainment by Employment Status**

Data Source: 2011-2015 ACS

**Educational Attainment by Age**

	Age				
	18-24 yrs.	25-34 yrs.	35-44 yrs.	45-65 yrs.	65+ yrs.
Less than 9th grade	496	677	707	2,324	10,580
9th to 12th grade, no diploma	5,858	3,021	2,088	5,742	6,169
High school graduate, GED, or alternative	14,884	15,449	13,267	40,920	27,188
Some college, no degree	19,054	16,060	13,115	32,885	17,119
Associate's degree	4,050	10,541	10,239	19,182	4,544
Bachelor's degree	3,752	15,675	12,771	23,169	8,588
Graduate or professional degree	155	4,272	4,332	7,641	3,115

**Table 47 - Educational Attainment by Age**

Data Source: 2011-2015 ACS



## Education and Employment

Education and employment data from the State of North Dakota 2018 Five-Year ACS is presented in Table MA-45.2, Table MA-45.3, and Table MA-45.4. In 2018, 412,530 people were in the labor force, including 400,841 employed and 11,689 unemployed people. The unemployment rate for State of North Dakota was estimated at 2.8 percent in 2018.

<b>Table MA-45.2</b>	
<b>Employment, Labor Force and Unemployment</b>	
State of North Dakota 2018 Five-Year ACS Data	
<b>Employment Status</b>	<b>2018 Five-Year ACS</b>
Employed	400,841
Unemployed	11,689
<b>Labor Force</b>	<b>412,530</b>
Unemployment Rate	2.8%

Table MA-45.3 and Table MA-45.4 show educational attainment in the State of North Dakota. In 2018, 93.2 percent of households had a high school education or greater, including 26.9 percent with a high school diploma or equivalent, 38.6 percent with some college, 20.1 percent with a Bachelor's Degree, and 6.8 percent with a graduate or professional degree.

<b>Table MA-45.3</b>	
<b>High School or Greater Education</b>	
State of North Dakota 2018 Five-Year ACS Data	
<b>Education Level</b>	<b>Households</b>
High School or Greater	293,423
Total Households	314,903
<b>Percent High School or Above</b>	<b>93.2%</b>

<b>Table MA-45.4</b>		
<b>Educational Attainment</b>		
State of North Dakota 2018 Five-Year ACS Data		
<b>Education Level</b>	<b>2018 Five-Year ACS</b>	<b>Percent</b>
Less Than High School	43,926	7.6%
High School or Equivalent	155,493	26.9%
Some College or Associates Degree	223,239	38.6%
Bachelor's Degree	116,539	20.1%
Graduate or Professional Degree	39,286	6.8%
<b>Total Population Above 18 years</b>	<b>578,483</b>	<b>100.0%</b>

## Based on the Business Activity table above, what are the major employment sectors within the state?

Table MA-45.5 shows the total employment by industry for the State of North Dakota. The most recent estimates show the government and government enterprises industry was the largest employer in the State of North Dakota, with employment reaching 88,578 jobs in 2017. Between 2016 and 2017 the arts, entertainment, and recreation industry saw the largest percentage increase, rising by 15.7 percent to 9,891 jobs.

Table MA-45.5 Employment by Industry State of North Dakota BEA Table CA25 Data										
NAICS Categories	2010	2011	2012	2013	2014	2015	2016	2017	2018	% Change 17-18
Farm earnings	31,652	32,316	33,055	33,555	32,511	29,622	28,481	28,400	28,290	-0.4
Forestry, fishing, related activities, and other	4,401	4,496	4,633	4,656	4,960	4,570	4,784	4,924	5,246	6.5
Mining	13,858	20,191	30,046	32,682	36,529	30,290	23,096	24,257	27,073	11.6
Utilities	3,502	3,488	3,580	3,677	3,799	3,953	4,026	3,884	3,767	-3.0
Construction	29,925	33,404	39,260	42,422	45,141	43,885	41,093	36,205	35,768	-1.2
Manufacturing	23,815	25,182	26,563	26,963	27,495	27,091	26,288	26,452	27,781	5.0
Wholesale trade	22,116	23,870	26,302	27,669	29,168	28,678	25,683	25,193	24,887	-1.2
Retail trade	53,725	55,223	57,490	59,906	61,832	62,266	60,343	59,438	58,648	-1.3
Transportation and warehousing	16,793	20,729	25,882	27,570	29,495	27,834	22,844	25,434	27,194	6.9
Information	8,152	7,919	7,721	7,626	7,697	7,442	7,486	7,374	7,146	-3.1
Finance and insurance	24,416	26,053	25,888	26,309	26,554	27,017	27,372	27,069	27,175	0.4
Real estate and rental and leasing	16,761	18,620	19,938	21,419	23,406	23,802	23,808	24,453	25,223	3.1
Professional and technical services	18,884	19,093	20,829	22,275	23,629	24,023	23,144	22,969	23,103	0.6
Management of companies and enterprises	4,517	4,690	5,004	5,424	5,653	5,693	5,824	5,735	5,750	0.3
Administrative and waste services	16,413	17,613	18,421	18,508	19,585	18,504	17,859	18,156	18,545	2.1
Educational services	5,786	5,676	5,754	6,148	6,180	6,376	6,497	6,667	6,836	2.5
Health care and social assistance	59,475	60,400	61,753	62,927	63,225	64,466	66,041	66,543	66,863	0.5
Arts, entertainment, and recreation	7,080	7,048	7,346	7,570	7,892	7,760	8,168	8,549	9,891	15.7
Accommodation and food services	32,902	34,235	36,484	37,550	38,971	38,803	37,518	37,674	37,796	0.3
Other services, except public administration	24,861	25,356	25,865	26,418	27,384	27,725	27,251	27,080	26,296	-2.9
Government and government enterprises	84,779	84,177	85,574	86,124	85,883	87,675	89,009	88,564	88,578	0
<b>Total</b>	<b>503,813</b>	<b>529,779</b>	<b>567,388</b>	<b>587,398</b>	<b>606,989</b>	<b>597,475</b>	<b>576,615</b>	<b>575,020</b>	<b>581,856</b>	<b>1.2</b>

## Describe the workforce and infrastructure needs in the state:

The HCD survey found the highest rated needs for business and economic development include the retention of existing businesses, attraction of new businesses, and labor availability.

<b>Table MA-45.5</b> <b>Enhancing Economic Opportunities</b> State of North Dakota Housing and Community Development Survey						
Question	No Need	Low Need	Medium Need	High Need	Missing	Total
<b>Please rate the need for the following BUSINESS AND ECONOMIC DEVELOPMENT activities in North Dakota:</b>						
Retention of existing businesses	0	5	30	78	51	164
Attraction of new businesses	0	8	37	69	50	164
Labor Availability	4	11	32	63	54	164
Foster businesses with higher paying jobs	2	15	35	59	53	164
Provision of job training	0	15	40	57	52	164
Expansion of existing businesses	0	18	47	49	50	164
Enhancement of business' infrastructure (such as roads, broadband, water access, sewage, electricity, etc)	3	21	39	49	52	164
Provision of job re-training, such as after plant or other closures	1	30	41	40	52	164
Development of business incubators	2	27	45	35	55	164
Provision of technical assistance for businesses	3	18	58	33	52	164
Provision of working capital for businesses	3	19	58	32	52	164
Investment in equity partners	4	28	48	31	53	164
Provision of venture capital	4	29	46	30	55	164
Development of industrial and/or business parks	6	44	40	21	53	164
Other	11	1	1	11	140	164

**Describe any major changes that may have an economic impact, such as planned public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create.**

Not applicable.

**How do the skills and education of the current workforce correspond to employment opportunities in the state?**

The Housing Community Development survey indicated that many people in the State have a moderate level of need for job training, including training opportunities for youth. These activities were the moderately rated needs for business and economic development in the State.

**Describe current workforce training initiatives supported by the state. Describe how these efforts will support the state's Consolidated Plan.**

North Dakota Workforce Development Council was authorized July 21, 2017 under Executive Order 2017-10. The Governor designated the Council as the state's workforce innovation and opportunity board in accordance with Section 101(e) of the Workforce Innovation and Opportunity Act of 2014 (WIOA).<sup>10</sup>

<sup>10</sup> <https://www.workforce.nd.gov/workforce/WorkforceDevelopmentCouncil/>

The purpose of the Workforce Innovation and Opportunity Act is to provide workforce innovation and opportunity activities, through statewide and local workforce innovation and opportunity systems, that increase the employment retention, and earnings of participants, and increase the occupational skills attainment by participants, and, as a result, improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the nation.

The role of the North Dakota Workforce Development Council is to advise the Governor and the public concerning the nature and extent of workforce development in the context of North Dakota's economic development needs, and how to meet these needs effectively while maximizing the efficient use of available resources and avoiding unnecessary duplication of effort.

### **Describe any other state efforts to support economic growth.**

The State of North Dakota, through the North Dakota Department of Commerce, offers a variety of incentives to help qualifying businesses in the State, including Agricultural Business Investment Tax Credit, Angel Fund Investment Tax Credit, Automation Tax Credit, Primary Sector Certification, Seed Capital Investment Tax Credit. There are a variety of tax incentives as well, including Business Incentives Database, Corporate Income Tax Exemption, Opportunity Zones Incentive, Property Tax Exemption, Sales & Use Tax Exemption, Renaissance Zones, and Research Expense Credit<sup>11</sup>

### **Development Fund**

The North Dakota Development Fund coordinates efforts between all the sources of financing, the business and the community. Any project considered for this financing must be feasible and have a reasonable chance of succeeding. The fund provides "flexible financing" through loans and equity investments not available from most conventional lenders and is available to any primary sector business with the exception of production agriculture. The Development Fund also administers the Regional Rural Revolving Loan Fund, which provides funding for primary sector projects located in a community of less than 8,000 in population or located more than five miles outside the city limits. The fund is a source of financing whose funds can be subordinated to a company's lead lender. If a business can't handle added debt, the Development Fund can take an equity financing position.<sup>12</sup>

### **Discussion**

The economy in the State of North Dakota showed an unemployment rate at 2.6 percent in 2018. The average earning per job had grown until the recent recession then stagnated. In 2018, some 93.2 percent of households had a high school education or greater, including 26.9 percent with a high school diploma or equivalent, 38.6 percent with some college, 20.1 percent with a Bachelor's Degree, and 6.8 percent with a graduate or professional degree.

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<sup>11</sup> <https://www.business.nd.gov/finance/>

<sup>12</sup> [https://www.business.nd.gov/development\\_fund/](https://www.business.nd.gov/development_fund/)

## MA-50 NEEDS AND MARKET ANALYSIS DISCUSSION

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### **Are there areas where households with multiple housing problems are concentrated? (include a definition of "concentration")**

As seen in Map MA-50.1, there are concentrations of housing problems found in some central areas of the State. These areas have housing problems at a rate above 36.1 percent, compared to areas with rates below 14.0 percent in other parts of the State. In this map, the definition of "concentration" is any area that sees a disproportionate share of housing problems, counted as any area that experiences housing problems at a rate at least ten (10) percentage higher than the area average.

### **Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (include a definition of "concentration")**

The maps on the following pages show the geographic distribution of racial and ethnic groups in the State of North Dakota. These maps are used to determine if there are any areas in the State that have a disproportionate share of racial or ethnic groups. A disproportionate share exists if any one racial or ethnic group is concentrated in an area at a rate of ten percentage points or more than the average for the State. As seen in Map MA-50.2, American Indian households are disproportionately concentrated in certain areas in the central parts of the State. These tend to be areas in and adjacent to Native American reservations. MA-50.3 shows the distribution of Hispanic households. Hispanic households are seen a disproportionate rate in the western part of the State in 2018.

Poverty is shown in Map MA-50.4. The highest concentrations of poverty were in central North Dakota, primarily in areas with higher concentration of Native American households.

### **What are the characteristics of the market in these areas/neighborhoods?**

The housing markets in these area tended to have a higher proportion of renter households, as shown in Map MA-15.2. In addition, median home values and median contract rents tended to be lower in these areas than in other areas in the State. This is shown in Maps MA-15.3 and MA-15.4.

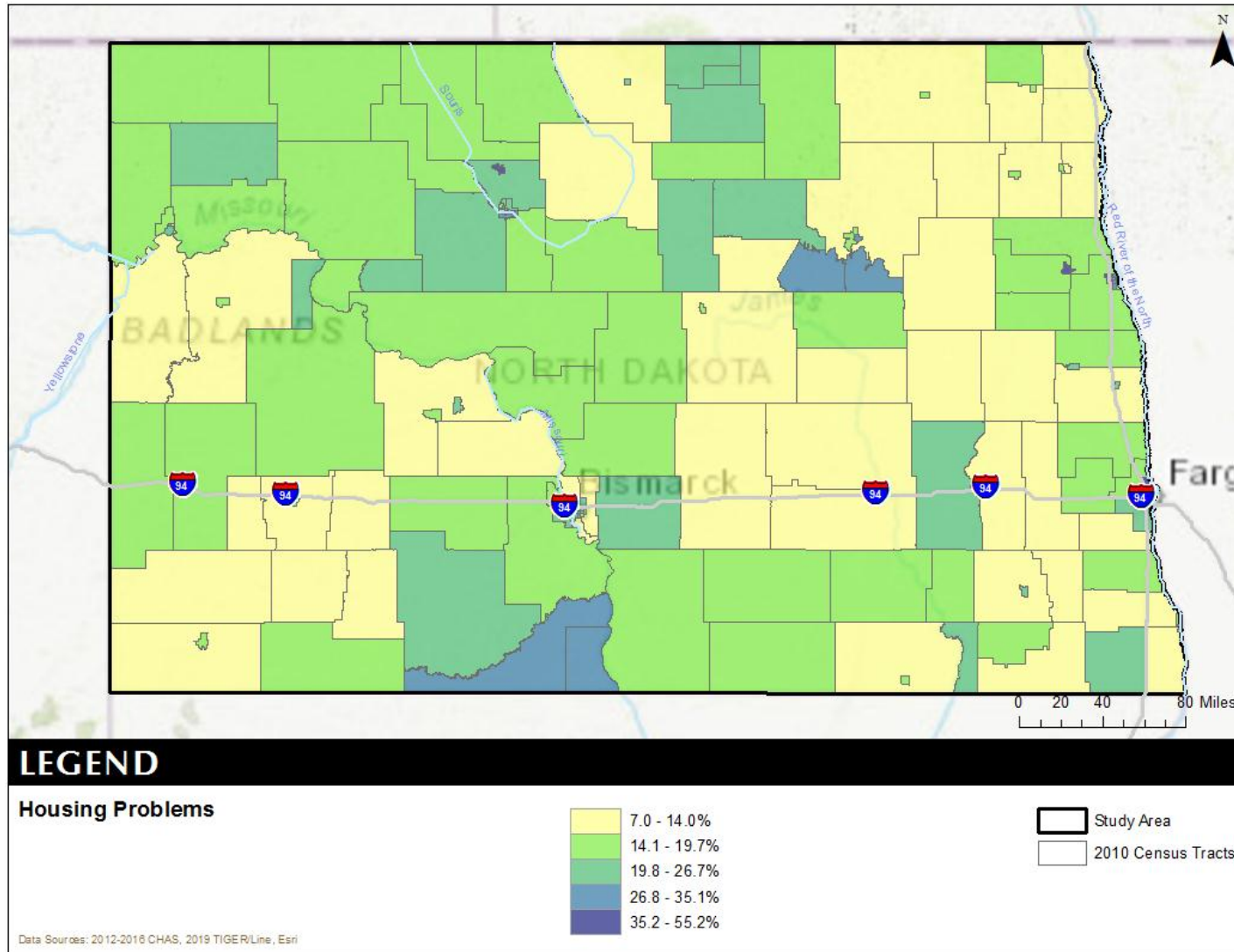
### **Are there any community assets in these areas/neighborhoods?**

There are a variety of services and community assets throughout the State of North Dakota, including access to city schools and parks, as well as grocery stores, and service providers.

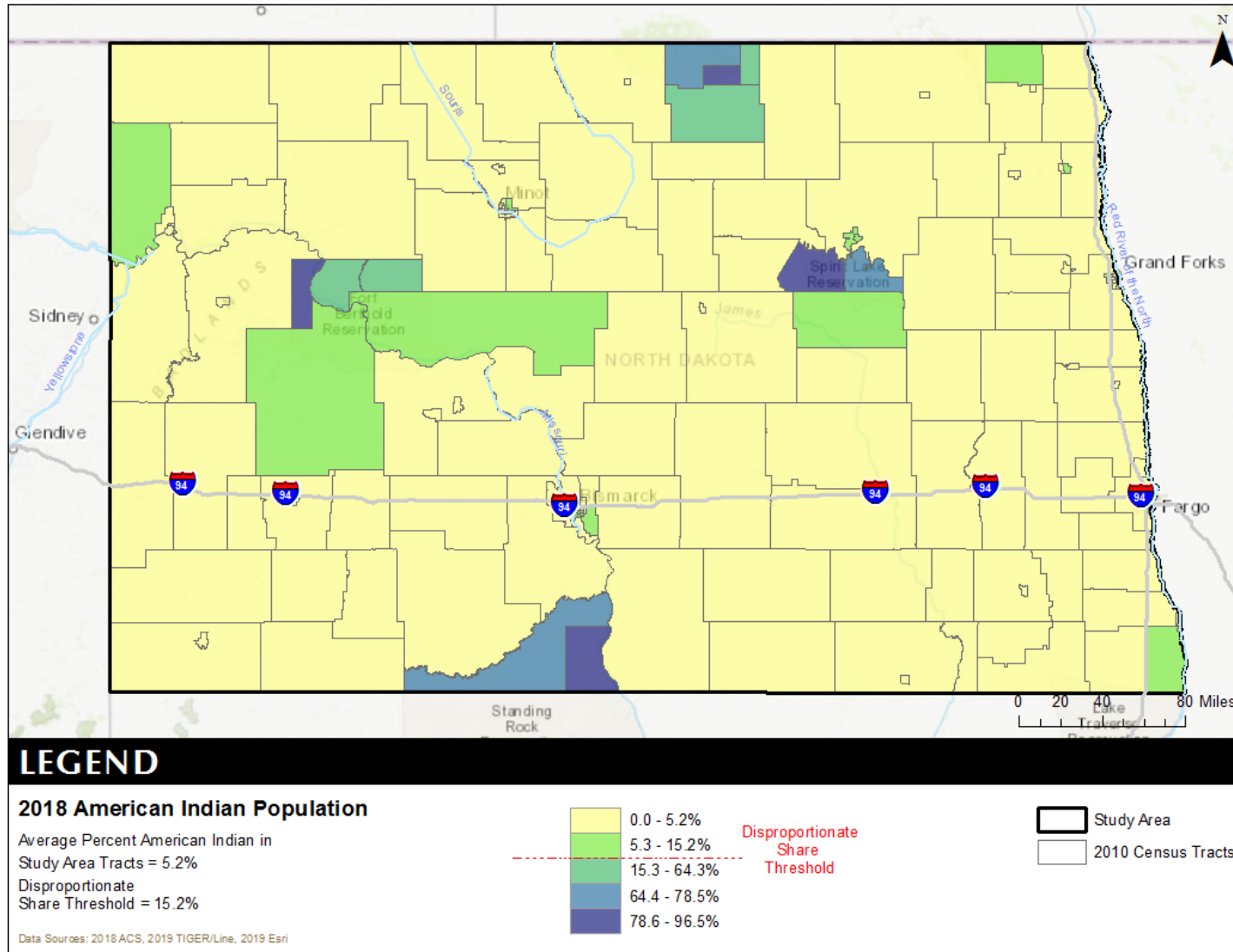
### **Are there other strategic opportunities in any of these areas?**

Areas with high concentrations of low income and poverty level households may present an opportunity for investment through services and public facility funding.

### Map MA-50.1 Housing Problems State of North Dakota 2015 CHAS, Tigerline

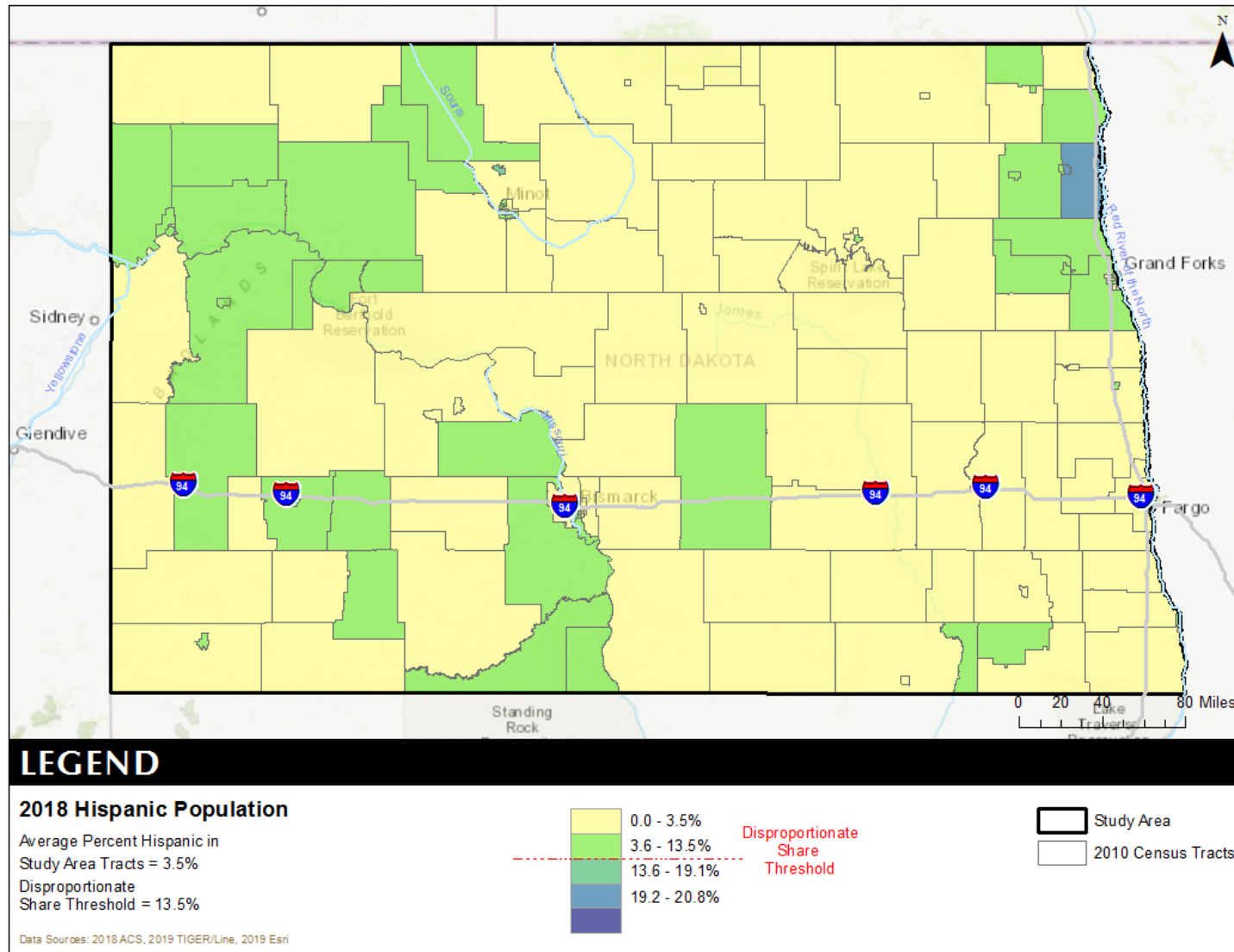


**Map MA-50.2**  
**2018 American Indian Households**  
 State of North Dakota  
 2018 ACS, Tigerline



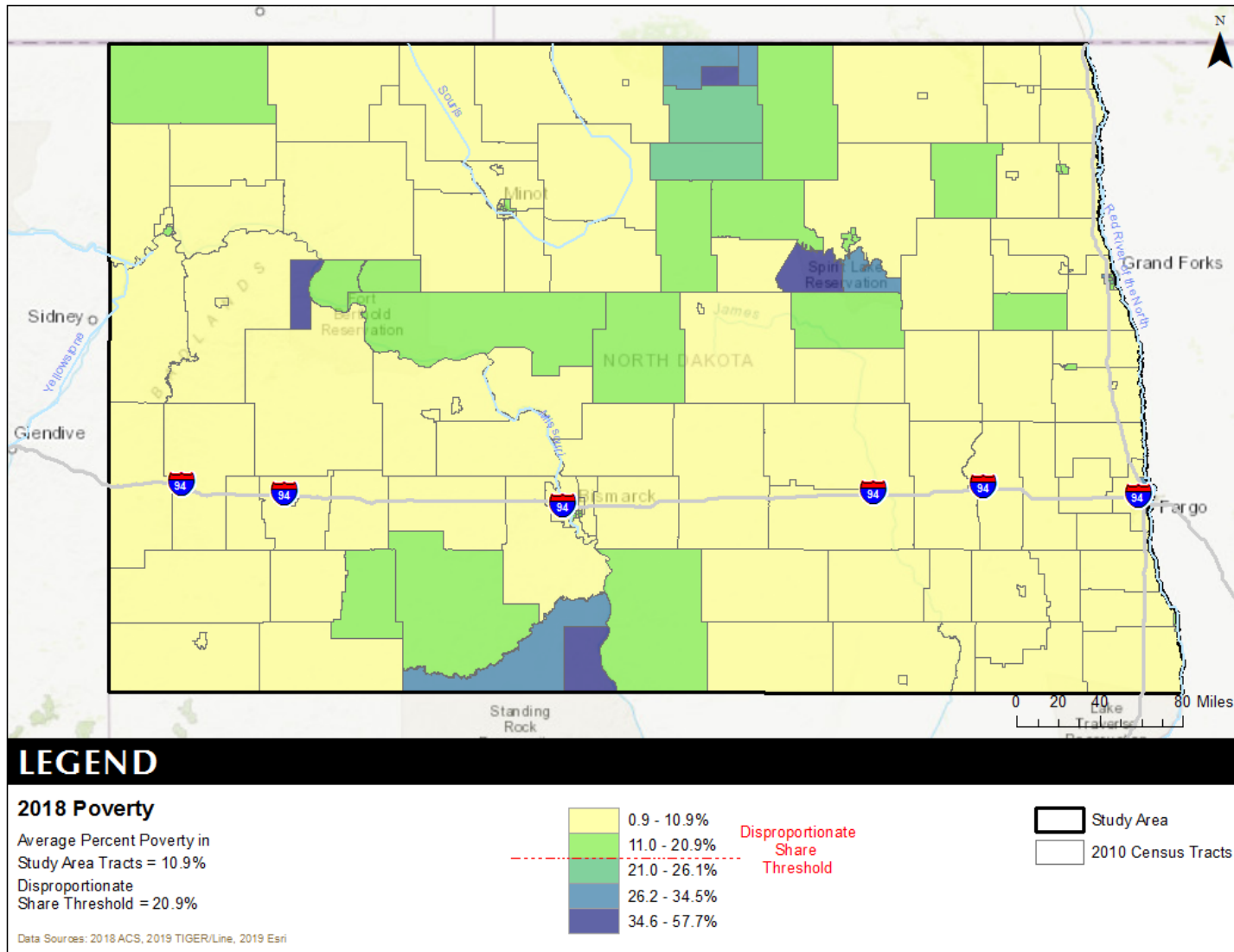


**Map MA-50.3**  
**2018 Hispanic Households**  
 State of North Dakota  
 2018 ACS, Tigerline





**Map MA-50.4**  
**2018 Poverty**  
 State of North Dakota  
 2018 ACS, Tigerline



## **MA-60 BROADBAND NEEDS OF HOUSING OCCUPIED BY LOW- AND MODERATE-INCOME HOUSEHOLDS - 91.210(A)(4), 91.310(A)(2)**

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### **Describe the need for broadband wiring and connections for households, including low- and moderate-income households and neighborhoods.**

The 2019 North Dakota Broadband Plan, found that the availability for broadband access in the State is high, but utilization varies dramatically.<sup>13</sup> The study also found that 100 percent of North Dakota residents have access to mobile broadband services with 47.7% of residents having access to fixed mobile broadband options. Rural areas and tribal lands are less likely to have fixed broadband access.

The State is currently conducting two broadband surveys to increase the level of input from both broadband providers and communities. These surveys are designed to review any groups of people that have limited access to broadband services, what barriers there may be to expanding broadband options, and how the State can help facilitate broadband expansion.

### **Describe the need for increased competition by having more than one broadband Internet service provider serve the jurisdiction.**

While there are a number of broadband service providers in North Dakota, there is a continued need for competition to promote affordability and access, as well as choice, in the community. According to the Information Technology and Innovation Foundation, competition is a crucial component of broadband policy in that it pressures providers to be efficient and innovative.<sup>14</sup>

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<sup>13</sup> <https://www.nd.gov/itd/sites/itd/files/legacy/alliances/broadband/ND-Broadband-Plan-2019.pdf>

<sup>14</sup> <https://itif.org/publications/2019/09/03/policymakers-guide-broadband-competition>

## MA-65 HAZARD MITIGATION - 91.210(A)(5), 91.310(A)(3)

### **Describe the jurisdiction's increased natural hazard risks associated with climate change.**

The State of North Dakota Enhanced Hazard Mitigation Plan of 2018 found the following in regard to increased risks associated with climate change:<sup>15</sup>

- **Dam Failure:** An increase in high intensity precipitation events in North Dakota from climate change may put more dams at risk to conditions that exceed the original design criteria of aging dams. According to NOAA, since 1991, rainfall during heavy precipitation events has been significantly above average in the Great Plains.
- **Drought:** According to the 2014 National Climate Assessment, the Northern Plains, including North Dakota, will remain vulnerable to periodic drought because much of the projected increase in precipitation is expected to occur in the cooler months while increasing temperatures will result in additional evapotranspiration during the summer months.
- **Wildfires:** Overall, acres burned from wildfires has increased in the United States since 1960. The average total acres burned per year has risen from approximately 3,000,000 in 1960 to approximately 6,000,000 in 2017. Additionally, the top 10 years with the largest area burned have all occurred since 2000 (North Dakota Department of Emergency Services, 2018). The majority of these acres burned have occurred in the western United States. This increase is attributed to lack of forest management and the long-time management practice of fire suppression, leading to increased fuels as well as higher temperatures due to climate change.
- **Flooding:** Future flooding resulting from levee failure may not be as predictable based on previous occurrences. Additionally, climate change is projected to cause an increase in precipitation in North Dakota, which can cause more frequent and intense flooding. These factors can be used to predict future vulnerability to state assets and critical facilities to flooding.
- **Geological hazards:** The effects of climate change on geologic hazards can vary depending on the specific type of hazard. Expansive soils and landslides will increase in frequency and severity as soils swell and slide more from increased precipitation due to climate change. Other hazards such as meteorite falls, and earthquakes are less affected by climate change.
- **Severe Summer Weather:** There are much greater uncertainties regarding the changes in severe summer storms as a result of climate change that would impact aspects of severe summer weather events, including downbursts, hail, lightning, tornadoes, and high wind. Additionally, the localized nature of many severe storms is difficult to capture in climate models. However, climate scientists are still actively researching the connections between climate change and severe storms.
- **Severe Winter Weather:** State assets and critical facilities may be more at risk to severe winter weather events in the future due to the projected increase in intensity and frequency of winter weather events from climate change. Individual storms that produce extreme amounts of heavy snow may put state owned assets at risk to structure collapse. Additionally, an increase in frequency of these storms may make it harder to maintain accessibility to critical infrastructure like roadways and airports.

<sup>15</sup> [https://www.des.nd.gov/sites/www/files/documents/docs/HLS-RECOV-ND\\_Mitigation\\_MAOP\\_FullPlanDocument\\_02062019.pdf](https://www.des.nd.gov/sites/www/files/documents/docs/HLS-RECOV-ND_Mitigation_MAOP_FullPlanDocument_02062019.pdf)

**Describe the vulnerability to these risks of housing occupied by low- and moderate-income households based on an analysis of data, findings, and methods.**

There are increased risks for low income households that may not have the resources necessary to mitigate risks or recover from disasters. The State's 2018 Mitigation Plan found that low income households may be disproportionately impacted by extreme heat and cold. The State has indicated that CDBG funds are used to improve communities, particularly low to moderate income communities. Many projects such as property acquisitions and infrastructure improvements can also qualify as hazard mitigation.

## STRATEGIC PLAN

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### SP-05 OVERVIEW

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#### Strategic Plan Overview

The Needs Assessment and Market Analysis, which has been guided by the Housing and Community Development Survey and public input, identified seven (7) priority needs. These are described below:

- **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. This also includes planning funds for local jurisdictions.

These Priority Needs are addressed with the following Goals:

#### Increase Access to Affordable Housing

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.

**Support Efforts to Combat Homelessness**

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.

**Support Public Facilities and Services**

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

**Encourage Economic Development**

This goal provides employment opportunities for low- and moderate-income people and promotes businesses in the State.

**Enhance Local Public Infrastructure and Planning**

This goal will fund public infrastructure, such as, but not limited to, water systems, streets, sidewalks, and other vital public facilities. This also includes local strategic planning funding.

**SP-10 GEOGRAPHIC PRIORITIES – 91.215 (A)(1)**

**Geographic Area**

**Table 49 - Geographic Priority Areas**

<b>1</b>	<b>Area Name:</b>	Statewide
	<b>Area Type:</b>	Funds are available statewide.
	<b>Other Target Area Description:</b>	Funds are available statewide.
	<b>HUD Approval Date:</b>	
	<b>% of Low/Mod:</b>	
	<b>Revital Type:</b>	
	<b>Other Revital Description:</b>	
	<b>Identify the neighborhood boundaries for this target area.</b>	Statewide
	<b>Include specific housing and commercial characteristics of this target area.</b>	
	<b>How did your consultation and citizen participation process help you to identify this neighborhood as a target area?</b>	
	<b>Identify the needs in this target area.</b>	
	<b>What are the opportunities for improvement in this target area?</b>	
	<b>Are there barriers to improvement in this target area?</b>	

**General Allocation Priorities**

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

**SP-25 PRIORITY NEEDS - 91.215(A)(2)**

**Priority Needs**

**Table 50 – Priority Needs Summary**

<b>1</b>	<b>Priority Need Name</b>	Affordable Rental Housing
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Large Families Families with Children Elderly
	<b>Geographic Areas Affected</b>	Statewide
	<b>Associated Goals</b>	Increase Access to Affordable Housing
	<b>Description</b>	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, which 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.
	<b>Basis for Relative Priority</b>	This priority is based on the Needs Assessment, Market Analysis, survey and public input.
<b>2</b>	<b>Priority Need Name</b>	Affordable Homeowner Housing
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Large Families Families with Children Elderly
	<b>Geographic Areas Affected</b>	Statewide



	<b>Associated Goals</b>	Increase Access to Affordable Housing
	<b>Description</b>	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.
	<b>Basis for Relative Priority</b>	This priority is based on the Needs Assessment, Market Analysis, survey and public input.
3	<b>Priority Need Name</b>	Homelessness
	<b>Priority Level</b>	High
	<b>Population</b>	Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse Veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth
	<b>Geographic Areas Affected</b>	Statewide
	<b>Associated Goals</b>	Support Efforts to Combat Homelessness
	<b>Description</b>	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.
	<b>Basis for Relative Priority</b>	This priority is based on the Needs Assessment, Market Analysis, survey and public input.
4	<b>Priority Need Name</b>	Vital Public Facilities
	<b>Priority Level</b>	High

	<b>Population</b>	Extremely Low Low Moderate Large Families Families with Children Elderly
	<b>Geographic Areas Affected</b>	Statewide
	<b>Associated Goals</b>	Support Public Facilities and Services
	<b>Description</b>	Providing suitable living environments through supporting vital public facilities is a high priority in the State.
	<b>Basis for Relative Priority</b>	This priority is based on the Needs Assessment, Market Analysis, survey and public input.
5	<b>Priority Need Name</b>	Special Needs Populations
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Large Families Families with Children Elderly
	<b>Geographic Areas Affected</b>	Statewide
	<b>Associated Goals</b>	Support Public Facilities and Services
	<b>Description</b>	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.
	<b>Basis for Relative Priority</b>	This priority is based on the Needs Assessment, Market Analysis, survey and public input.

<b>6</b>	<b>Priority Need Name</b>	Economic Development
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Large Families Families with Children Elderly
	<b>Geographic Areas Affected</b>	Statewide
	<b>Associated Goals</b>	Increase Availability of Affordable Housing
	<b>Description</b>	Promoting economic development to benefit low to moderate income households and promote self-sufficiency and economic growth is a high priority in North Dakota.
	<b>Basis for Relative Priority</b>	This priority is based on the Needs Assessment, Market Analysis, survey and public input.
<b>7</b>	<b>Priority Need Name</b>	Priority Infrastructure
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Large Families Families with Children Elderly
	<b>Geographic Areas Affected</b>	Statewide
	<b>Associated Goals</b>	Enhance Local Public Infrastructure and Planning
	<b>Description</b>	Providing suitable living environments through funding infrastructure in the State is a high priority. This also includes planning funds for local jurisdictions.

<b>Basis for Relative Priority</b>	This priority is based on the Needs Assessment, Market Analysis, survey and public input.
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### **Narrative (Optional)**

The State's Priority Needs are a product of the Needs Assessment, Housing Market Analysis, public input, and survey. These efforts resulted in the priority needs that will be addressed over five years with the goals outlined in Section SP-45.

**SP-30 INFLUENCE OF MARKET CONDITIONS – 91.215 (B)**

**Influence of Market Conditions**

<b>Affordable Housing Type</b>	<b>Market Characteristics that will influence the use of funds available for housing type</b>
Tenant Based Rental Assistance (TBRA)	As shown by the pervious sections, the demand for rentals has increased and is expected to continue to increase throughout the course of this Plan. Rental households have grown from 34.6 percent of the State population to 37.3 percent between 2010 and 2017. The State expects to see the need for TBRA to continue as the number of cost-burdened families continues to grow.
TBRA for Non-Homeless Special Needs	The Non-Homeless Special Needs populations within the State have a variety of housing needs throughout the state. The increase in demand for rentals and the increase in the price of rentals will place a high need for special need populations within the State. These increases make rentals unaffordable to many special needs populations.
New Unit Production	As shown by this Market Analysis section, housing production has not been keeping pace with demand, resulting in an increase in price. New unit production will increase the number of affordable units available to North Dakota households. The Housing and Community Development Survey results indicated a moderate level of need for new unit production, especially for rental housing.
Rehabilitation	The state of North Dakota has seen a slowdown in housing production, and an increase in demand for rental units. This combination calls for rehabilitation of existing units, both rental and homeowner, in order to meet the needs of households throughout the State. The results of the Housing and Community Development Survey also indicated a high level of need for unit rehabilitation for both rental units and homeowner units.
Acquisition, including preservation	As shown previously in this Plan, there are a number of subsidized units at risk of expiring. As the demand for affordable rental units continues to increase, the loss of these units will place additional households in need. This, in addition to survey results, has indicated a high level of need for preservation of affordable units.

**Table 51 – Influence of Market Conditions**

**SP-35 ANTICIPATED RESOURCES - 91.215(A)(4), 91.220(C)(1,2)**

**Introduction**

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

- CDBG Program, administered by Department of Commerce, DCS;
- HOME Program, administered by Department of Commerce, DCS;
- ESG Program, administered by Department of Commerce, DCS;
- NHTF Program, administered by Housing Finance Agency, HFA.

The state is also part of a tri-state program that receives Housing Opportunities for Persons with AIDS (HOPWA) funding. Tri-State Housing Environment for Living Positively (HELP) administers this program for Montana, North Dakota and South Dakota.

**Anticipated Resources**

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	\$3,991,758	\$0	\$0	\$3,991,758		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	\$0	\$0	\$3,000,000		The HOME program provides formula grants to states and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. HOME is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households. HOME funds are awarded annually as formula grants to participating jurisdictions (PJs). The program’s flexibility allows states and local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancements, or rental assistance or security and utility deposits.

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	\$484,414	\$0	\$0	\$484,414		The ESG Program, formerly named the Emergency Shelter Grant, provides formula funding to address homelessness to eligible jurisdictions.
Housing Trust Fund	public - federal	Acquisition Housing Multifamily rental new construction Multifamily rental rehab	\$3,000,000	\$0	\$0	\$3,000,000		The Housing Trust Fund (HTF) is an affordable housing production program that complements existing Federal, state and local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low- and very low-income households, including homeless families.

Table 52 - Anticipated Resources



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

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

**Community Development Block Grant**

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

**Home Investment Partnerships Program**

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 the DCS. Existing general waivers include a state policy that homeowner rehabilitation and TBRA activities are excluded from the match requirement.

**Emergency Solutions Grant Program**

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

**National Housing Trust Fund Program**

In accordance with the Interim Rule at 24 CFR Part 93, North Dakota's NHTF 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.

**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**

**SP-40 INSTITUTIONAL DELIVERY STRUCTURE – 91.215(k)**

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
North Dakota	Government	Homelessness Non-homeless special needs Ownership Planning Rental	State

**Table 53 - Institutional Delivery Structure**

**Assessment of Strengths and Gaps in the Institutional Delivery System**

The system in place to implement the CDBG, HOME, and ESG programs is well established and permits the opportunity for close coordination to identify needs and to employ the available resources. The CDBG program is well coordinated through the eight Regional Planning Councils, each receiving an allocation with which to fund economic development, housing, and public facilities projects. They in turn coordinate with various housing groups, the Public Housing Authorities, local economic developers, and state agencies to use CDBG funds to fund the most cost effective and low-income targeted projects. In addition, since the Division of Community Services is located in the North Dakota Department of Commerce, the staff is able to have daily coordination with the North Dakota Economic Development and Finance Division in funding economic development projects. The Community Action Agencies are intricately involved in the implementation of the HOME program, and both coordinate housing projects with the Regional Councils. As indicated in the affordable housing goals, Councils will be partnering with Community Action Agencies to assist with lead-based paint requirements. In addition, the North Dakota Housing Finance Agency is provided a set-aside from the HOME program to assist low-income families in accessing housing. The HOME program also coordinates closely with the entitlement cities of Grand Forks and Bismarck to address their local low-income housing needs. The ESG program works very closely with the 25 shelters in the state and the North Dakota Coalition for Homeless People to identify and address the needs of the homeless and the chronic homeless. At the present time we do not believe that the system has any gaps that need to be addressed.

**Availability of services targeted to homeless persons and persons with HIV and mainstream services**

Homelessness Prevention Services	Available in the Community	Targeted to Homeless	Targeted to People with HIV
<b>Homelessness Prevention Services</b>			
Counseling/Advocacy	X		
Legal Assistance	X		
Mortgage Assistance	X		
Rental Assistance	X	X	X
Utilities Assistance	X	X	X
<b>Street Outreach Services</b>			
Law Enforcement	X	X	
Mobile Clinics	X	X	
Other Street Outreach Services	X	X	
<b>Supportive Services</b>			
Alcohol & Drug Abuse	X	X	X
Child Care	X	X	X
Education	X	X	X
Employment and Employment Training	X	X	X
Healthcare	X	X	X
HIV/AIDS	X	X	X
Life Skills	X	X	X
Mental Health Counseling	X	X	X
Transportation	X	X	X

**Table 54 - Homelessness Prevention Services Summary**

**Describe how the service delivery system including, but not limited to, the services listed above meet the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth)**

Throughout the State of North Dakota, there are a variety of services offered to homeless persons and persons with HIV. In addition to connecting homeless persons with mainstream services, coordinated assessments help match homeless persons with health and employment services that are most accurately suited to their needs. While more rural areas may lack access to the wide array of services in more urban areas, the statewide coordinated assessment helps to connect persons with services across the state. This helps create a network of care that allows persons to have access to a full range of supportive services.

**Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above**

While the State of North Dakota and the NDDOC strives to reach every person at risk of homelessness, the lack of funding to address all necessary problems restricts the amount of progress the State can make in its fight against homelessness. As such, some households may slip through the cracks of the designed institutional structure. The State makes every available effort to close as many gaps as possible, while limiting potential gaps through continued communication among agencies.

**Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs**

At this time we have no specific plans to enhance coordination. The CDBG program has been implemented for 36 years in the state, and the system in place provides for more than enough coordination, especially when considering the limited funds available and the continued high demands for housing rehabilitation, public facilities, and economic development. If more funds become available, some additional things might be possible, but for now the system for coordination is more than adequate. This also applies to the HOME program which has been in place for 22 years, and the ESG program which has been in place for 31 years. Working together we are very successful in identifying needs. The problem is the lack of funds to address the needs, and the ability to allocate funds across uses. Every entity involved in the implementation of the Plan does everything in its power to assure that funds are targeted to the most beneficial projects and to the most needy households and individuals.

**SP-45 GOALS SUMMARY – 91.215(A)(4)**

**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	HOME: \$15,000,000  CDBG: \$1,995,879  Housing Trust Fund: \$15,000,000	Rental units constructed: 150 Household Housing Unit Rental units rehabilitated: 500 Household Housing Unit Homeowner Housing Rehabilitated: 150 Household Housing Unit Direct Financial Assistance to Homebuyers: 100 Households Assisted
2	Support Efforts to Combat Homelessness	2020	2024	Homeless	Statewide	Homelessness	ESG: \$2,422,070	Homeless Person Overnight Shelter: 200,000 Persons Assisted  Tenant-based rental assistance / Rapid Rehousing: 2,500 Households Assisted  Homelessness Prevention: 10,000 Persons Assisted Overnight/Emergency Shelter/Transitional Housing Beds added: 20 Beds

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: \$7,983,516	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 75,000 Persons Assisted
4	Encourage Economic Development	2020	2024	Non-Housing Community Development	Statewide	Economic Development	CDBG: \$7,983,516	Businesses assisted: 300 Businesses Assisted
5	Enhance Local Public Infrastructure and Planning	2020	2024	Non-Housing Community Development	Statewide	Priority Infrastructure	CDBG: \$1,995,879	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 50,000 Persons Assisted  Other: 5 other

Table 55 – 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.
2	<b>Goal Name</b>	Support Efforts to Combat Homelessness
	<b>Goal Description</b>	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.

<b>3</b>	<b>Goal Name</b>	Support Public Facilities and Services
	<b>Goal Description</b>	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
<b>4</b>	<b>Goal Name</b>	Encourage Economic Development
	<b>Goal Description</b>	This goal provides employment opportunities for low- and moderate-income people and promotes businesses in the State.
<b>5</b>	<b>Goal Name</b>	Enhance Local Public Infrastructure and Planning
	<b>Goal Description</b>	This goal will fund public infrastructure, such as, but not limited to, water systems, streets, sidewalks, and other vital public facilities. This also includes local strategic planning funding.

**Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)**

The State estimates it will provide affordable housing for 800 households over the 2020-2024 Consolidated Plan.

**SP-50 PUBLIC HOUSING ACCESSIBILITY AND INVOLVEMENT – 91.215(C)**

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**Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement)**

Not applicable.

**Activities to Increase Resident Involvements**

Not applicable.

**Is the public housing agency designated as troubled under 24 CFR part 902?****Plan to remove the ‘troubled’ designation**

Not applicable.



## SP-55 BARRIERS TO AFFORDABLE HOUSING – 91.215(H)

### Barriers to Affordable Housing

The Housing and Community Development survey found that the biggest barriers to the development of affordable housing include the cost of labor, the cost of materials, the cost of land or lot, and the lack of access to affordable housing financial resources.

<b>Table MA-40.1</b> <b>Providing Decent Housing</b> State of North Dakota Housing and Community Development Survey	
Question	Response
<b>Do any of the following items act as barriers to the development or preservation of affordable housing in North Dakota?</b>	
Cost of labor	76
Cost of materials	72
Cost of land or lot	66
Lack of access to affordable housing financial resources	62
Not In My Back Yard (NIMBY) mentality	46
Lack of qualified contractors or builders	40
Lack of affordable housing development policies	36
Construction fees	35
Lack of other infrastructure	23
Lack of available land	19
Location impacted by Environmental Concerns (e.g., frequent flooding and/or impacted by other natural or man-made disasters)	19
Building codes	18
Lot size	17
Permitting process	16
Lack of water system	15
Lack of sewer system	15
Density or other zoning requirements	13
ADA codes	12
Permitting fees	11
Impact fees	7
Lack of water	6

### Strategy to Remove or Ameliorate the Barriers to Affordable Housing

The State's strategy to remove barriers to affordable housing are shown in the Table SP-55.2, on the following page.

**Table SP-55.2**

Fair Housing Goal	Impediments to Fair Housing Choice/ Contributing Factors	Fair Housing Issue	Recommended Actions
<b>Promote affordable housing development in high opportunity areas</b>	Moderate to high levels of segregation  Access to low poverty areas  Insufficient affordable housing in a range of unit sizes  Black, American Indian, and Hispanic households have disproportionate rates of housing problems  Discriminatory patterns in Lending	Segregation  R/ECAPs  Disproportionate Housing Need	Continue to promote homeownership and affordable rental opportunities in high opportunity areas with the use of CDBG, HOME, and HTF funds. Over the next five (5) years:  150 rental units added 500 rental units rehabilitated 150 homeowner housing units rehabilitated 100 households down payment and closing cost assistance for first-time homebuyers  Track activities annually in the State's PER.
<b>Promote community and service provider knowledge of ADA laws</b>	Insufficient accessible affordable housing  Discrimination on the basis of disability	Disability and Access	Continue to partner with the HPFHC to conduct tests on selected newly constructed housing units and apartment complexes. Record activities annually in the State's PER.  Continue to partner with the HPFHC, DOLHR, and other non-profit organizations, and local ADA coordinators to conduct outreach and education to professionals in the housing construction industry on the subject of accessibility and reasonable accommodation. Record activities annually in the State's PER.
<b>Enhance community services in R/ECAPs</b>	Access to low poverty areas  Access to job proximity  Access to school proficiency	Disparities in Access to Opportunity	Encourage increased public services and public investment in high poverty areas in the State. Record activities annually in the State's PER.
<b>Increase fair housing outreach and education in the State</b>	Moderate to high levels of segregation  Access to low poverty areas and concentrations of poverty  Discriminatory patterns in Lending	Fair Housing Enforcement and Outreach	Continue to partner with the High Plains Fair Housing Center (HPFHC), North Dakota Department of Labor and Human Rights (DOLHR), and other non-profit organizations to conduct outreach and education to professionals in the housing industry. Record activities annually in the State's PER.  Enhance outreach and education to units of local government, as well as housing consumers, as it relates to affirmatively furthering fair housing and the duty to affirmatively further fair housing. Record activities annually in the State's PER.  Conduct outreach and education of prospective housing consumers, enhance credit counseling and education to prospective home buyers, focusing on strategies to build credit for home purchases, in partnership with local lenders and civic institutions. Record activities annually in the State's PER.

## **SP-60 HOMELESSNESS STRATEGY – 91.215(D)**

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

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

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

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

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

Funding will be available for rapid re-housing and homeless prevention activities to both shorten and prevent incidents of homelessness throughout the State.

**Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs**

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

## **SP-65 LEAD BASED PAINT HAZARDS – 91.215(i)**

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### **Actions to address LBP hazards and increase access to housing without LBP hazards**

The State of North Dakota has continued 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, the State has coordinated with the Community Action Agencies to increase the amount of lead-based paint testing activities.

### **How are the actions listed above integrated into housing policies and procedures?**

Lead based paint requirements are integrated into HOME and CDBG requirements to help ensure that they follow all procedures relating to lead-based paint testing and abatement.

## SP-70 ANTI-POVERTY STRATEGY – 91.215(j)

### **Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families**

In this section we are required to describe the state’s goals, programs, and policies for reducing the number of poverty level families, and how the state’s goals, programs, and policies for producing and preserving affordable housing will be coordinated with other programs and services for which the state is responsible, and the extent to which they will reduce the number of poverty level families, taking into consideration factors over which the state has control.

The primary tool at the state level for providing assistance to deal with poverty is the Community Services Block Grant (CSBG) program. This program provides funds to the state’s seven CAAs to ameliorate the causes and conditions of poverty. The funds provide a range of services and activities to assist the needs of low-income individuals, including the homeless, migrants, and the elderly. In North Dakota the funds are used to reduce poverty, revitalize low-income communities, and empower low-income families and individuals to become self-sufficient. This program is located in the North Dakota Department of Commerce (DCS), which provides an opportunity for almost daily interaction and coordination with the CDBG, HOME, and ESG programs.

The CAAs also 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 whom live in poverty, are the primary beneficiaries of HOME funds for obtaining housing as owners or renters. Families are also provided assistance in weatherizing their homes through the Weatherization program, which is a program within the DCS, and is often used in conjunction with HOME and CDBG funds that are used for housing rehabilitation. As noted in the affordable housing goals, some Regional Councils are partnering with CAAs to deal with lead-based paint issues, and these are targeted to assist extremely low-income households. Homeless people also benefit through the CAAs through enrollment in the state’s Self-Sufficiency Program, Housing and Community Development Strategies.

The primary focus for the use of CDBG funds in addressing poverty, besides an emphasis on rehabilitating homes owned and rented by extremely low-income households, will continue to be through the creation of jobs. This is consistent with the short-term non-housing objectives established within each region for providing funds for economic development projects. The ESG program provides emergency shelter for many persons and families living in poverty; and the Shelter Plus Care program provides these people with transitional and permanent housing opportunities through the CoC.

### **How is the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan**

The institutional structure and programs, along with close coordination between implementing agencies, are all in place, and many families and individuals have benefited. However, there is no way to demonstrate or predict just how these programs and services will reduce the number of people living in poverty. Since the state’s affordable housing goals, the goals of the ESG and CDBG programs, emphasize targeting extremely low-income families, most of whom live in poverty. Because of the primary focus of the CSBG program in providing services to people living in poverty, we believe that no additional goals are needed to specifically target poverty level families.

### **SP-80 MONITORING – 91.230**

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**Describe the standards and procedures that the jurisdiction will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements**

Monitoring will be the responsibility of the staff assigned to the CDBG, HOME, and ESG programs and the organizations that partner with the Division of Community Services to implement these programs. This will primarily be accomplished through quarterly and final reports on each funded project. To assure long-term compliance with program requirements, staff will do on-site monitoring of files and each completed project using a systems review of the implementing organizations. Staff will also perform desk-top monitoring using drawdown requests, environmental review notices, Section 504 Self-evaluations, and the Integrated Disbursement Information System (IDIS).

## 2020 ANNUAL ACTION PLAN

### AP-15 EXPECTED RESOURCES – 91.220(C)(1,2)

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

- CDBG Program, administered by Department of Commerce, DCS;
- HOME Program, administered by Department of Commerce, DCS;
- ESG Program, administered by Department of Commerce, DCS;
- NHTF Program, administered by Housing Finance Agency, HFA.

The state is also part of a tri-state program what receives Housing Opportunities for Persons with AIDS (HOPWA) funding. Tri-State Housing Environment for Living Positively (HELP) administers this program for Montana, North Dakota and South Dakota.

### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	\$3,991,758	\$0	\$0	\$3,991,758		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	\$0	\$0	\$3,000,000		The HOME program provides formula grants to states and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. HOME is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households. HOME funds are awarded annually as formula grants to participating jurisdictions (PJs). The program’s flexibility allows states and local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancements, or rental assistance or security and utility deposits.



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	\$484,414	\$0	\$0	\$484,414		The ESG Program, formerly named the Emergency Shelter Grant, provides formula funding to address homelessness to eligible jurisdictions.
Housing Trust Fund	public - federal	Acquisition Housing Multifamily rental new construction Multifamily rental rehab	\$3,000,000	\$0	\$0	\$3,000,000		The Housing Trust Fund (HTF) is an affordable housing production program that complements existing Federal, state and local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low- and very low-income households, including homeless families.

Table 52 - Anticipated Resources

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

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

**Community Development Block Grant**

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

**Home Investment Partnerships Program**

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 the DCS. Existing general waivers include a state policy that homeowner rehabilitation and TBRA activities are excluded from the match requirement.

**Emergency Solutions Grant Program**

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

**National Housing Trust Fund Program**

In accordance with the Interim Rule at 24 CFR Part 93, North Dakota's NHTF 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.

**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**

**AP-20 ANNUAL GOALS AND OBJECTIVES**

**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	HOME: \$3,000,000  CDBG: \$399,175  Housing Trust Fund: \$3,000,000	Rental units constructed: 30 Household Housing Unit Rental units rehabilitated: 100 Household Housing Unit Homeowner Housing Rehabilitated: 30 Household Housing Unit Direct Financial Assistance to Homebuyers: 20 Households Assisted
2	Support Efforts to Combat Homelessness	2020	2024	Homeless	Statewide	Homelessness	ESG: \$488,414	Homeless Person Overnight Shelter: 40,000 Persons Assisted  Tenant-based rental assistance / Rapid Rehousing: 500 Households Assisted  Homelessness Prevention: 2,000 Persons Assisted Overnight/Emergency Shelter/Transitional Housing Beds added: 4 Beds

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: \$1,596,703	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 15,000 Persons Assisted
4	Encourage Economic Development	2020	2024	Non-Housing Community Development	Statewide	Economic Development	CDBG: \$1,596,703	Businesses assisted: 60 Businesses Assisted
5	Enhance Local Public Infrastructure and Planning	2020	2024	Non-Housing Community Development	Statewide	Priority Infrastructure	CDBG: \$399,175	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 10,000 Persons Assisted  Other: 1 other

Table 55 – 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.
2	<b>Goal Name</b>	Support Efforts to Combat Homelessness
	<b>Goal Description</b>	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.

<b>3</b>	<b>Goal Name</b>	Support Public Facilities and Services
	<b>Goal Description</b>	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
<b>4</b>	<b>Goal Name</b>	Encourage Economic Development
	<b>Goal Description</b>	This goal provides employment opportunities for low- and moderate-income people and promotes businesses in the State.
<b>5</b>	<b>Goal Name</b>	Enhance Local Public Infrastructure and Planning
	<b>Goal Description</b>	This goal will fund public infrastructure, such as, but not limited to, water systems, streets, sidewalks, and other vital public facilities. This also includes local strategic planning funding.

**Table 55 – Goals Summary**

## AP-35 PROJECTS – 91.220(D) (OPTIONAL)

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### Introduction

#### Projects

#	Project Name

Table 58 – Project Information

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

**AP-25 ALLOCATION PRIORITIES – 91.320(d)**

**Introduction:**

The State of North Dakota and the Department of Commerce prioritize funds based on the priority needs established in this plan. A combination of factors, including the greatest needs, the availability of resources and the capacity of entities within the state help determine how the North Dakota Department of Commerce will fund activities during the program year.

**Funding Allocation Priorities**

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

**Table 1 – Funding Allocation Priorities**

## Reason for Allocation Priorities

**ESG:** Funding continues to be used for homeless activities in North Dakota. These include the support of homeless service providers, funding the development of new transitional housing, rapid re-housing, and homeless prevention.

**HOME:** The reason that North Dakota Department of Commerce continues to fund the development of affordable housing options through both rehabilitation and new construction with HOME funds.

**CDBG:** As reflected in this table, the CDBG program primary focuses is on improving and upgrading infrastructure and public facilities, as well as economic development.

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

**ESG:** Funding continues to be used for homeless activities in North Dakota. These include the support of homeless service providers, funding the development of new transitional housing, rapid re-housing, and homeless prevention.

**HOME:** The proposed distribution will address the need of affordable rental and homeowner housing by ensuring the funding needed to be built and/or rehabilitated is available. The State will also be able to continue a down payment assistance program.

**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.

**HTF:** The distribution from HTF will promote the development of affordable housing in the State for very low income households.



**AP-30 METHODS OF DISTRIBUTION – 91.320(d)&(k)**

**Introduction:**

To distribute the CDBG funds, the state provides an allocation of funds to each of the state’s eight Regional Planning Councils to recommend grant awards on a competitive basis. Each Regional Council is responsible for developing a program distribution statement describing how it will award funds. The state’s role is to provide overall direction for the CDBG program and to review each project for compliance with the state CDBG Program Distribution Statement and the respective regional program statement. In addition, a set-aside is available for the Governor to fund economic development projects, new housing and emergency projects addressing health and safety concerns in coordination with the Regional Councils. For the HOME program, funds will be allocated to each of the state’s seven CAAs, two CHDOs, two housing authorities (HA), and the cities of Bismarck and Grand Forks. Funds from the ESG and NHTF programs will be distributed on a competitive basis to eligible applicants. More detailed information for accessing and awarding funds under these three programs may be found on the DCS web site.

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

The following provides an overview description of each program:

**Distribution Methods**

<b>1</b>	<b>State Program Name:</b>	Community Development Block Grant (CDBG)
	<b>Funding Sources:</b>	CDBG
	<b>Describe the state program addressed by the Method of Distribution.</b>	<p>The purpose of the Community Development Block Grant (CDBG) Program Distribution Statement is to describe how the state of North Dakota intends to distribute its CDBG Public Facilities, Housing and Economic Development funds.</p> <p>To better address local community development needs, the Governor has directed that the State’s allocation be divided among each of the eight Regional Planning Councils that have established procedures to review and rank applications submitted within their respective regions</p>

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Program Goals and Objectives</p> <ul style="list-style-type: none"> <li>• Creation of permanent jobs for very low and low income persons</li> <li>• Economic diversification</li> <li>• Leveraging of private and local investment</li> <li>• Benefit to the state’s economy</li> <li>• Water and sewer activities which currently present a threat to health and safety</li> <li>• Removal of architectural barriers which will permit access for the handicapped</li> <li>• Direct benefit to a locality’s very low and low income persons</li> <li>• Leveraging local and other available financial resources to finance the cost of the activity</li> <li>• Meeting the health and safety needs of very low income persons by bringing the rehabilitated housing up to a minimum of the Section 8 Housing Quality Standards</li> <li>• Making more affordable housing available for very low and low income persons</li> </ul> <p>Eligible Applicants</p> <p>Eligible applicants under the North Dakota Community Development Block Grant Program are limited to counties and incorporated cities.</p>
<p><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>Application information will be available on the NDDOC's website at:  <a href="https://www.communityservices.nd.gov/communitydevelopment/Programs/CommunityDevelopmentBlockGrant/">https://www.communityservices.nd.gov/communitydevelopment/Programs/CommunityDevelopmentBlockGrant/</a></p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	

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

<b>2</b>	<b>State Program Name:</b>	Emergency Solutions Grant Program
	<b>Funding Sources:</b>	ESG
	<b>Describe the state program addressed by the Method of Distribution.</b>	The State’s 2020 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.
	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	<p>The Division of Community Services (DCS) will review, score, and fund applications based on the ability to achieve the following state program objectives:</p> <ol style="list-style-type: none"> <li>1. To fund projects that encourages the use of program funds to complement the use of other public and private funds in providing assistance to the homeless. (Max. 5 points)</li> <li>2. To fund projects which document and address shortages in funding, facilities, and services to the homeless, and which encourage and demonstrate maximum coordination of services and programs within the community. (Max. 5 points)</li> <li>3. To fund projects which document participation in region wide or statewide continuum of care process. (Max. 5 points)</li> <li>4. To fund projects which can be completed in a timely manner, within budget, and in conformance with all applicable federal and state requirements. (Max. 5 points)</li> <li>5. To fund projects which involve, to the maximum extent practicable, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under the ESG, and in providing service for occupants of these facilities. (Max. 5 points)</li> </ol> <p>To be eligible for funding, applications must receive a minimum subjective score of 15. All applications with a score of 15 or higher will receive funding based on the average recommended amounts by DCS’ application reviewers.</p>

<p><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>Eligible applicants for the Emergency Solutions Grants program are Units of Local Government, and private nonprofit organizations. Nonprofit entities located on Indian reservations are also eligible to receive funds.</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>The maximum amount of funds that will be made available to any one homeless facility or agency providing assistance to the homeless is \$50,000.</p>
<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.</p>

<b>3</b>	<b>State Program Name:</b>	HOME Investment Partnership Program
	<b>Funding Sources:</b>	HOME
	<b>Describe the state program addressed by the Method of Distribution.</b>	<p>The Department of Housing and Urban Development (HUD) has designated the State of North Dakota as a Participating Jurisdiction (PJ) and as such it may apply for and distribute HOME funds. The agency responsible for administration of the North Dakota HOME Program is the Department of Commerce, Division of Community Services (DCS).</p> <p>This is a description of how the state plans to distribute FY 2020 HOME funds and administer its program. The plan demonstrates consistency with the goals identified in the state's Consolidated Plan (CP). Accordingly, the state can use its HOME funds for the following activities to help meet the identified housing needs:</p> <ul style="list-style-type: none"> <li>• Rehabilitation of Owner-occupied and Rental Property</li> <li>• Homebuyer Assistance</li> <li>• Tenant Based Rental Assistance (including security and utility deposits)</li> <li>• Acquisition, New Construction, Site Improvements, or Demolition Linked to a Project</li> <li>• Administrative Costs</li> <li>• Operating Expenses for Community Housing Development Organization (CHDO)</li> </ul> <p>The state will administer its program through state recipients, sub recipients, non-profits, and CHDOs. The HOME Program will be allocated to state recipients and sub recipients through a non-competitive set-aside. The non-profit and CHDO category will be competitive and awarded based on scoring criteria. Any funds remaining after the competitive round will be distributed on a first-come-first-serve need basis.</p> <p>Applicants new to the HOME Program are required to partner with an experienced developer, sponsor, or consultant (i.e., someone with projects completed and operating successfully).</p> <p>The state may reallocate funds from one category to another, or one state recipient or sub recipient to another, because of high demand, an emergency due to a natural disaster, or determinations that performance-based measures have not been met.</p> <p>State program income received by DCS may be allocated, at our discretion, for any project or activity deemed necessary.</p> <p>Relocation is the only allowed activity in a designated floodplain under the state’s multi-year environmental review. Grand Forks and Bismarck may complete their own environmental reviews and make their own floodplain determinations on a case-by-case basis.</p>

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Each application meeting the threshold requirements will be reviewed and assigned points according to the following selection criteria. Applications must achieve a minimum score of <u>80</u> points to be considered for funding. Scoring will be on entire project/units (not just HOME units). Only one (1) application per project will be considered. Applicants may request no more than 60% 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> <ol style="list-style-type: none"> <li>1. Income Targeting</li> <li>2. Addresses Housing Shortage in Developing Communities of 20,000 or less</li> <li>3. Leveraging</li> <li>4. Financial Support from Local Sources</li> <li>5. Readiness to Proceed</li> <li>6. Rehab of Existing Vacant Habitable Structures</li> <li>7. Preservation</li> <li>8. Special Needs</li> <li>9. Neighborhood Characteristics</li> <li>10. Public Housing Notification</li> <li>11. Cross-Cutting Requirements</li> </ol> <p>Additional scoring information is available in the attached HOME program statement.</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>Please refer to the attached HOME program statement for funding categories.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Not applicable</p>
<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 or owner units constructed or renovated, the number of households assisted with direct financial assistance and the number of households assisted with rental assistance.</p>

<b>3</b>	<b>State Program Name:</b>	National Housing Trust Fund
	<b>Funding Sources:</b>	Housing Trust Fund
	<b>Describe the state program addressed by the Method of Distribution.</b>	<p>NHTF 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 NHTF will be administered in accordance with North Dakota’s NHTF Qualified Action Plan (QAP), attached in full to this Annual Action Plan as Appendix C. Per federal statute and regulation, the QAP 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> <li>6. The extent to which the applicant makes use of non-federal funding sources.</li> </ol>
	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	<p>North Dakota employs a set-aside of 10% of the state’s NHTF allocation to the highest-scoring eligible Native American application. Remaining NHTF funding is then awarded to the highest-scoring eligible applications. There is no maximum amount of NHTF funding that any one project can receive, although QAP does limit the amount of subsidy which each NHTF-assisted unit can receive. The deadlines for applications will be due to the HFA by September 30, 2020.</p>
<b>Describe how resources will be allocated among funding categories.</b>		



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

**AP-40 SECTION 108 LOAN GUARANTEE – 91.320(k)(1)(ii)**

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**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)**

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

Yes.

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

CDBG supports community assessments. The assessments help residents identify and prioritize activities to help revitalize their communities. Generally the assessments define strategies and "next steps" required to accomplish the goals. The process also helps communities identify key individuals and/or groups best qualified to carry through on each activity or goal. The community assessment process creates "buy-in" for residents.

All program funding contributes directly or indirectly to community revitalization efforts (i.e. housing rehabilitation, park improvements); ESG and HOPWA funds support housing and services for individuals who are vulnerable. That certainly contributes to community revitalization by helping ensure safe living environments for all.

## 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**

### Geographic Distribution

Target Area	Percentage of Funds
Statewide	100

**Table 2 - Geographic Distribution**

### Rationale for the priorities for allocating investments geographically

#### Discussion

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

## AP-55 AFFORDABLE HOUSING – 24 CFR 91.320(G)

### Introduction:

The North Dakota Department of Commerce will strive to meet the following goals for Affordable Housing during the 2020 Action Year.

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

**Table 3 - One Year Goals for Affordable Housing by Support Requirement**

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

**Table 4 - One Year Goals for Affordable Housing by Support Type**

### Discussion:

The NDHFA is responsible for implementing the Low-Income Housing Tax Credit (LIHTC) program. Developers looking to use the program must be able to document a particular housing need and demonstrate that the need is consistent with the Consolidated Plan. Each project is rated against specific criteria, eighteen of which are intended to assure a project is targeted to benefit low-income families.

**AP-60 PUBLIC HOUSING - 24 CFR 91.320(j)**

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**Introduction:**

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

**Discussion:**

No additional discussion.

## AP-65 HOMELESS AND OTHER SPECIAL NEEDS ACTIVITIES – 91.320(H)

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### Introduction

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

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

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

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

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

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

Funding will be available for rapid re-housing and homeless prevention activities to both shorten and prevent incidents of homelessness throughout the State.

**Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs**

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

### Discussion

## AP-75 BARRIERS TO AFFORDABLE HOUSING – 91.320(i)

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### **Introduction:**

The assessed barriers are primarily local issues over which the state has little or no authority. However, we do have a state building code and we will continue to promote its adoption and enforcement and continue to provide training support to local building officials through the North Dakota Building Officials Association. In addition, we will promote the use of CDBG and HOME funds for development whenever it becomes a potential.

The State's strategy to remove barriers to affirmatively further fair housing is shown in the Table AP-75.1, below.

**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**



**Table AP-75.1**

Fair Housing Goal	Impediments to Fair Housing Choice/ Contributing Factors	Fair Housing Issue	Recommended Actions
<b>Promote affordable housing development in high opportunity areas</b>	Moderate to high levels of segregation Access to low poverty areas Insufficient affordable housing in a range of unit sizes Black, American Indian, and Hispanic households have disproportionate rates of housing problems Discriminatory patterns in Lending	Segregation R/ECAPs Disproportionate Housing Need	Continue to promote homeownership and affordable rental opportunities in high opportunity areas with the use of CDBG, HOME, and HTF funds. Over the next five (5) years: 150 rental units added 500 rental units rehabilitated 150 homeowner housing units rehabilitated 100 households down payment and closing cost assistance for first-time homebuyers Track activities annually in the State's PER.
<b>Promote community and service provider knowledge of ADA laws</b>	Insufficient accessible affordable housing Discrimination on the basis of disability	Disability and Access	Continue to partner with the HPFHC to conduct tests on selected newly constructed housing units and apartment complexes. Record activities annually in the State's PER. Continue to partner with the HPFHC, DOLHR, and other non-profit organizations, and local ADA coordinators to conduct outreach and education to professionals in the housing construction industry on the subject of accessibility and reasonable accommodation. Record activities annually in the State's PER.
<b>Enhance community services in R/ECAPs</b>	Access to low poverty areas Access to job proximity Access to school proficiency	Disparities in Access to Opportunity	Encourage increased public services and public investment in high poverty areas in the State. Record activities annually in the State's PER.
<b>Increase fair housing outreach and education in the State</b>	Moderate to high levels of segregation Access to low poverty areas and concentrations of poverty Discriminatory patterns in Lending	Fair Housing Enforcement and Outreach	Continue to partner with the High Plains Fair Housing Center (HPFHC), North Dakota Department of Labor and Human Rights (DOLHR), and other non-profit organizations to conduct outreach and education to professionals in the housing industry. Record activities annually in the State's PER. Enhance outreach and education to units of local government, as well as housing consumers, as it relates to affirmatively furthering fair housing and the duty to affirmatively further fair housing. Record activities annually in the State's PER. Conduct outreach and education of prospective housing consumers, enhance credit counseling and education to prospective home buyers, focusing on strategies to build credit for home purchases, in partnership with local lenders and civic institutions. Record activities annually in the State's PER.

## **AP-85 OTHER ACTIONS – 91.320(J)**

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### **Introduction:**

The following describes other actions the State will undertake during the 2020 Program Year.

### **Actions planned to address obstacles to meeting underserved needs**

The major obstacle to meeting underserved needs is the small amount of funds the state receives through the CDBG, HOME, ESG, and NHTF programs. The needs far exceed the ability of these programs to make any significant impact, which is why the state continues to fund the same type of housing and non-housing activities each year. Housing rehabilitation continues to be a high priority need, but the interest in doing more rehabilitation is severely hampered by the lead-based paint requirements. Costs to investigate and mitigate lead-based paint are very high and the lack of funds means fewer opportunities for rehabilitation. Since there is nothing we can do to change either of these problems, no actions are planned.

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

During the 2020 program year we will continue to promote targeting CDBG, NHTF, and HOME funds to households of zero to 30 percent of the Median Family Income (MFI), persons with disabilities, the elderly, and minorities, focusing primarily on housing rehabilitation and assistance in buying or renting affordable housing.

### **Actions planned to reduce lead-based paint hazards**

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

### **Actions planned to reduce the number of poverty-level families**

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

### **Actions planned to develop institutional structure**

At this time we have no specific plans to enhance coordination. The CDBG program has been implemented for 36 years in the state, and the system in place provides for more than enough coordination, especially when considering the limited funds available and the continued high demands for housing rehabilitation, public facilities, and economic development. If more funds become available, some additional things might be possible, but for now the system for coordination is more than adequate. This also applies to the HOME program which has been in place for 26 years, and the ESG program which has been in place for 30 years. Despite the relative recency of the NHTF program, created in 2008 and first funded in 2015, the systems put in place at the state level have resulted in strong coordination and communication among its stakeholders, effective program administration, and efficient use of limited public funds. Working together we are very successful in identifying needs. The problem is the lack of funds to address the needs. Every

entity involved in the implementation of the Plan does everything in its power to assure that funds are targeted to the most beneficial projects and to the neediest households and individuals.

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

See above.

## PROGRAM SPECIFIC REQUIREMENTS

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### AP-90 Program Specific Requirements – 91.220(l)(1,2,4)

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

**Introduction:**

**Community Development Block Grant Program (CDBG)**

**Reference 24 CFR 91.320(k)(1)**

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

- |  |   |
|--|---|
| 1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed  | 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 |

**Total Program Income:**

**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:

DCS will not use other forms of investment beyond those identified in Section 92.205.

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

A summary of recapture guidelines is included below. Please refer to the attached 2018 HOME Program Description for additional information.

**Recapture Requirements for Homebuyer Assistance**

DCS expects that all homebuyer assistance will include direct assistance to the homebuyer. Therefore, a recapture provision will be used. In the event circumstances arise where there is no direct subsidy to the homebuyer and HOME funds are used for development subsidy only, DCS will use an appropriate resale provision.

In order to ensure the period of affordability, any of the entities who have elected to provide homebuyer assistance are required to specify their recapture provisions. The recapture provisions will be contained within their written agreement with the DCS.

**Required Recapture Provisions**

Recapture provisions must ensure that the participating jurisdiction recoups all or a portion of the HOME assistance to the homebuyers if the housing does not continue to be the principal residence of the family for the duration of the period of affordability (see Period of Affordability Table). The HOME investment that is subject to recapture is based on the amount of HOME assistance that enabled the homebuyer to buy the dwelling unit. This includes any HOME assistance that reduced the purchase price from fair market value to an affordable price (direct subsidy), but excludes the amount between the cost of producing the unit and the market value of the property (i.e., the development subsidy). The direct subsidy may include down payment assistance, closing costs, or any other HOME assistance provided directly or indirectly to the homebuyer. The recaptured funds must be used to carry out HOME-eligible activities. The period of affordability is based upon the total amount of HOME funds that is initially subject to recapture.

The recapture provisions must be assured so that the unit remains affordable through deed restrictions, covenants attached to the land, mortgages, or other similar mechanisms. The state recipient or subrecipient will specify which enforcement mechanism it will use. In addition, DCS, state recipient, or subrecipient will execute an agreement with each homebuyer to specify the

affordability requirements and enable DCS to retain the authority to enforce them.

For more information on recaptured funds, please go to the HOME Distribution Statement at the following

link: <https://www.communityservices.nd.gov/communitydevelopment/Programs/HOMEProgram/>

For FY 2018, after visiting with existing grantees, the State is not expecting any applications for homebuyer activities.

**3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:**

The period of affordability for units acquired using HOME funds is shown below. Additional information is included in HOME Program distribution statement at the following

link: <https://www.communityservices.nd.gov/communitydevelopment/Programs/HOMEProgram/>

**Period of Affordability**

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

HOME Assistance to the Buyer Minimum Period of Affordability

Less than \$15,000 5 yrs.

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

More than \$40,000 15 yrs.

**Compliance**

During its grant monitoring of the HOME Program sub recipients, the state will review the 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 sub recipient.

During the affordability period, the state recipients/sub-recipients must do an annual compliance check to ensure that the initial homebuyer still resides in the property as his/her principal residence. The most current utility statement or proof of paid taxes and homeowners insurance is acceptable documentation.

**Noncompliance**

During the affordability period, noncompliance occurs when an owner (1) vacates the unit or rents the unit to another household, (2) sells the home without DCS receiving recaptured funds due at

time of sale. In the event of noncompliance, the owner is subject to repay all HOME funds invested in the housing. This is based on the total amount of HOME funds invested, including both development funds and direct subsidy to the buyer minus any principal HOME loan repayments. Note, the repayment amount is not subject to any reductions that might be otherwise applicable under a recapture provision (such as forgiveness for the term of occupancy or repayment to owner first).

Should the following entities provide assistance to homebuyers; the Recapture Provisions will be used, as explained in further detail in the attached document:

- The City of Grand Forks
  - Grand Forks Community Land Trust
3. 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:

DCS will not refinance debt along with rehabilitation in this program year.

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

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

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

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

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

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

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

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

12. To reduce new entries into homelessness (*by consistently offering prevention and diversion resources upfront, reducing the number of people entering the system unnecessarily*)
13. 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
14. To gain quality data to drive system planning, improved service linkage, funding decisions, and for performance measurement.

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



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

Tool: Housing Crisis Screen

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

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

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

Tool: Prevention Screen

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

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

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

Tool: VI-SPDAT & F-VI-SPDAT

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

Who: Designated assessors/assessment sites.

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

Tool: Prioritization list

When is this done? After completing Housing Assessment.

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

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

Tool: SPDAT & F-SPDAT

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

Who: Trained Assessor.

See additional information following question #5 below.

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

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

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

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

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

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

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

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

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

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

#### Homeless participation

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

- b. If the recipient is unable to meet requirement under paragraph (a), it must instead develop and

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

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

5. Describe performance standards for evaluating ESG.

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

**Continuation of ESG Question #2**

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

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

**Housing Trust Fund (HTF)**

**Reference 24 CFR 91.320(k)(5)**

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

Applications submitted by eligible recipients

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

N/A

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

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

See the HTF Allocation Plan at the following link:

<https://www.ndhfa.org/Development/2018HTFAllocationPlan.pdf>

See the Rehab Standards at the following link:

<https://www.ndhfa.org/Development/LIHTC/MinimumHousingRehabPropertyStandards.pdf>

Or, see the attachments in AD-26.

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”.

See the HTF Allocation Plan at the following link:

<https://www.ndhfa.org/Development/2018HTFAllocationPlan.pdf>

See the Rehab Standards at the following link:

<https://www.ndhfa.org/Development/LIHTC/MinimumHousingRehabPropertyStandards.pdf>

Or, see the attachments in AD-26.

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”.

See the HTF Allocation Plan at the following link:

<https://www.ndhfa.org/Development/2018HTFAllocationPlan.pdf>

See the Rehab Standards at the following link:

<https://www.ndhfa.org/Development/LIHTC/MinimumHousingRehabPropertyStandards.pdf>

Or, see the attachments in AD-26.

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".

See the HTF Allocation Plan at the following link:

<https://www.ndhfa.org/Development/2018HTFAllocationPlan.pdf>

See the Rehab Standards at the following link:

<https://www.ndhfa.org/Development/LIHTC/MinimumHousingRehabPropertyStandards.pdf>

Or, see the attachments in AD-26.

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".

See the HTF Allocation Plan at the following link:

<https://www.ndhfa.org/Development/2018HTFAllocationPlan.pdf>

See the Rehab Standards at the following link:

<https://www.ndhfa.org/Development/LIHTC/MinimumHousingRehabPropertyStandards.pdf>

Or, see the attachments in AD-26.

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".

See the HTF Allocation Plan at the following link:

<https://www.ndhfa.org/Development/2018HTFAllocationPlan.pdf>

See the Rehab Standards at the following link:

<https://www.ndhfa.org/Development/LIHTC/MinimumHousingRehabPropertyStandards.pdf>

Or, see the attachments in AD-26.

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".

See the HTF Allocation Plan at the following link:

<https://www.ndhfa.org/Development/2018HTFAllocationPlan.pdf>

See the Rehab Standards at the following link:

<https://www.ndhfa.org/Development/LIHTC/MinimumHousingRehabPropertyStandards.pdf>

Or, see the attachments in AD-26.

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".

See the HTF Allocation Plan at the following link:

<https://www.ndhfa.org/Development/2018HTFAllocationPlan.pdf>

See the Rehab Standards at the following link:

<https://www.ndhfa.org/Development/LIHTC/MinimumHousingRehabPropertyStandards.pdf>

Or, see the attachments in AD-26.

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".

See the HTF Allocation Plan at the following link:

<https://www.ndhfa.org/Development/2018HTFAllocationPlan.pdf>

See the Rehab Standards at the following link:

<https://www.ndhfa.org/Development/LIHTC/MinimumHousingRehabPropertyStandards.pdf>

Or, see the attachments in AD-26.

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.

See the HTF Allocation Plan at the following link:

<https://www.ndhfa.org/Development/2018HTFAllocationPlan.pdf>

See the Rehab Standards at the following link:

<https://www.ndhfa.org/Development/LIHTC/MinimumHousingRehabPropertyStandards.pdf>

Or, see the attachments in AD-26.

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

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

See the HTF Allocation Plan at the following link:

<https://www.ndhfa.org/Development/2018HTFAllocationPlan.pdf>

See the Rehab Standards at the following link:

<https://www.ndhfa.org/Development/LIHTC/MinimumHousingRehabPropertyStandards.pdf>

Or, see the attachments in AD-26.

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

N/A

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

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

N/A

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

N/A

## DATA APPENDIX

### A. PUBLIC INPUT DATA

2/25/2020

**Region VII Consolidated Plan Public Hearing**  
**Lewis and Clark Regional Council**  
**1600 E Century Ave. Ste. 2 Bismarck, ND 58502**  
**3 p.m.**

Affordable Housing Needs

- Multi-family housing rehab
  - o Non-profits need assistance and funding
  - o Rehab in Rural Areas
- Affordable single-family housing
  - o Construction of New Housing
  - o Rehab to old housing
  - o Housing costing under \$200,000
- Affordable Housing for Families (more than 2 bedrooms per unit)
- Housing for those aging out of the Foster Care System
- Nursing Homes and Elderly Living
  - o Accessible
  - o Affordable
- Barrier: Difficulty finding appraisals and affordable appraisals
- Housing for People with Disabilities
  - o Accessible
- Barrier: Poor Credit stopping people from getting into housing
- Barrier: High Debt. Held of those trying to get housing
- Barrier: Getting Contractors
  - o HQS Inspectors
  - o Difficult to find licensed contractors
  - o High Cost / difficulty incurred by contractors when working with the Government
- Barrier: There are many units available that are either unaffordable or uninhabitable
- Barrier: City Ordinances
  - o Building Codes
  - o Zoning
- Housing for sex offenders

Public Facility and Infrastructure Needs

- Ageing Infrastructure
  - o Flooding
  - o Impact on Homeowners and Older homes
- Water and Sewer Systems
- Wastewater
- Schools
  - o Need for New Schools
  - o Maintenance and Repair to keep-up Older Schools (especially in rural areas)

- More space needed in some schools
- Barrier: High Special Assessments
- Walkability
- Public Transportation
- Poorly Designed Layout of some towns/ cities
  - No specific districts
- Accessibility / Removal of Architectural Barriers
- Streets
- Emergency Services (Police, Ambulance, Fire Stations, etc.)
  - High need in rural areas
- Food Pantry and Grocery Stores
  - Many food desserts across the state
- Affordable and Available Daycares
  - Daycares for Shift workers
  - 24/7-hour daycares
- Barrier: Low to Moderate is hard to access (i.e. CAP, AID Inc., West Central)
- Road Construction to fill and fix Potholes

### Economic Development Needs

- Affordable Housing for Workforce
- Workforce Housing
- State Technology Portals for new persons entering the state
  - Online Help Desk for affordable housing, open jobs, daycares, schools, etc.
- Easier access to Vital Records for those trying to get a job (unaccompanied youth and homeless especially)
  - Drivers license
  - Permanent address
- Shortage of Nurses and Healthcare Workers
  - High Turnover Rates
  - Having to Outsource
  - Language Barrier between new Americans and Healthcare workers
  - Rural Nursing Homes in Need of Nurses and Healthcare Workers
- Rural nursing homes
- Affordable Daycares
  - Daycares for Shift workers
  - 24/7-hour daycares
- Barrier: criminal background check and finding jobs for criminals
- Available Training
  - Specialized Training to fill open positions
- Lack of skilled trades people (plumbers, CAN's, etc.)
- Incentives for Companies Providing Workforce Housing and Daycares
- Reoccurring Problem: People move to ND for jobs and have nowhere to stay or cannot afford the rent with the jobs that are available.

### Homelessness and Public Services Needs

- Transitional Housing
  - With added services
  - Emergency Shelter / Housing after eviction / release for penitentiary

- For Families
- Shelters for Families
- Shelters/ Programs for those ageing out of the Foster Care System
- Permanent Supportive Housing
  - Available and Large Enough Units for Families
  - Affordable
- Multi-Family housing
- Increase of Homelessness due to Reoccurring Problem: People move to ND for jobs and have nowhere to stay or cannot afford the rent with the jobs that are available.
- Youth Shelters
- Teenage Housing / Shelters (16-18)
- Family Emergency Shelter
  - Access for teenage boys
- Willing Organizations to set up shelters and programs
- Barrier: Data Problem (enormous amount of homeless people not counted/ missed by HUD during point and time)
- Barrier: Homeless is not defined by one, clear definition
  - Needs to be rewritten to account for unaccompanied youth
- Mental Health Services in Schools
  - Hiring full time healthcare professionals and counselors
  - The increased growth of mental health in schools and among younger grades (Kindergarten) is causing a strain on teachers
- Access to Communication
  - Payphones
  - Computers and WIFI
- Access to Transportation
- Safety net for youth aging out of foster care
- Unification of school districts credit requirements
- Wet Shelter
  - Helping those struggling with addiction, substance abuse
  - Detox Centers
- Cultural Healthcare and Help for Native Americans in Urban Areas
- Awareness of the amount of monetary strain on law enforcement, hospitals, etc. due to lack of shelters and detox centers
- Shelter in Region 7 (Bismarck)

2-18-2020

**Region V Consolidated Plan Public Hearing****Lake Agassiz Regional Council****417 Main Av. Fargo, ND****10 a.m.**Affordable Housing Needs

- Downtown West Fargo Needs Rehab/ New Housing
- New Affordable Housing
- Barrier: Getting a Positive Net-Gain from Affordable Housing
- Elderly Housing (critical and extremely needed)
  - o Accessible
  - o Many Elderly moving to Urban Areas (causing a shortage of elderly housing)
  - o Affordable Elderly Housing
- Permanent Supportive Housing
  - o Mental Health Prioritization for Supportive Services
- Family Housing
  - o More than 2 bedrooms per unit
- Multi-family housing
- Affordable Housing for Young Professionals (workforce) coming to Fargo or starting out in their career cannot afford current West Fargo Housing Market
  - o Workforce Housing
- Incoming population of people in need of housing
- New Family Housing
  - o Affordable Housing for newly-weds / new parents in the area
- Multi-family Housing for New Americans
  - o More than 2 bedrooms per unit
- Barrier: Building costs are high in both urban and rural settings
- Barrier: Resources Needed for housing
- Barrier: High tax credits needed to gain housing
- Barrier: Mobile Home Parks are getting extremely expensive to live in with large corporations buying them and increasing prices, forcing many people to leave their homes/ parks they have lived in forever.
- Largest influx of people coming to West Fargo for affordable housing
- Prioritization and Awareness of Housing Problems and Barriers (new projects, slum-lord problems)
- Education and Awareness of Available Help during growth and housing crisis

Public Facilities and Infrastructure Needs

- Failing Infrastructure in older parts of West Fargo (sewer, water) for housing and businesses needs to be redone (55 city blocks)
- Sewer
- Water
  - o Water Towers in Rural areas
- Streets (prioritization on rural streets)
- School District Numbers are Rapidly Increasing (West Fargo)
  - o Need for New Schools (increased number of schools)
- dilapidated Buildings

- Rehab and Inspections Needed
- Underground infrastructure failing
- Daycares
- Emergency Services
  - Fire Stations
  - Ambulance
  - Equipment
- Statewide Building Inspector

### Economic Development Needs

- Affordable Workforce Housing
  - Domino Effect – need affordable housing to attract workforce
- More Efficient Systems of Economic Development
  - Production and processes
  - Assistance with marketing
- Retaining Current Businesses in North Dakota
- Creation of Jobs in Rural Areas
- Barrier: Commute Times for Workers
- Education and Training on Workforce Programs and to Fill Open Positions
  - Career / Workforce Academies
    - Teaching basic workforce needs
- Problem: Businesses and Global Ties are leaving ND’s market due to lack of updated equipment
- Sustaining large companies and businesses (retaining)
- Expanding Workforce needed in order to expand businesses
  - Recruiting and keeping younger workforce in rural areas
- Succession Planning
  - Legal / Lawyers
  - Healthcare
  - Grocery Stores
- Healthcare Clinics
- Professional Services (Lawyers)
- Grocery Stores
- Barrier: Restrictions HUD sets forth for funding (LMI %)
- Job Retention
- More Trades people Needed
  - Plumbers
  - Construction
  - Electricians

### Homeless / Community Needs / Public Services Needs

- Transportation
  - More efficient Bus – route
  - Route to Industrial Park
  - Accessible for Limited Clientele and Elderly
- Affordable Housing for At Risk of Homeless College Students and Homeless College Students
- Services / assistance for At-Risk Homelessness

- Homeless Shelter
  - o In Need of More Support
- New Americans Housing
  - o Problem: Overcrowding
- Senior / Elderly Housing
- Domestic Violence Housing / Shelter
- Mental Health Permanent Supportive Housing
- Housing for People Struggling with Addiction/ Substance Abuse
- Assistance for LMI tenants
  - o Service providers
- Transitional Housing
- Space Available inside Dwellings for Supportive Services
- Budget for Supportive Services
- Youth Shelter and Assistance
  - o Transportation to and from school (currently using taxi cabs)
  - o Youth living in hotels
- Food Pantry
- More Funding for Homeless Grants and Programs



2-18-2020

**Region VI Consolidated Plan Public Hearing  
South Central Regional Council  
429 2<sup>nd</sup> St SW, Jamestown, ND  
2 p.m.**

Affordable Housing Needs

- Added Assistance to Safe Shelter
- Rehab to low-income housing
- Housing Infrastructure
- Affordable Elderly Housing
- Permanent Supportive Housing

Public Facilities and Infrastructure Needs

- Contaminated Water
  - o Filtration Systems and Water Softeners
  - o Ground Water Source
  - o LMI Households in need of new water systems
- Water Towers
  - o Problem: Old and neglected
- Lift Stations
- Water and Sewer Systems and Pipes
- Emergency services
  - o Police Radios
  - o 911 Systems
  - o Fire Stations
- Jails / Correctional Centers
  - o Problem: Condemned in Barnes County and McIntosh
- Sidewalks
- Streets
- ADA Compliance and Removal of Architectural Barriers
- Parks
- Broadband / Internet Providers and Services
- Daycares
- Mental Health Practitioners and Supportive Services
- Street Lighting

Economic Development Needs

- Industrial Hemp
  - o Decorticator
- Childcare / Daycare
  - o Conversion of old buildings
- Commercial Development Infrastructure
- Wind Farms / Energy

- Transmission lines
- School to Work
  - Career Academies
- Heating / Cooling / HVAC
- Roof Rehab
- Plumbing Rehab

#### Homelessness / Public Service Needs

- Unhabitable Housing in Need of Replacement or Rehab
- Domestic Violence Shelters
  - Currently only way of help is buying a bus-ticket to Bismarck
- Homeless Shelters
- Storm Shelter
- Professional Services
  - Medical
  - Dental
- Addiction / Substance Abuse Supportive Housing and Services
  - Multi-family housing
  - Treatment Centers
  - Detox Centers
- Transitional Housing

2-19-2020

**Region III Public Hearing for Consolidated Plan  
North Central Planning Council  
417 5<sup>th</sup> St NE, Devils Lake, ND  
10 a.m.**

Affordable Housing Needs

- Affordable Lots for Homebuyers
- Rehab to Older Homes
- Multi-family housing
- Infrastructure for New Housing Developments
- Refurbish and lack of habitable affordable housing (Rolette County)
- Remove or Fix Deteriorating Homes
- Make rent affordable (Rolette County)
- Affordable Housing
  - o Poor conditions/ not habitable
  - o Affordable but not livable (or rent cost too high)
- Workforce Housing
- Elderly Housing
  - o Accessible units
  - o Affordable
  - o Developments specific for elders
- Barrier: Lack of Developers willing to work on low income projects
- Transitional Housing
- Permanent Supportive Housing
  - o Recovery
  - o Substance Abuse
- Wheelchair / handicapped accessible housing

Public Facility and Infrastructure Needs

- Water
  - o Wells
- Sewer
  - o Flushing of Sewage in rural areas
- Lift Stations
- Road Repair and Replacement
- ADA Compliance / Removal of Architectural Barriers
  - o Public buildings
  - o Schools
- Swimming Pools
- Museums and other Community facilities
- Walkability
  - o Sidewalks
  - o Streets
- Walking Trails
- Non-profit Facility Rehabilitation
  - o Roofs

- Daycares
- Barrier: Engineering costs, Architectural costs, and costs of getting preliminary reports are high
- Roof Repair to Slum and Blight and Old Buildings
- Public Health and Emergency Services
  - o Rural fire stations and ambulance buildings and equipment
  - o Medical Facilities
    - Need more space and expansion of services
  - o 911 systems / SIREN (state-wide system)
- Mill Levy – currently lack enough funds to continue running
- Jails

### Economic Development Needs

- Diversifying the Economy
  - o Attracting more Manufacturers
- Retain current Businesses
  - o Problem: Many businesses are closing or downsizing due to the lack of resources in ND and competition with out of state businesses
- Grocery Stores
  - o Problem: Food Desserts (nearest Grocer 30+ miles away)
  - o Elderly and low-income residents need local grocery stores
  - o Problem: Current grocery stores and decreasing in sales and struggling to stay open
- Lack of Jobs
  - o Targeted populations in need of jobs are those struggling with substance abuse, with a criminal record, sex-offenders)
- Job Services Office Needed
- Jobs with a Livable Wage vs. Minimum Wage
  - o Many families fail to stay afloat on minimum wage rate
- Transportation
  - o Elderly
  - o Handicapped
  - o Low income
- Need for healthcare professionals and Medical Facilities
- Communication
  - o Internet
  - o Job Announcements
  - o Phone

### Homelessness / Public Service Needs

- Data Collection
  - o Current Counting System does not get an accurate number of Homeless Population
    - Does not count youth and responsibility falls on school
- Supportive Services
- Service Providers for supportive services
- Youth Shelter
- Shelter
- Employment
- Addiction Counseling and Shelters

- Drugs and Substance Abuse
  - Substance Abuse causing a diversion of funds
- Financial Training for LMI
- Understanding of Poverty
- Lack of workforce for shelters

2/20/2020

Region IV Consolidated Plan Public Hearing  
Red River Regional Council  
1501 28<sup>th</sup> Ave S, Grand Forks, ND  
2:30 p.m.

#### Affordable Housing Needs

- Single and Multi-Family Housing Rehab
- Housing Development in Rural Areas
- Barrier: Difficulty getting contractors for affordable housing
- Barrier: Getting Affordable Housing in non-LMI towns
- Elderly Housing
  - o Accessible
  - o One-level
  - o Affordable
- Housing for Families
  - o Need 3 or more bedrooms in each unit (affordable – for LMI)
- Remove or Rehab Inhabitable Housing
  - o Mold large issue
  - o Environmental Contamination clean up

#### Public Facilities and Infrastructure Needs

- Water (city-wide)
  - o Line replacement
- Sewer (city-wide)
  - o Line replacement
- Storm Sewer
- Walkability (sidewalks)
- Streets
  - o Repair after sewer and water line replacement
- Lift stations
- Water towers
- Fire hydrants
- Lagoons
- Water treatment plants
- Natural Gas
  - o Utilities
- Street lighting
- Daycares
- Fire Halls
- ROAB in Schools / School accessibility
- Jail Rehab
  - o Currently no Jail facility for women
- Removal of Architectural Barriers
- Community Centers
- Senior Centers
- Libraries
- Parks and Recreational Facilities

- Play parks
- Swimming pools
- Walking, biking, non-motorized trails

#### Economic Development Needs

- Workforce Attraction and Development
  - (400 open jobs in Welsch and Pemla Counties)
  - Lack of Resources to Attract and Develop Workforce
  - Hindered business growth due to lack of workforce available
- Resources
- Façade / Streetscape Improvements in Downtown/ Mainstreet Regions of towns
- Daycares
  - Lack of Workforce for Daycares
  - Affordable
  - Open hours
- Removal of dilapidated Buildings

#### Homelessness and Public Service Needs

- Addiction/ Treatment Centers
  - Changeover from life skills center / transitional centers
- Permanent Supportive Housing (Welsch County)

2-21-2020

**Region I Consolidated Plan Public Hearing  
Tri-County Regional Development Council  
113 4<sup>th</sup> St E, Williston, ND  
11 a.m.**

Affordable Housing Needs

- Finding Affordable Housing
- Barrier: Cost of New Construction
- Barrier: Affordable homes need substantial rehab to be habitable, taking them out of the affordable range
- Barrier: Finding contractors who are licensed to remove lead-based paint
- Barrier: Apartment Rent is Increasing
- Barrier: Lot Rent is Increasing
- Renovate older multi-family homes
- Affordable elderly housing
  - o Need Rehab
  - o Elderly are being displaced due to increased, unaffordable rent
- McKenzie County (LSS) need Rehab
- Barrier: finding contractors
- Barrier: High Special Assessments

Public Facility and Infrastructure Needs

- Quality and Affordable Daycare
- Schools
  - o New schools
  - o Additions
  - o Rehab to older schools
  - o Restructuring of School Districts
- Water
- Sewer
- Streets
- Sidewalks (walkability) and Curbs
- Lift stations
- Lagoons
- Emergency Response Facilities
  - o Ambulance
  - o Fire
  - o Police
- Senior Transportation
  - o Affordable and accessible
  - o Medical Provider Routes
- Removal of Architectural Barriers
  - o Court houses
  - o Gov. Buildings

Economic Development Needs



- Workforce
  - o Service positions
  - o Technical positions in oil fields
  - o Truck Drivers
- Workforce Housing
  - o Regular, market price rent is too high for service positions
- Living Wage vs. Minimum wage
- Service Industry
  - o Onboarding cost high
  - o Turnover rate high
  - o Retention rate low
- Incentives for companies to provide housing
- Area Location Workforce is mostly becoming single family incomes, meaning ½ the workforce (spouse) is not working
- Workers buying campers instead of houses
- Labor Shortage due to Housing (McKenzie and Williams County)
- Healthcare / Nursing Shortage
  - o Lack of housing
  - o Healthcare facilities relying on outsourcing and travel positions
- Barrier: When incentives are offered to workforce, they leave before or immediately after contract requirement time ends
- Brownfield Development
  - o Remove decrepit buildings for redevelopment

#### Homelessness and Public Service Needs

- Mental Health Facilities
- Treatment and Detox Centers for Substance Abuse and Addiction
- Permanent Supportive Housing
  - o Need Staffing for these facilities
  - o Barrier: Specialty Staff is hard to Retain
- School Services
  - o Special Needs Emphasis and Programs
  - o Student Age Population Homeless Information and Data collection in inaccurate

2-21-2020

**Region II Consolidated Plan Public Hearing**  
**Souris Basin Regional Council**  
**516 2<sup>nd</sup> Ave SW, Minot, ND**  
**3 p.m.**

#### Affordable Housing Needs

- Rehabilitation of Single-Family and Multi-Family Homes
- New construction of Single and Multi-Family Homes / Housing
- Affordable Housing Rehab
- Barrier: Funding Problems for Rehab

- Barrier: Lack of qualified, affordable contractors
- Creation of accessible rental units (Rugby)
  - o Removal of empty, unhabitable housing (Rugby)
- Affordable, accessible, Elderly housing
- Barrier: Access to abandoned, privately owned homes
- Roof rehab/ replacement
- Removal or Renovation of Vacant Housing (Kenmar)
- Barrier: New Families and Young people cannot afford high market price of Minot Housing
- Barrier: Application Process, Qualifying, Lack of Funds
- Barrier: Large Turnover of tenants in affordable housing
- Barrier: Small fraction of people getting services they need and moving into affordable housing
- Barrier: Cash flow creation on affordable units

### Public Facility and Infrastructure Needs

- Water
- Water Tower
- Sewer Replacement
- Curbs
- Public Buildings
  - o Community centers
- Emergency Service Buildings and Equipment
  - o Fire Stations
  - o Ambulance
  - o Police Stations
- Reduction of Slum and Blight
- Grocery Stores
- Daycares
- Sidewalks
- Water Drainage Systems
- Gutter Replacement
- Removal of Architectural Barriers
- Parks and Recreation
  - o Accessible playgrounds
  - o Repair to Park infrastructure
  - o Walking paths
- Roads
  - o Repair
  - o Additions to attract and retain businesses

### Economic Development Needs

- Address Slum and Blight in Downtown Region of Communities
  - o Barrier: Spot Slum and Blight
  - o Remove Stigma surrounding slum and blight areas and neighborhoods
- Rehab to old buildings
- Attract and Retain Workforce
- Attract, retain, and gain new Manufacturers
  - o Automation

- Access to local/ healthy foods
  - o Grocery stores
  - o Increased Agriculture
- Workforce Attraction and Retention
  - o Keep young people in rural areas
  - o Technology to meet workforce needs
- Creation of Quality Jobs
- Living Wage vs Minimum Wage
- Filling of Open Job Positions
- Making Communities a place people want to be
- Regional Job Creation and Retention
- Daycare
- Small Business Resources
  - o State Promotion of Shopping Local
- Better and Promote Quality of life in rural ND
- Jobs for those with Criminal Backgrounds
- Provision of skills and training needed to fill job positions

#### Homelessness and Public Service Needs

- Service to help transition for previously incarcerated individuals
  - o Attain and Sustain Jobs
- Prevention of Homelessness
- Permanent Supportive Housing
- Homelessness Crisis Help (Minot)
- Transitional Housing
- Shelters
  - o Rural Shelters
- Support Services in Rural areas
- Youth and Family Shelters and Support
- Essential Services, Resources, and Capacity Building
- Rental Assistance
- High School and Middle School age Shelter, Resources, Food
- Summer Meal Program (Youth)
- Barrier: Point and Time Survey is inaccurate reflection of homelessness in ND
- Barrier: Lack of Funding
- Backpack (take-home) food for youth

2/25/2020

**Region VIII Consolidated Plan Public Hearing  
Roosevelt Custer Regional Council  
314 3<sup>rd</sup> Ave W, Dickinson, ND  
10 a.m.**

Affordable Housing Needs

- Multi-family Rehab
  - o Assistance to non-profits
- Affordable Single-Family Housing
- Additional Single-Family Housing (Dunn County)
- Barrier: per unit subsidy restrictions
- Affordable Family Housing
  - o 3+ Bedrooms per units
- Accessible/ Limited Clientele Housing
- Housing Expectations are too high from tenants when looking at affordable housing
- Barrier: Rehab Costs
- Barrier: Finding Contractors (willing to work with Subsidy and Gov. Restrictions)
- Elderly housing (accessible, affordable)
  - o Elevators if buildings are more than one story

Public Facilities and Infrastructure Needs

- Water Towers
- Lagoons
- Daycares
  - o Shift Work availability
  - o 24/7 hours
  - o City owned
  - o 1,000 additional slots needed in Dickinson
- Housing Infrastructure
- Roads
- Barrier: CDBG LMI Funding restrictions
- Barrier: Development Costs

Economic Development Needs

- Day Cares
  - o Affordable to average income workforce
  - o Workforce for Daycare
- Loan Restructuring
  - o Forgivable loans
- Difficulty finding workforce / filling open positions
- Affordable Workforce Housing
  - o Teachers, Nurses, etc.
- Attracting Skilled Workers
- Barrier: Low-income professions cannot afford housing
- Barrier: Construction Costs and Guidelines
- Developing Incentives for Workforce

- Barrier: Getting Contractors willing to work with Gov. Funding at an affordable cost
- Attracting more trades workers
- Barrier: Many single income families causing a deficiency in workforce numbers
- Attracting and Retaining Healthcare workers (hospitals and nursing homes in desperate need)
- Barrier: Federal income guidelines do not account for working, middle class

#### Homelessness and Public Service Needs

- Funds for prevention of eviction
  - o Rental assistance
- Large Transit population in hopes of high paying jobs come and are homeless due to lack of affordable housing
- Workforce Housing
- Shelters
- Funds for Hotel Vouchers
- Staff for Shelters
- Mental Health Services
- Treatment Centers and Detox Centers for Substance Abuse and Addiction
- Permanent Supportive Housing
  - o Barrier: Cash flow financing
- Transitional Housing
  - o Recently incarcerated individuals
- Barrier: HUD's definition of homelessness does not account for entire homeless population (RVs)
- More Funding for Administration and Staff of Shelters and Centers (case management)

## Public Facilities Focus Group

### Introductions

Presentation

**Comment:** Are you can you talk about what is included in the considered having a disability? So physical mental, just curious kind of like how that?

**Presenter:** Well there are physical disabilities, ambulatory, mental disabilities. The five year ACS, American Community Survey is an estimate. It's not like a decennial census which is volunteered by individuals.

**Comment:** And it is a voluntary status. Correct. That you select that you are disabled or not.

**Presenter:** In the decennial census, that is correct. In the American Community Survey, that is an estimate done by the Census Bureau. ACS is actually a five year rolling average. So the current 2020 data, you know, this is actually ending in 2018, because its most recent, but that five year period, the population may be going up and going down, but it's a five year average. So I like it, to use it, because you can get it down to the Census tract and show geographic maps of that information. The annual data is a much larger geographic area of not really that applicable for North Dakota. We can probably see Bismarck or Fargo, but much of the state we wouldn't see it at all but this the five year rolling average we would.

**Comment:** So the percentage of people in North Dakota self-reporting a disability is about half of what we see nationally is that what you are saying?

**Presenter:** No, 75 or older, is estimated by the Census Bureau in the American Community Survey to be nearly half of that age population having one or more disability.

**Comment:** So you were saying there's like on average 10.8% of North Dakotans self-report that and how does that compare?

**Presenter:** It's not self-reported. That's ACS estimate.

**Comment:** How does that compare?

**Presenter:** It's a lot less. I don't know offhand. Last time I looked at the national data was around 19%. So that's significantly different

**Comment:** So it's about half.

**Presenter:** Other questions? Thank you.

Presentation

**Comment:** Inadequate counting.

**Presenter:** Inadequate counting.

**Comment:** I think right?

**Comment:** Yeah. I think one of the things is when we have our Point-in-Time survey...

**Presenter:** January.

**Comment:** Yeah.

**Comment:** It was a 2018 or 19 when it was so cold that a lot of people couldn't go out.

**Comment:** In 2018.

**Comment:** Regardless of how you fill them out, because if you don't fill out every single thing on there, HUD doesn't count it.

**Presenter:** So, you think these latter two years are woefully inadequate.

**Comment:** Yes.

**Comment:** Yes.

**Comment:** And we used to have a State coalition used to be a lot stronger at spearheading that and now, you know, we're a volunteer board. It's just kind of one of those things that fallen to the wayside.

**Presenter:** Was this 1,089 also an undercount?

**Comment:** Statewide?

**Comment:** I think there's always been challenges with making sure we have the right amount of volunteers out on the street throughout our state trying to count homelessness, and I think we've been woefully under counted for quite a while.

**Presenter:** January is a terrible time to be counting in North Dakota.

(Crosstalk)

**Comment:** Because I at the school system, my numbers are extremely high, and they keep getting higher with identifying homeless and so part of that is HUD definition is different than what the education system uses. It considered homeless, so they don't basically use any of my numbers other than if I've got people who live in a car, warehouse, which is rare around here, especially because of the winters. But I just did my count on Friday, and last year, I total of 507 and that's zero to five years old, K through 12, and then anybody going to get their GED up to 21. And the 507 was in total last year and on Friday I had 502.

**Comment:** And what was the geographic area for that?

**Comment:** Bismarck.

**Presenter:** Just Bismarck

**Comment:** Yeah. I would agree to this as a service provider, we get a lot of referrals and I would say at least half the people that come in are homeless. So, I find that to be extremely low just from what we deal with.

**Presenter:** Thank you for your comments.

Presentation

**Comment:** Is like couch surfing considered in the statistics?

**Presenter:** Pardon me?

**Comment:** Couch surfing, like they don't have a stable home and they just...

**Comment:** No. HUD doesn't count that.

**Presenter:** Yeah, they don't have a home, but they are sheltered.

**Comment:** Yeah.

Presentation

**Comment:** I was just wondering, have you found any data that collects by race to break down the race by race? The other one, homeless, economics, any of that by race?

**Presenter:** There are scattered sources of that data by race. I haven't looked into collecting it for North Dakota because you're barely 10% minority races here.

**Comment:** But in addressing our state problem, it's significant and how we strategize into adjusting those problems. For example of the poverty rate among (Not Discernable) is 37%. That's national data that I pulled for grants, but when you start blending that into the 2.4%, it's a hidden in there so that conversation can be had (Crosstalk) That is part of the problem is that we don't talk about it by race.

**Presenter:** I think your point is well taken.

Presentation

**Comment:** And it looks like there's also 30% that is not occupied that's used for seasonal recreational, occasional use.

**Presenter:** That's true.

**Comment:** And that's pretty eye opening to me too, but that's something that we hear about in a lot of communities. That's a lot

Presentation

**Comment:** Some of those that are high end I'm not sure we don't have that data in this, because they will realistically come down to...

**Presenter:** Come back to Earth.

**Comment:** A free month rent, or they will send you on a cruise or...

**Comment:** you say that you mean western North Dakota primary?

**Comment:** Even in Bismarck we have seen prices come down compared to what they have been.



**Comment:** Yeah, it was crazy, what they were charging for apartments for people to make it on a \$9 at a job, you're able to find more reasonable apartments.

**Comment:** In Cass County we relocated 52 residents turned onto public housing for redevelopment. And most of those residents were able to find a two bedroom at the one bedroom payment standard or with a Section 8 voucher. So it was not a problem in the in the Cass County market for those 50 families to do that, you know, some chose a one bedroom but there is more than enough inventory, right.

**Presenter:** Other comments?

**Comment:** Some of the surplus housing maybe in places where there isn't demand for housing and there may be more demand for housing and places where we don't apartments.

Presentation

**Comment:** How accurate does anybody feel that number is?

**Comment:** I would say it's probably really skewed because in some parts of the state, it's probably really high. And then in other parts of the state, it's way lower than that. So it's almost like this maybe is an average, but it's probably not really relevant.

**Comment:** As I say state averages are so different.

**Presenter:** Median and mean are two different things. The place at which the distribution is exactly in the middle, it wouldn't be the same as the average.

**Comment:** Sure.

**Comment:** I'd say like in some communities, really small rural communities that are probably houses for sale that are \$40,000.

**Presenter:** Right. But then what do people do? Can we get a job there?

**Comment:** Probably.

Presentation

**Comment:** How does this compare nationally? You know.

**Presenter:** I don't know offhand.

**Comment:** Because I have 10% or 11.5% of homeowners with the mortgage. The cost burden feels high to me, but I don't know how that compares.

**Presenter:** I don't know off hand.

Presentation

(Discussion of survey timeline)

**Presenter:** So in terms of public service needs, can anyone answer either these questions? You know, what groups of people are most in need in North Dakota?

**Comment:** From service point, it's our people that have the felony record to a sexual offenses. There is no housing, they will qualify for monitoring, they are completely homeless. So, that probably is the number one category of people. Also people that have addiction issues.

**Presenter:** So how do we address that?

**Comment:** That's where we see it. You know, my opinion is if we don't address it, and open some of those doors, they're going to reoffend and they're going to end up incarcerated. So, somehow, we need to make them welcome in the communities be able to hold down a job and have adequate shelter. So, if we don't look at that group of people and how we open some doors for them.

**Comment:** Just looking at Native Americans as a group, its own of its own. There's a lot of challenges when you understand living on the reservation and some of those ways of conforming to living, and then trying to transform into mainstream societies economic system, and then there's a huge barrier there. And so having a strategy to address those issues is very important. Otherwise, we have this intergenerational poverty, and which leads to intergenerational needs for services on addressed challenges.

**Presenter:** The Fair Housing study and the Analysis of Impediments to Fair Housing Choice actually gets into some of those disparities and access to opportunity, particularly as it relates to job engagement, access to better neighborhoods, and school proficiency in particular. Was there a question over here?

**Comment:** On this slide can you explain what would be considered public service?

**Presenter:** Public Service could also be public facilities. Okay buildings. Public Service might also be services provided to special populations, whether they are this clientele this woman speaking about or the elderly. Maybe there's driving services or taking them to the doctor, keeping the medical appointments and so on.

**Comment:** I personally like to see the ( Not Discernable) more projects like (Crosstalk), those kind of projects where the services are brought into the people and (Crosstalk) Just because those wraparound services are important people that are in poverty, or have a mental illness or whatever, it may not go up, no services, be able to provide those services in homes too.

**Comment:** I think there's so many sub populations that we could take that approach and addressing, you know, you said, abilities, you've got veterans, you've got seniors. I mean, I feel like you, you know, they age out of foster care and all that's a huge gap needs for housing, but they need services. So permanent supportive housing. So I believe this is the best approach in addressing these issues around workforce development. And also Human Services, human services. And then I was just going to add that as far as what type of services do, we need is we don't recognize human service needs for Native Americans in spite of our culture, our day to day live, that's our way of life and that we need that isn't funded by human services. So like cultural programming, bringing in like, for example, parenting classes and Native American curriculums for social media especially, contributes to our culture. That's just one example. But there's just a ton of things that why it's so important to look at human services as a partner to addressing some of these support service needs and public service needs, supportive service needs is to integrate that again to programs.

**Comment:** I would like to mention with housing and we're gonna be doing similar to he dealt (Not Discernable) happened to dispose of probably would be North Dakota's largest housing complex 247 units and it's probably someone of ours that are toughest to house that have been mainstreamed. So we will be going we'll be getting Section 18 for Section 8 vouchers, and we'll be trying to house some of the toughest and some of those folks definitely need the services. They need supportive housing and that has been there's a high failure rate; he works with isn't someone that across his work across the county there, but a lot of the failure rate to our tenants is based on mental health, chemical dependency. We just were not set up for those supportive were there to help we don't we don't have the have the support services for success, but it's huge. It's a big problem.

**Comment:** We've been going around and doing our regional public hearings as well. And that's a lot of the same feedback that we've gotten most supportive services and permit supportive housing. And in some regions, they had no idea what that even meant they need it, but they didn't realize that we've helped with projects, such as even things like that. So it was great eye opening for them. So getting them hooked up with those resources. So parts of the state that don't have those things on can look at doing some of those projects.

**Comment:** And I would add one more we do have a high success story with behind BSI and it's Cooper House and we haven't had any evictions, we managed for BSI there, we haven't had an eviction 13 months and that's the supportive of services 24/7. (Not Discernable) spending in its smaller concentrations good 247 Robbins project(Not Discernable), larger than the population (Not Discernable).

**Comment:** The other thing that's happening in our State with the passing of the 1959 waiver to be able to buy some supportive housing for people in scattered sites. But it will be a mental illness diagnosis breaking through. There's someone there, people with autism. And so it will open the door for some additional supports for people in their apartments but starting July 1, it's out for public comment also.

**Comment:** But I've just seen the difference between scattered sites in a place little I been really involved with the project and just the difference, because there it is managed by somebody that understands supportive housing and people won't get evicted as readily as they would in scattered sites. So strong believer in it.

**Comment:** I think the other population is seniors. Seniors are being put into nursing homes because they don't have the services to keep them in their homes longer. That's one of the groups that we work closely with.

**Presenter:** Thank you.

**Comment:** And one thing we hear with regard to that is that especially in smaller communities, there may not be a facility that people can move into so they're forced to leave their community and move to one of the urban areas so that they can have those services.

**Comment:** And our nursing homes have long wait lists to so they might end up way across the state from their family.

**Comment:** And then I would also add behavioral health services, especially in rural areas, and then especially in patient services.

**Presenter:** Thank you.

**Comment:** (Not Discernable) a tribal government here, but I know that that's a strong emphasis coming from them to as treatment services on the reservations. Just facilitating different talking circles that we have recovery clients and things, tribal members themselves, say that maybe those in their communities. So we like all cultural leaders that are like spiritually, spiritual leaders, I should say, there's difference, but it'll pull them into like facilitate circles to share spiritual knowledge. And then that's we have to share them. So they sometimes live on the reservations. That demand, those resources are minimal. That's why this has to become like a state embraced effort to be able to get that across and accessible to folks, because that is a minimal resource.

**Comment:** I think with regard to culturally appropriate services, I think services specifically for youth, and for LGBTQ youth, or LGBTQ persons, is something that's lacking in our state.

**Comment:** Unaccompanied youth and their access to medical services and mental health services. If you're an unaccompanied youth and you happen to be living with grandma, because mom and dad are incarcerated, or something happened, and they're not around, but there's no legal documents stating that grandma is a custodian or temporary guardianship of that child. That child at 17 and wants to go get medical assistance for some reason. The State of North Dakota does not allow that, that, that guardian or that grandma who's the caregiver to sign off for him to receive services.

**Comment:** So that's people who are caregivers, but they're not like legally designated.

**Comment:** There's no paperwork.

**Presenter:** Next slide here, we've actually been addressing these questions. You know, what kind of challenges that we're facing and meeting the needs. Also what the state can do to meet these kind of needs, matching up households with service providers. But we certainly like to hear more commentary.

**Comment:** I have a question for folks in the Fargo area. So with regard to providing services to new Americans and refugees, do you feel like there's sufficient resources for that or is that something needed as well?

**Comment:** I would say from my limited experience, it seems like when new Americans do come in, they are they. They're establishing services from the beginning, which is much different than I think people that are involved with the safety net programs. I just think that just seems that they have their support already in place.

**Comment:** That would say from the housing side, they're oftentimes better supporting new Americans when it comes to navigating the options that are available to them and how to qualify for and what is getting on a Section 8 waiting list immediately when they get to the country and all sorts of things.

**Presenter:** Thank you. I guess really, I'm asking for any other comments. You know, is there something that you've seen the state or others do this Do you think is especially effective, maybe something that can be improved? This is an opportunity to talk about that.

**Comment:** Just an observation from the data, the largest single population group is 15 and under in the state, talking about a lot of challenges that we have right now providing services for people

who, because of something that's happened in the past now are having challenges getting housing, getting other service, whatever those things might be. What are we doing as a state to educate, to intervene, to try to prevent the largest single group and our population from encountering those challenges that are going to keep them from being able to secure housing and some of those things in the future? I'm always trying to think more preventative how do we back the train up how do we invest in those types of programs and what are those programs and how do we how do we do that?

**Comment:** And then one that's gonna be rolled out shortly is it's expanded from the Free Through Recovery Program and it's going to be looking at kids that their parents have either been incarcerated or in foster care enough to put some intervention in hoping to do some detouring from the point of that lifestyle. But other than that the Crossroads Program through the State, which is hopefully a deterrent from going on to a deterrent, but other than that.

**Comment:** I would say that what's going on right now is the DHS reform. They're going around the state process, not sure, but they've been going around the public comment as well. So they can feed back about the DHS system like social services, specifically, how do you feel when you go there, you know what things will be different because they hosted one right here, and then the implementation of FTR in the Medicaid program somewhere to support the funding for that FTR, Free To Recovery, is the peer support. It's a recovery service for peer support for persons in recovery. Specifically, right now, it's those coming out of prison. But that's going to open up this summer is the time again, to open up to all persons in recovery. And then the UCR reform took place prior to the DHS. That's what implemented the recovery program, which is in partnership with DHS. Also, the good moves forward I think, are just and I've been saying this in those groups as I serve on those groups well, but it's the infrastructure in development. We're not developing community like any cultural centers, right? We need those. I mean, we need that for you know, all populations. But we need like our own cultural center in an urban setting, especially for like Bismarck. What has been a significant part of the Native American population here. A great start our state. Fargo with the second of their total Bismarck is double Fargo's American Indian population. It's still a significant population, and then Grand Forks, North American Indians, but that I mean that in itself is a huge move because I've tried to partner with like the YMCA and try to get like American Indian night or family night services to help them because we do recovery and we do a lot of other things that are just poverty. So we're really given a holistic approach, and we couldn't get one night out of the month among anything. So that's what led us to the project that we're actually working on right now.

**Presenter:** Great, thank you.

**Comment:** I'd also say community centers in general are need especially in our smaller communities. People don't necessarily have a place that they can just come together and like be and spend time together.

**Comment:** And if they do exist, they are not very accessible, probably need some help in that area.

**Comment:** In extreme disrepair sometimes.

**Comment:** Would food deserts, is that something that would be considered part of this category? Yeah, I think because we go into homelessness later and I know, it falls under this too. But a lot of this is about community development, grocery stores, infrastructure, things like that, because that's what we should be talking about too with public services correct?

(Crosstalk)

**Comment:** So it's a grocery stores. There's a huge need, said there's a lot of food deserts around the city. That's really huge. And then also just general funding for infrastructure, roads, sidewalks, water sewer. A lot of communities can take advantage of existing USDA funding, but they may not qualify or their income, their reported income levels may be too high to qualify for grant funding. So that's a huge need as well.

**Comment:** For what we're doing well, I think Cooper and Edmonton are great projects, and I'd like to see one in each region. So definitely need something like that.

Presentation

**Comment:** I think one thing that the state did a good job of was adding flexibility as they can to the CDLS and CDBG program with the mainstream allocation, I think without addressing that a lot of communities have. So that I would say is a win success.

**Presenter:** Great.

**Comment:** The homeless liaison for, for Bismarck. We've been tossing around the idea of having different kinds of I don't want to say groups but maybe once a month having a meal prepared. And then I would send that to my families that I have on my list, invite them in. Number one would be they could do a Census. So we can get all the homeless people that are doubled up and other and they're not missed for the count so they can fill out a Census survey when they're there. And then maybe there's something on budgeting like a financial person is there. But the biggest one that I want to do is actually the support to be like their voice and then talk about what they see as families and for their kids and where we're not accessing services. Why aren't we you know, what are their ideas? Because sometimes it takes just the simplest things for somebody to say, like yeah, I guess I don't know why we're doing it. You know what I mean? So but to have their input, they're the ones that are experiencing it. And there's any there's a ton of barriers. And I know that but if we have like the top three, especially when it comes to the educational piece that we could pinpoint, and say, you know, we need to do better at this and it's coming kind of from your mouth. So pretty genuine, I think.

(Not Discernable)

**Comment:** Going forward, not to make the rules so stringent that we weed out the people that need it the most. At times we put too many rules and regulations and that's why we can't reach the people that need the services.

**Presenter:** One thing I have not heard from the comments you have made is the need for some of our special populations for financial literacy, like how to run a budget or how to operate a checkbook. Some basic financial skills I think that's a really important step in the process of, you know, getting ahead in life, getting moving forward in life. So with your permission we will add that to the commentary.

**Comment:** I, like I said, I've been more part of (Not Discernable), but we do that there's a case manager on site there that works on those things with them and repayment plans and all that. So that's kind of why I like that idea of the wraparound services that they come when they're ready for. They see the next person moving ahead, it kind of motivates them to move on. So in supportive housing world that does happen.

**Comment:** It is a big difference.



**Comment:** I think there are also some school districts that are taking upon themselves to connect with students and add supplementary learning over to you about how to file your taxes, how to resume, but that's definitely not widespread across the state and that's something that could be invested in for sure.

**Presenter:** Well, again, thank you all very much. Just a delight to be here.

Presentation

**Presenter:** Yes. I'm hoping you have a list here. The priority needs and goals. I guess the question is, do we need to add, subtract or change any of these lists? Everybody had one?

**Comment:** I just feel like we're missing when it comes to, like public facilities and infrastructure because we didn't have a wide discussion on it. And I know that there's a lot of things that our communities need that we were a little more heavy in the services.

**Comment:** Part of the challenges, you know, understanding what public services does mean, you know, and that includes sidewalks and accessibility to water.

**Comment:** Maybe our Main Street Team can talk to most talk about that.

**Comment:** Well let's talk about the last set of priority needs 2015 and 19. Is there anything on this list you think we should strike?

**Comment:** Can you repeat the question please, sir.

**Comment:** Is there anything on this list, the top part is help do I need to strike?

**Comment:** What we're trying to get at it and hopefully you guys can kind of speak to it even a little bit more, but public facilities and services does include, you know, water and, and sidewalk and the things that you are probably hearing every day out on your main street conversation. So maybe talking a little bit more to that need.

**Comment:** Transportation.

**Comment:** You know, that's one for when we thought around the state to even transportation to any appointments.

**Comment:** Can it be funded by CDBG?

**Comment:** So the thing is, and that's what we want to make sure we get included is, like Rob said, our funding, at least for CDBG, for the most part, for the next five years is based on what comes up on those priority needs. So when that wasn't something that was discussed five years ago, didn't make it on the list and then you can find it, or at least wasn't a priority. So unless there's no other needs across the state, that's the only way we can fund it. And with our limited funding, you don't get enough with anything that doesn't, but yes, transportation can be funded.

**Comment:** If you want to write on this, how except that has input so we can just collect them after the session. And then the 2015/19 goals. If these goals are incomplete or in error today, please mark some edits on there. And we'll collect those shortly. But when we have is preserve and improve, you know, the housing stock, fund homeownership opportunities for lower income

residents, increases by multifamily housing. Wait, didn't we see there was enough multifamily housing?

**Comment:** It may not be in the right place, though.

**Presenter:** It may not be the right place. That's correct. Support emergency shelters and transitional housing create additional shelters, transitional permit supportive housing facilities, provide financial support to those at risk, fund homeless prevention activities, encourage economic development activities, help improve and enhance what the public infrastructure, encouraged communities to address local public facilities and service needs. Encourage communities to do strategic planning, engage in funding disaster relief areas, which we have not yet touched on.

**Comment:** So these goals for HUD these are the ones this is their verbiage. So we have the 12 there. There aren't any to add or change to that we can take them off so that if there's a that isn't a priority. But this is kind of the way HUD words it and then our needs are what falls underneath those. So, you know, if these goals are always our goals will keep the goals the same, but then it's those needs that fall underneath those goals that will determine what we end up funding. So we could always take some off, like Rob said, if we don't need multifamily housing, there's no point in putting it as a goal because each goal has to have a percentage of our funds allocated to it and what we anticipate our beneficiaries are going to be. So if we have one of these in here, and then put an amount we think we'll fund over the five years, and then we don't do any of those projects. We're not meeting those goals. So then HUD when we submit our report at the end of every year, it looks like we're not accomplishing what we say we're going to accomplish. So it is important, even though you know, it's nice to have all of these here. If we don't get feedback that we need some of those things. We don't want to have them in there because, it looks like that meeting goals.

**Comment:** So one piece of feedback I would have is I think the quality of existing multifamily housing is a huge priority, maybe even more than building new multifamily housing. We see a lot of communities where they have multifamily housing that was initially owned and funded by USDA Rural Development, and it's phased out and it's no longer being supported. And so we have older people living in buildings where their roof is falling in and the local housing authority has no funding to do anything about that. So I would prioritize that personally.

**Comment:** What about capacity issues as far as your partners who you work with for developing, rehab or new projects or even yourself and their lack of capacity that's affecting that properties are being (Not Discernible)

**Comment:** One of the ongoing challenges we have we have public housing stock in Trail County Hillsborough area, Portland, Hatton take we managed out and Ashley, North Dakota and Dickinson in each of those public housing instances are our cost of a turnover has increased significantly in the past decade. So the average tenancy might be nine months, nine months to a year the public housing but the cost of turnover is three to \$5,000 per unit. And the funding level just doesn't support that we've got eight units of public housing in Ashley, 28 units in Trail County. We've got 16 in Dickinson and I mean it'll you'll kill your whole budget for the year bringing, bringing one vacated unit that's been damaged back up to the USP CD for USC, whatever that acronym is inspection standards. So from that standpoint, we're constantly in a conversation with the USDA and Rural Development on that because there's just not enough money there to keep that property going at the way in which the people that are coming through are maintaining it and, and whatnot. So I think that's a constant piece there. It's not that there's a lack of inventory. It's a lack of funds to keep it up and keep managing.



**Comment:** Do we have anyone with USDA here today?

**Comment:** Yeah, a lot of CDBG housing projects end up being old USDA projects, which are good because USDA will sometimes still play a role in like the income, the yearly income, whatever, surveys at those units, and then also like inspections, which is a big part of being able to be eligible for the funding is doing now. So partnering with them on those types of projects makes it a lot easier to access those funds, where some communities don't even have the capacity to go in and do inspections. And some tenants aren't willing to give their income information out either so then they don't end up qualifying.

**Comment:** And another comment in especially in the rural communities. HUDs repositioning initiative is I don't want to say incentivizing but encouraging housing authorities to look at redeveloping the public housing stock using tax credits or just a one for one exchange for section 8 voucher, which would then decrease the total number of available, affordable units within those communities. From a portfolio standpoint, or from an inventory standpoint, not from a one for one with a voucher. And so it's a challenge as a housing authority for managing multiple housing authorities. How do we continue to maintain and want to provide and maintaining affordable units within these communities while at the same time HUD is financially not with the carrot, but with the lack of funds coming in to keep them up?

**Comment:** Can't go into public housing like home?

**Comment:** Yep. And for anything under 50 units, any Housing Authority 50 or fewer units of public housing. I mean, there's not even really, you don't have to show any cause you can just do a straight, you know, disposition. It's a pretty straightforward process. That's, I would say the vast majority of housing authorities in the State minus the six larger, larger cities.

**Comment:** (Not Discernable) work with something like that?

**Comment:** With the Housing Authority and...

**Comment:** Because it's preexisting issues.

**Comment:** The cost of turnovers.

**Comment:** It's the cost of turnover is related to tenants doing excessive damages, because they were covered under the program that could provide some dollars up to \$2,000 for that, but it is, and it is based off of what was in there. For example, let's say a customer destroys flooring, the flooring was already 15 years old to be just a small percentage of that new flooring that we would pay because it already had reached its life expectancy. So for some of our older projects, it's not going to provide a lot of help, but for giving somebody a chance on a new unit, yes, it could.

**Comment:** Suppose case management nationally, and these smaller companies are hard to come across.

**Comment:** Yes, participation in Opening Doors requires the client or tenant to be working with a service provider to help them maintain their tenancy. So, yes, we haven't seen any in rural communities really come to the place except for Lutheran Social Services. Their service provider side is enabled the recovery. Hopefully that will kind of shift to some of our rural communities. But right now, our coverage has been in Bismarck, and Fargo.

**Comment:** I'll have to make sure to bring all this up when we have our housing focus group as well. But it's really important because every single one of our programs as part of this five year plan touches housing and so us being able to prioritize exactly what areas and housing we should be tentatively allocating more towards it is very important.

**Comment:** So, I see to encourage communities to do strategic planning is one of the goals. It's not listed as one of the priorities. But have we funded strategic or conference and plans with CDBG?

**Comment:** Yes.

**Comment:** Is this is something that should be added to the priority needs list?

**Comment:** Honestly, this is the first time we've heard of it. And we've done six public hearings now without a single person has mentioned strategic planning or comprehensive plans. So we'll jot it down here. But you know, we have all these public hearings and if we, if, if we only hear about it in one chances, it makes it on that list slim.

**Comment:** So doing those surveys, like Rob said is very, very, very important. Especially getting those out to people who can respond that, but they do need survey, or you need comprehensive plans. Otherwise, it's not going to make it on the list.

**Comment:** We have done it, but like, for CDBG, at least, the only way to fund things that are priority needs is if we've exhausted everything that is another project that comes in. So that's very rare.

(Not Discernable)

**Comment:** It's a huge need. I mean, a lot of communities don't have an awareness of their land use needs, their commercial economic development needs, and they're kind of developing an ad hoc way, which results in wasted funding and resources and instead of having a strategic approach to investing in things like housing, you know, I think a lot of communities don't necessarily have a current Housing Needs Assessment. And they are kind of thinking that they need certain types of housing and they may not be getting the work. That's a huge problem. And I know we have the new partners and planning program but that's underfunded and probably, you know, we'll probably fund three to four comprehensive plans. And I think a lot of other resources may require a comprehensive plan or some type of strategic plan to access them. And communities can't do that if they don't have the plan. And it's expensive and there's no funding to do.

**Comment:** I totally agree. I think that there's kind of a lack of focus on planning. And I think as it you know, when it comes to community development, you get what you design for. A lot of our subdivisions are, you know, pretty low density single family oriented subdivisions that I don't know that a lot of the developers in North Dakota are tied to a market strategy or anything like that as far as needs go. So yeah, we kind of I don't know if this is a fair criticism, but our housing development process in North Dakota is pretty mono culture. It's, like I said, single family low density. Whatever the developers can make money on is what they'll do. But it's not tied to an overall strategy based on the community's needs. From what I understand with their disaster resilience and starting to look at some of those things and how that is designed to develop subdivisions, but it'll be interesting to see what comes out of that in terms of how they spend that money. And, you know, they're investing a lot of planning but yeah, I think, to continue what she was saying planning is a huge need. A lot of our communities have expressed that, you know, they're very interested in doing planning, but just not sure where to start. How do they fund it? You

know, what a Comprehensive Plan Housing Study might be just as small component of that. So, you know, do you get the bang for your buck out of those that you attend to, but yeah, I would say, I would say the thing that I keep thinking of is, again, if you get what you designed for and if we're not designing our I'd love to call them neighborhoods but they turn out to be more like subdivisions, you're taking a larger piece of property and you're just subdividing it, there's not really a lot of thought into your point about community neighborhood. How do you design those areas so that they're inclusive and they offer a range of prices and they're connected not only by sidewalks, but they're connected. You know, socio economically so we got a, we got a lot of work to do, I think, to, to improve that aspect of it, but it's one of the things that comes with time and the messaging that, at least Emily and I are trying to do on the Main Street Initiative is exactly those things trying to get people to think differently about development. And there's certainly a lot of communities that have vacant buildings that there could be a purpose for, but it's just, you know, I think we're just struggling to connect, how to do those projects with capital and financing and things like that.

**Comment:** You raise a good point about vacant building. So we're hearing a lot in our sessions about building construction and maybe buildings for housing. You know, and it ties in with Main Street; industry reps here. How does that come up in your conversations to Main Street with it ties to housing and what are your leaders are saying there, we could try and get them linked up with an experienced developer because we would prefer to fund projects that we know are viable. At the last for a period affordability and is affordable and being run by experienced property managers on the property and will probably walk away from. So what are you hearing about infill not just for commercial but repurposing it for housing for low income tenants on Main Street.

**Comment:** It is a huge issue. And one thing that comes up is the issue of spotlight versus a whole area, designating a whole area as a need for investment. When there's sometimes just one building in a downtown, that's totally dangerous, you know, decrepit, crumbling, and it costs more to rehab it than to just ignore it or let it fall down or tear it down. So I would say vacant buildings are a huge issue and the lost opportunity in a lot of places.

**Comment:** I think what we're seeing too is there's several hotels that are for sale now after the energy downturn and things like that. Would that be possible to use money to turn those into affordable housing or senior housing? I mean, I know on Friday, from the housing authority and said that they have 40 people on the waiting list for Cooks Court, which is senior housing services. Is it possible to turn some of these hotels into something like that?

**Comment:** It depends. And it everything depends on what is the out product. So the programs such as Housing Trust Fund, low income housing tax credits, housing Incentive Fund, they can fund the rehabilitation so substantially adjusting, adaptive reuse of projects, but it has to produce a unit that is fully contained. So you have to have a bathroom a kitchen, the whole it has to be at least a unit. So that's one of the challenges when it comes to the hotel conversation because oftentimes, they are looking at the more transitional housing where the unit is just the bedroom and bathroom and there is not any type of kitchen facilities. So then we end up under CDBG for them. So it is highly dependent on what is that product going to be looking like in the end. Also the programs that I name that we use the minimum six month lease, so it cannot be the 30 day, these transitional has to be a minimum of six months.

**Comment:** So if some of the hotels that are closing are extended stay, where they have kitchenette in.

**Comment:** That can possibly work. Yep, could possibly everything depends on its maybe and if there is a project that is you know, somebody who's interested in having a conversation, like she said, we want to sit down and talk about what is the project going to look like what, you know, where are you at in the process, and then what funding sources makes sense here.

**Comment:** This was housing some of the most successful projects have been what all of our funding sources want to be with experienced developers.

**Comment:** Think another need to is the need for place based economic incubators. You know, when you think about, how you like, for example, we're working on something for native artists. It's a total missed opportunity to tap into our native artists who sometimes are in a soup line, sometimes in our homeless shelters, there and they have such talent, but we have an economic generator for building their professional development skills, so that they can be their own business owner. And then we're getting up into the market and actually providing a marketplace for them. So that's kind of the idea, like, going back to innovative project is we're working on the mixed use project. So, you know, we're thinking about new ways of addressing some problems, not going to get across poverty unless we're going to address the economic is workforce development rate. That's what this economic development needs and that's it professional development to own your own business. They have to help it happen because there's two different populations within poverty. And then the permit supportive housing addresses the human social development need. So it has to be encompassing of all three of those. So it is intertwining into commerce, housing finance agencies, and human services. And then of course, some of the population you think about you don't see disability, I don't see it as the listings but did everything. Did you see things as more like a person as a Native American, I am Native American, it's hard to place I'm going to fit things into all these categories of the way the state funds things. And it's like, our people are in all of different things. And so we think about addressing a room, you know, really needs to think about addressing Native Americans because they're in all of those groups, but significantly in poverty, and significantly, you know, disproportionate now, all these other annoying things. So that's why I can say that and then not to say that every day then community living, or any every day is human services and connectivity into these programs.

**Presenter:** Well, thank you very much.

**Comment:** With regard To the economic development and job creation, expansion, we have heard some concern about the income requirements for the jobs that are created. When we talk about hiring low income people or creating jobs for low income people, and I don't know, I don't have personal experience with this is something I hear about from people who are trying to use the program. They're concerned with the jobs having to be low income and keep people in that income bracket.

**Comment:** No.

**Comment:** Okay. Yeah.

**Comment:** And that's the thing. You know, going back to what she said, too, is that we're tied to the regulations ,were tied to some of us where we can fund projects, and then who are beneficiaries are as well. So there's a lot of things we can do with the money. It depends on where the projects located, it depends on who the beneficiaries are, and then whether it's even eligible under the program. But going back to the economic development, no, they have to be low income and the time of employment and the goal is that they will you know, get out of that income

category, then they won't be considered low income with the addition of that job. But it's at the time they're hired that they have to meet considerable income and it's 54% or more of the jobs that are created.

**Comment:** Yeah. And I have heard some concerns about how that income level is verified during the job application process or the interview process of the job offer process.

**Comment:** Yeah, they have a basically a form that they fill out and they're certifying that that is what they're doing.

**Comment:** It's a self-certification form.

**Comment:** It's a little different, like if we're going to do a survey say a community doesn't meet the LMI requirement or moderate income requirement based on the American Census Survey, ACS. That we ever use, community survey. So a community can go out and do those income surveys to qualify their area, but those happen to me. Those are a lot more strict on providing backup documentation that those individuals are maybe receiving Social Security or a pay stub or things like that. But as far as economic development goes, we just have that self-certification.

**Comment:** So if there is concerns about the self-certification, and there's ways to simplify it, you know, we have a self-certification form for one of our programs and had some feedback that it was a difficult for the applicant to fill out. And we asked her question in a confusing way. And so we made some adjustments there. So you know, there could be an opportunity, somebody has feedback on those complications, you know, what is the complication, can we solve it is that you have to fill out a form.

**Comment:** I know. I mean, there's a fine line there. But the hardest part is us, whose responsibility is following up to when you have our programs, you have so many people involved. Sometimes you have the city that sponsors the project, maybe a local developer in the business, and then that person getting employed and you know, whose job is it to make sure that those are getting completed and submitted back to us and a lot of it comes down to confidentiality and they are just so concerned that, you know, someone's going to fill that out and someone's gonna find out about it (Not Discernable) their coworkers know, your boss knows but you know, just for fear that those aren't going to be kept confidential. I know that's a lot of big issues with getting some of those.

## **LEGAL NOTICE**

The North Dakota Department of Commerce, Division of Community Services, is announcing the availability of the state's draft 2020-2024 Consolidated Plan, the state's draft 2020 Action Plan, and the state's draft Analysis of Impediments to Fair Housing for public comment.

The Consolidated Plan provides information about the housing and non-housing community development needs in the state and includes a five-year strategy to address those needs, emphasizing benefit to low and moderate income persons and households.

The 2020 Action Plan serves as the state's grant application to the U.S. Department of Housing and Urban Development for the state's Community Development Block Grant, HOME, Emergency Solutions Grants and Housing Trust Fund programs. The Action Plan primarily describes how the funds from each program will be distributed during the 2020 program year, which is expected to begin on or about July 1, 2020.

The Analysis of Impediments to Fair Housing is a study that is intended to evaluate the spirit of affirmatively furthering fair housing in the state of North Dakota and a tool for enhancing public policy so that fair housing choice can be more broadly exercised.

The draft 2020-2024 Consolidated Plan, draft 2020 Action Plan and draft Analysis of Impediments to Fair Housing will be available on the Division of Community Service website, [www.ndcommunityservices.com](http://www.ndcommunityservices.com), beginning April 6, 2020.

Written comments must be received by the close of business May 6, 2020.

Alternate formats of the draft 2020-2024 Consolidated Plan, draft 2020 Action Plan and draft Analysis of Impediments to Fair Housing are available upon request at via email [dc@nd.gov](mailto:dc@nd.gov) or 701-328-5300 or via Relay North Dakota: TTY 1-800-366-6888, Spanish TTY 1-800-435-8590, or Voice 1-800-366-6889. Should anyone need additional information, please contact Bonnie Malo at 701-328-5300.

Written comments should be sent to:

North Dakota Department of Commerce  
Division of Community Services  
PO Box 2057  
Bismarck, ND 58502-2057  
or  
Email: [dc@nd.gov](mailto:dc@nd.gov)

## **B. NATIONAL HOUSING TRUST FUND ANNUAL ALLOCATION PLAN**

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# NORTH DAKOTA housing FINANCE AGENCY

## NATIONAL HOUSING TRUST FUND ~~2019-2020~~ REQUEST FOR PROPOSALS AND ANNUAL ALLOCATION PLAN

Planning and Housing Development Division  
2624 Vermont Avenue  
PO Box 1535  
Bismarck, ND 58502-1535

800/292-8621 or 701/328-8080  
800/366-6888 (TTY)  
[www.ndhfa.org](http://www.ndhfa.org) · [hfainfo@nd.gov](mailto:hfainfo@nd.gov)

The Housing Trust Fund program contained herein is contingent upon HUD's allocation of formula grant amounts to the State of North Dakota as well as HUD's acceptance and approval of this Allocation Plan. Any approvals to and from the program are subject to such acceptance, approval, and allocation by HUD.



*Equal Housing  
Opportunity*



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# National Housing Trust Fund (HTF)

## Request for Proposals and Annual Allocation Plan ~~2019~~2020

### I. INTRODUCTION

North Dakota Housing Finance Agency (NDHFA) is dedicated to maximizing housing opportunities for all North Dakotans and proactively addressing the housing needs of low- and moderate-income households.

The National Housing Trust Fund (HTF) is a permanent federal program, established as part of the Housing and Economic Recovery Act of 2008. The primary purpose of the HTF is to provide grants to state governments to increase and preserve the supply of affordable rental housing for extremely low-income (ELI) households, defined as those earning less than 30 percent of the area median income (AMI), including homeless families. The HTF is funded by an assessment on all business booked by Fannie Mae and Freddie Mac. Parties interested in pursuing HTF funding should refer to the Code of Federal Regulations, Title 24, Part 93 (24 CFR Part 93) for further guidance.

NDHFA is responsible for the administration of the HTF for the State of North Dakota, including the development of an Annual Allocation Plan (the Plan) which defines the process by which HTF funds are distributed to qualifying properties throughout the state. The Plan promotes the selection of those properties which serve to address the most crucial needs of the state within the priorities outlined in the North Dakota Consolidated Plan,<sup>1</sup> as well as the relevant strategies identified in North Dakota's 10-Year Plan to End Long Term Homelessness.<sup>2</sup>

#### *North Dakota Consolidated Plan Housing Strategies*

- Preserve and improve the quality and condition of the existing rental and owner-occupied housing stock through the rehabilitation of lower-income, disabled, and elderly households.
- Fund homeownership opportunities for lower-income residents.
- Provide funding to increase the supply of multifamily housing.

#### *North Dakota Consolidated Plan Homeless Strategies*

- Support emergency shelters and transitional housing for the homeless.
- Create additional transitional and permanent supportive housing facilities.
- Provide financial support to assist those at imminent risk of homelessness, including rapid rehousing.
- Fund homeless prevention activities, including data collection and prevention services.

#### *North Dakota's 10-Year Plan to End Long Term Homelessness: Relevant Strategies*

- Develop permanent supportive housing.
- Improve the ability to pay rent.
- Expand supportive services to wrap around housing.

This Plan was developed with input from our partners and stakeholders, solicited during a public comment period, and finalized through a public hearing process.

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<sup>1</sup> North Dakota Department of Commerce, Division of Community Services, "2015-2019 North Dakota Consolidated Plan" (2015), available at [www.communityservices.nd.gov/uploads/25/20152019ConPlan9.15.pdf](http://www.communityservices.nd.gov/uploads/25/20152019ConPlan9.15.pdf).

<sup>2</sup> North Dakota Interagency Council on Homelessness, "Housing the Homeless: North Dakota's 10-Year Plan to End Long Term Homelessness" (2018), available at [www.ndhfa.org/Publications/Reports/Partner%20Publications/HomelessPlan2018.pdf](http://www.ndhfa.org/Publications/Reports/Partner%20Publications/HomelessPlan2018.pdf).

## **II. DEFINITIONS**

For purposes of the HTF program, the following definitions shall apply.

**Brownfield:** A previously developed site where future use is affected by real or perceived environmental contamination.

**Extremely Low-Income (ELI):** The primary affordability target of the HTF, defined by the United States Department of Housing and Urban Development (HUD) as household income of not more than the greater of 30 percent of area median income (AMI) or the federal poverty line.

**Grantee:** The state entity that prepares the HTF Allocation Plan, receives the HTF dollars from HUD, and administers the HTF in the state. NDHFA is the HTF grantee for the State of North Dakota.

**Grayfield:** Previously developed property.

**HTF-Assisted Unit:** A housing unit which meets the HTF eligibility requirements and benefits from financial assistance from the HTF.

**Multifamily:** Any building or group of buildings totaling four or more permanent residential rental units operated as a single housing project. Initial leases must be for a term of at least six months.

**Period of Affordability:** Also, "affordability period." Units in projects receiving HTF assistance will be required to maintain affordability to extremely low-income households for a period of at least 30 years.

**Recipient:** An entity which is awarded assistance from the HTF for the development, rehabilitation, or operation of multifamily rental property for the benefit of ELI households.

**Rent Restricted:** Rent that does not exceed the published Maximum HTF Rent Limit, which is based on an assumed 1.5 persons per bedroom (single person in an efficiency). Rental Assistance is allowed, so long as the tenant pays no more than 30 percent of their adjusted income and such tenant-paid portion does not exceed the published HTF rent limit.

**Stabilized Occupancy:** For purposes of the HTF, occupancy of at least 90 percent of the units in the property for a period of at least 90 days.

**Total Development Cost:** The all-in cost of developing the project including acquisition, pre-development costs, hard and soft construction or rehab costs, financing costs, developer fees, and reserve account capitalization.

## **III. GENERAL PROVISIONS**

### **Available HTF Funding**

North Dakota is expected to receive the small-state allocation of \$3,000,000 from the ~~2019~~-2020 National Housing Trust Fund. HUD authorizes NDHFA to expend from the HTF up to a maximum of 10 percent of the state allocation for reasonable costs to administer the HTF program. The maximum amount of administrative costs NDHFA may expend from the HTF will be evaluated as to reasonableness each year during allocation plan development.

### **Eligible Recipient**

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

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

### **Eligible Uses**

All applications for assistance through the HTF must contain a detailed description of the eligible activities to be conducted with HTF funds. Federal statute authorizes HTF funds to be used for the production, preservation, and rehabilitation of the ELI portion of a multifamily rental housing project.

The HTF can pay those development costs, identified in 24 CFR Part 93.201, associated with the new construction, rehabilitation, acquisition, or adaptive reuse of a multifamily housing project. Such development costs include acquisition, site improvements and development hard costs, related soft costs, demolition, financing costs, relocation assistance, and rent-up reserve capital (not to exceed 18 months).

Projects involving rehabilitation must perform a minimum of \$15,000 in rehabilitation per unit on average. Please refer to the ND Housing Trust Fund Rehabilitation Standards document on our website at <http://www.ndhfa.org/Development/HousingTrustFund.html> for additional requirements of rehabilitation projects. HTF funds may not be used to refinance existing debt.

### **Ineligible Projects**

Projects under construction are not eligible for consideration. HTF funds cannot be used for development hard costs or acquisition undertaken before the HTF funds are committed to the project in the form of an executed Written Agreement between the borrower and NDHFA.

### **Ineligible Uses of HTF Funds**

HTF funds may not be used for:

- Laundry and community facilities which are not located in the same building as the housing.
- Providing assistance during the affordability period of a project previously assisted with HTF funds. Additional HTF funds may be committed to a project up to one year after project completion, but the total assistance is subject to the maximum per-unit HTF subsidy limit identified in the Recognizable Costs paragraph of this section.
- Payment of delinquent taxes, fees, or charges on properties to be assisted with HTF funds.
- Payment for political activities, advocacy, lobbying, counseling services, travel expenses (other than those eligible under 24 CFR Part 93.202(b)), or preparing or providing advice on tax returns.
- Payment for any cost not eligible under 24 CFR Parts 93.201 and 93.202.

### **Maximum HTF Award**

Generally, net allocations from the HTF for a single eligible project, comprised of one or more buildings, will be limited to the lesser of a) the equity required to secure necessary project financing and make the project feasible; or b) up to 100 percent of the HTF-assisted units' share of actual development cost, subject to the following Recognizable Cost limits. Exceptions to these maximums may be made on a case-by-case basis, at the sole discretion of NDHFA, to accomplish overall program goals, such as meeting the priorities outlined in the North Dakota Consolidated Plan.

## Recognizable Costs

HTF regulations require NDHFA to establish maximum limitations on the total amount of HTF dollars that may be awarded per unit. NDHFA has elected to use the following HTF subsidy limits which are aligned with the state's HOME program limits (released by HUD in ~~November 2018~~ May 2019), as the two HUD programs are similar in many respects, and because of the confidence in the limits created by HUD's data and research methodology. Furthermore, NDHFA has elected to utilize a single statewide set of development subsidy limits based on a lack of evidence indicating a significant variation in development costs across the state at the present time. Should sufficient evidence supporting a significant variation in development costs across the state exist in the future, NDHFA will revisit the matter and make appropriate changes to the Plan.

Recognizable Costs for determining maximum HTF assistance will be calculated for each project by multiplying the number of corresponding units by the respective per-unit cost limit, and arriving at a total.

<i>Unit Type</i>	<i>Unit Cost</i>
Efficiency/Studio	<del>\$147,074</del> <u>149,868</u>
1 Bedroom	<del>\$168,600</del> <u>171,802</u>
2 Bedroom	<del>\$205,018</del> <u>208,913</u>
3 Bedroom	<del>\$265,229</del> <u>270,266</u>
4 Bedroom	<del>\$291,137</del> <u>296,666</u>

Costs in excess of these limits are not prohibited, however they will not be included in the calculation of maximum HTF assistance. The HTF is prohibited from investing in housing which is considered luxury. Therefore, NDHFA reserves the right to reject an application if it determines that project costs are excessive.

## Contractor Profit and Developer Fee

Combined builder profit, builder overhead, and general requirements may not exceed 14 percent of the hard construction costs. Developer fee may not exceed 15 percent of total development cost net of the developer fee, acquisition, and any permanent financing costs for projects with 50 or fewer units, or a maximum of 12 percent for projects with 51 or more units. Projects with 4 percent Low Income Housing Tax Credits may follow the 15 percent developer fee limit regardless of number of units. Fees paid to consultants will be included in this limitation. On acquisition/rehabilitation or adaptive reuse projects, the developer fee for the acquisition portion may be a maximum of five percent. The fees of all parties with an Identity of Interest with the Developer in the property will be taken into consideration when calculating the Developer's maximum fees.

When the Developer and the Contractor are the same entity, in addition to the fee limits stated above, the combined sum of Developer Fee, Contractor Profit, Contractor Overhead, and General Requirements may not exceed 20 percent of the total development cost, less the Developer Fee.

## Reserves

All properties will be required to maintain a replacement reserve account for the term of the HTF loan. The replacement reserve requirement for new construction properties and substantial rehabilitation properties (i.e. rehab exceeding \$30,000 per unit) designed for seniors will be no less than \$350 per unit per year, inflated at three percent annually. The requirement for all properties designed for families as well as rehabilitation developments with rehabilitation costs of \$30,000 per unit or less will be no less than \$400 per unit per year, inflated at three percent annually. This account shall not be used for routine maintenance and upkeep expenses or for operating expenses. Project owners shall be required to provide NDHFA with a record of all activity in the replacement reserve account during the prior fiscal year in conjunction with submission of the project's annual compliance monitoring

materials. Furthermore, the Limited Partnership Agreement or Operating Agreement must require that the replacement reserves may only to be used for the intended purpose of funding capital expenditures and replacement of building and site components, and may not be distributed to owners or partners prior to the end of the Period of Affordability.

All properties will also be required to establish and maintain, until the property has achieved a minimum of five years of stabilized operations, an operating reserve equal to a minimum of six (6) months of projected operating expenses plus must-pay debt service payments and annual replacement reserve payments. This requirement can be met with an up-front cash reserve; a personal guarantee from the developer/general partner with a surety bond to stand behind the personal guarantee; or partnership documents specifying satisfactory establishment of an operating reserve.

Each reserve account identified in this section must be maintained in separate accounts held at a federally insured financial institution or the Bank of North Dakota. Reserve accounts must also be separate from the project's ordinary operating account.

### **Maximum Tenant Income**

All HTF funding must be used for the benefit of extremely low-income households, as verified through the "Part 5" definition of annual income. The Part 5 definition, found at Subpart F of 24 CFR Part 5, is used by a variety of programs, including LIHTC, HOME Investment Partnership, CDBG, and Section 8, as well as the North Dakota Housing Incentive Fund.

If the total nationwide HTF funding exceeds \$1 billion in a given year, up to 25 percent of the HTF program may be used for the benefit of very low-income households at or below 50 percent AMI. **Nationwide HTF funding did not exceed \$1 billion for 2019 and, therefore, 50 percent AMI units are not eligible for assistance under HTF for 2020.**

Income determination is performed at initial occupancy; tenant self-certification is allowed thereafter. However, income source documents must be verified at least once every six years. PBRA recertification rules prevail and will also be employed for all HTF-assisted units when applicable. Next-available-unit rule applies; HTF-assisted units must be floating, and not fixed to specific project units, in order to facilitate the next-available-unit rule. Tenants cannot be evicted for being over-income upon recertification.

## **IV. FEDERAL CROSS-CUTTING REQUIREMENTS**

### **Environmental Review**

The environmental effects of each project carried out with HTF funds must be assessed in accordance with the property standards at 24 CFR Part 93.301(f) for historic preservation, archaeological resources, farmland, airport zones, Coastal Barrier Resource System, coastal zone management, floodplains, wetlands, explosives and hazards (including a tanks search as part of the Phase I Environmental Site Assessment), contamination (including radon), noise, endangered species, wild and scenic rivers, safe drinking water, and sole source aquifers. Applicants should refer to 24 CFR Part 93.301(f), as well as further guidance published in HUD Notice CPD-16-14, found on the Housing Trust Fund webpage at <http://www.ndhfa.org/Development/HousingTrustFund.html>, for additional information regarding HTF Environmental Review requirements.

### **Section 3**

Section 3 of the Housing and Urban Development Act of 1968 requires, in the planning and carrying out of any project assisted under the Act, to the greatest extent feasible, that opportunities for training



and employment be given to lower-income persons residing within the unit of local government or the non-metropolitan county in which the project is located, and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by persons residing in, the project area. The grantee must assure good faith efforts toward compliance with the statutory directive of Section 3. Applicants should refer to 24 CFR Part 135, as well as NDHFA's Section 3 Guide, found at <http://www.ndhfa.org/Development/HousingTrustFund.html>, for additional information regarding Section 3 requirements.

#### **ADA and Section 504**

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

#### **Energy Efficiency**

For new construction, HTF-assisted projects must comply with energy efficiency standards of the current edition of the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standard 90.1.

#### **Uniform Relocation Act**

The development of housing with HTF assistance is required to follow the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. The Act applies to persons both temporarily and permanently relocated as a result of the HTF-assisted project. Applicants should see 24 CFR Part 93.352 for additional detail regarding the Uniform Relocation Act.

#### **Lead Based Paint**

Housing assisted with HTF funds is subject to the regulations at 24 CFR Part 35, subparts A, B, J, K, and R.

#### **Affirmative Marketing**

Each HTF recipient must adopt and follow Affirmative Fair Housing Marketing (AFHM) procedures and requirements for rental projects containing five or more HTF-assisted housing units. AFHM steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status, or disability. If NDHFA's written agreement with the project owner permits the rental housing project to limit tenant eligibility or to have a tenant preference in accordance with 24 CFR Part 93.303(d)(3), the recipient must have affirmative marketing procedures and requirements that apply in the context of the limited/preferred tenant eligibility for the project. NDHFA has published, on its website, an Affirmative Fair Housing Marketing Plan Guidance document which provides detailed and step-by-step direction on how to satisfy AFHM under the HTF program. Applicants should also see 24 CFR Part 93.350 for additional detail regarding the AFHM requirements of the HTF program.

#### **UPCS**

HTF projects must follow property standards which include all inspectable items and inspectable areas specified by HUD based on the HUD physical inspection procedures, known as the Uniform Physical Condition Standards (UPCS) prescribed by HUD pursuant to 24 CFR Part 5, subpart G. Rehabilitation projects, including adaptive reuse, must address any and all deficiencies identified in Section XV of the HTF Minimum Housing Rehabilitation and Property Standards (Property Standards) as part of the project's scope of work so that, upon completion, all such deficiencies are cured. For projects which include acquisition and/or rehabilitation of occupied housing, any life threatening health



and safety deficiencies, as defined in the Property Standards, must be addressed and corrected immediately.

Likewise, all deficiencies identified during annual compliance monitoring site visits of HTF-assisted properties must be cured. NDHFA will monitor property condition standards using the same process and procedures as for the federal Low-Income Housing Tax Credit Program which does not employ a scoring protocol or grade levels of deficiencies; all identified deficiencies must be corrected. Please refer to the HTF Minimum Rehabilitation and Property Standards document for further details regarding inspectable areas, inspectable items, and observable deficiencies requiring correction.

**Eminent Domain**

No HTF funds may be used in conjunction with property taken by eminent domain, unless eminent domain is employed only for a public use, except that, public use shall not be construed to include economic development that primarily benefits any private entity.

**Davis-Bacon**

The Davis-Bacon and Related Acts do not apply to the HTF program.

**VAWA**

All housing receiving HTF funds must comply with the provisions of the Violence Against Women Reauthorization Act of 2013 (VAWA 2013). Additional information about VAWA 2013 can be found in a document in the HTF section of NDHFA’s website entitled, “The Violence Against Women Act of 2013,” published by the National Housing Law Project. All rental applicants and tenants should be provided with the following documents, templates for which can be found on NDHFA’s website: “Notice of Tenant Rights Under VAWA”; “Housing Provider’s Emergency Transfer Plan Under VAWA”; “Certification of Domestic Violence”; and “Emergency Transfer Request.”

**FFATA**

All recipients of HTF funds are required to comply with the Federal Funding Accountability and Transparency Act of 2006, as amended (FFATA). All applicants for HTF funding must have a Data Universal Number System (DUNS) number, and be registered on the System for Award Management (SAM). Refer to <https://fedgov.dnb.com/webform> and [www.sam.gov](http://www.sam.gov) to obtain these DUNS and SAM registrations. Furthermore, recipients of HTF awards must report to NDHFA the names and compensation of the five most highly compensated officers in their organization, unless exempt under 2 CFR 170.110(b).

**V. APPLICATION PROCESS**

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

Maximum Amount of HTF Assistance Available Per Application Closing Date

Round 1:	September 30, <del>2019</del> <u>2020</u>	Up to \$3,000,000
Round 2:	December 31, <del>2019</del> <u>2020</u>	Balance of available HTF assistance, if any
Round 3:	March 31, <del>2020</del> <u>2021</u>	Balance of available HTF assistance, if any

**Threshold Requirements**

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

- A. Development Team Ability:** NDHFA must be satisfied that those who will develop, own, and operate the property are familiar with, and prepared to comply with, the requirements of the HTF program. The application package must include a signed certification that the housing units assisted with the HTF will comply with all regulatory HTF requirements contained in 24 CFR Part 93. In addition, the applicant must demonstrate that all members of the development team have the experience, ability, and financial capacity, in their respective roles, to undertake, maintain and manage the property, as well as comply with all federal cross-cutting requirements identified in Section IV of this Allocation Plan. Applicants with limited experience in the development, ownership, and management of multifamily rental property are encouraged to partner with an experienced developer or sponsor. Applicants without sufficient experience in, or working knowledge of, all federal cross-cutting requirements identified in Section IV of this Plan including, but not limited to, Section 3 hiring practices, environmental review, Section 504 and ADA accessibility requirements, Lead-Based Paint mitigation, and Uniform Physical Conditions Standards, should enter into a contractual consultant or partnership relationship with an experienced and knowledgeable entity. Misrepresentation of any information about the experience or financial capacity of any property team member will be grounds for denial and debarment from NDHFA programs.

NDHFA may require the applicant to provide financial statements as deemed necessary.

Applicants who have been convicted of, entered an agreement for immunity from prosecution for, or have pleaded guilty, including a plea of nolo contendere, to: a crime of dishonesty, moral turpitude, fraud, bribery, payment of illegal gratuities, perjury, false statement, racketeering, blackmail, extortion, falsification or destruction of records are ineligible. Applicants who have been debarred from any North Dakota or federal program are ineligible. Applicants having an Identity of Interest with any debarred entity may not be eligible at the sole discretion of NDHFA.

- B. Market Conditions:** Completion of a comprehensive market study of the housing needs of ELI and VLI individuals in the area to be served by the property, at the Developer's expense, by a disinterested party who is acceptable to NDHFA, is required. The Market Study must demonstrate that there is sufficient demand in the market area to support the proposed development, and that the development of any additional affordable units will not have an adverse impact on the existing affordable units in the market area. The Market Study must have been completed within six months of application for HTF assistance and must contain the National Council of Housing Market Analysts' (NCHMA) core standards (see <http://www.housingonline.com/wp-content/uploads/2014/09/Final-Model-Content-V3.0.pdf>) unless authorization to deviate from these standards is granted by NDHFA. The applicant is advised to reference the market study requirements of other funding sources, such as USDA Rural Development, as may be applicable and ensure that the market study meets NDHFA requirements as well as those of other funding providers. If NDHFA has cause to question the conclusions reached in the study, we reserve the right to order a new market study at the expense of the applicant.

- C. Demonstrated Site Control:** Evidence must be provided proving the applicant has, and will maintain from the start of the application review process until the land is acquired, direct site control. This will also include a sketch plan of the site as it would look when developed.
- D. Zoning, Codes, and Ordinances:** Evidence that the appropriate zoning will be available must be provided (i.e. a letter from a city or tribal official stating that appropriate zoning is in place or forthcoming.) Upon completion, HTF-assisted housing projects must meet all applicable State and local codes, ordinances, and requirements as applicable, or, in the absence of a State or local building code, the International Residential Code, International Building Code (as applicable to the type of structure), or the International Existing Building Code (for rehabilitation projects) of the International Code Council.
- E. Infrastructure and Utility Availability:** Evidence must be provided to demonstrate that appropriate infrastructure (i.e. roads, curb, gutter, etc.) and utilities (i.e. water, sewer, electricity, natural gas) are in place at the time of HTF application and have adequate capacity to absorb the proposed project. Examples of evidence include letters from the applicable utility companies and the city official stating appropriate utilities and infrastructure are in place.

If infrastructure is not in place to the proposed site at the time of LIHTC application, a letter from the local jurisdiction must accompany the application indicating that no adequate infill opportunities currently exist in the community.

- F. Financial Projections:** A 30-year pro forma financial projection for the property, in the form of Exhibit A to the application, shall accompany the application using the income, expenses, replacement reserves, and debt service as represented in the application. The rental income should reflect the vacancy rate as stated in the application.

The applicant must be able to demonstrate, as part of the application package, that the project would not be feasible without financial assistance from the HTF. This will be evaluated in terms of the gap between cost of construction and amount of debt the project can reasonably obtain and support. The applicant must provide information outlining both the short and long term financial feasibility of the project. Project proposals will be underwritten to achieve a target debt service coverage ratio of 1.20. Debt coverage projections below 1.10 or greater than 1.30 will require further explanation and analysis to determine suitability for HTF participation. Projects without hard debt service should achieve a target operating expense cushion within 10 percent to 15 percent. Operating expense cushion is defined as cash flow divided by operating expenses and reserve contributions.

The reasonableness of development costs and operating expenses in relation to other similar developments will be assessed in evaluating the financial feasibility of applications.

- G. Capital Needs Assessment:** A Capital Needs Assessment (CNA) must be submitted with all application packages involving rehabilitation (including adaptive reuse projects). The CNA must be completed by a competent, independent third party acceptable to NDHFA, such as a licensed architect or engineer, and include an interview with available on-site property management and maintenance personnel to inquire about past repairs and improvements, pending repairs, and existing or chronic physical deficiencies. The assessment will include a site visit and a physical inspection of the interior and exterior of all units and structures. The assessment will consider the presence of environmental hazards such as asbestos, lead paint and mold on the site. The assessment will include an opinion as to the proposed budget for recommended improvements and should identify critical building systems or components that have reached or exceeded their expected useful lives. If the remaining useful life of any

component is less than 50 percent of the expected useful life, immediate rehabilitation will be required unless capitalized. If the remaining useful life of a component is less than the term of the HTF loan, the application package must provide for a practical way to finance the future replacement of the component. The assessment will examine and analyze the following:

- Site, including topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, sewer, storm drainage, and gas and electric utilities and lines.
- Structural systems, both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system, and drainage.
- Interiors, including unit and common area finishes (carpeting, tile, plaster walls, paint condition, etc.), unit kitchen finishes, cabinets and appliances, unit bathroom finishes and fixtures, and common area lobbies and corridors.
- Mechanical systems, including plumbing and domestic hot water; HVAC, electrical, lighting fixtures, fire protection, and elevators.

Applicants are advised to also consider the requirements of other funding sources, such as USDA Rural Development, when ordering a capital needs assessment.

- H. Appraisal:** An application package involving acquisition costs or equity contribution of real estate which exceed 15 percent of the total development costs, must include an appraisal of the subject property, completed within six months of the date of the application by a state Certified General Real Property Appraiser, that supports the amount of acquisition.
- I. Subsidies:** The application package must include a signed certification as to the full extent of all federal, state, and local programs and subsidies (both development and rental subsidies) that are expected to apply to the property. Additionally, the application for HTF funding must specifically discuss how the incorporation of the listed subsidies will allow project rents to be affordable to extremely low-income households.
- J. Tenant Recruitment and Selection:** The application package must include a detailed description of the project's plan to market the HTF units to eligible households as well as the application and selection process to be used.

The project's Affirmative Fair Housing Marketing Plan, as discussed in Section IV of this Plan, should be submitted to NDHFA prior to receiving a HTF financial award.

A sample rental application and lease with all addenda must be provided to NDHFA as part of the post-closing requirements prior to the final draw of HTF funding. The rental application must request the applicant's demographic information (race, ethnicity, marital status, and disability status).

- K. Public Housing Waiting List:** The application package must include a signed written commitment from the applicant to inform the public housing authority (PHA) of vacancies and to give priority to households on PHA waiting lists who apply for occupancy.
- L. Broadband Infrastructure:** Projects receiving HTF assistance must install broadband infrastructure to all units and community rooms. Broadband infrastructure is defined as cables, fiber optics, wiring, or other permanent (integral to the structure) infrastructure – including wireless infrastructure – resulting in broadband capability meeting the Federal Communication Commission's (FCC) definition in effect at the time the pre-construction estimates are generated. Currently, the FCC defines broadband speeds as 25 Megabits per second (Mbps) download, and 3 Mbps upload.

**M. Self-Scoring:** The applicant must provide a self-scoring of the project proposal as part of the application package. The self-scoring assessment should indicate the number of points being sought in each scoring category as well as a brief explanation of the project proposal's eligibility for those points.

**Scoring Criteria**

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

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

**A. Serves Extremely Low-Income Households 20-50 points**

Up to 50 points will be awarded to properties with units both income and rent restricted for ELI households. Elections made in this category will be incorporated into the Land Use Restrictive Agreement and will be binding, at a minimum, for the term of the HTF loan.

- 35% of total units income and rent restricted at or below ELI – 50 points
- 30% of total units income and rent restricted at or below ELI – 40 points
- 25% of total units income and rent restricted at or below ELI – 30 points
- 20% of total units income and rent restricted at or below ELI – 20 points

For purposes of applying the ELI rent restriction under this category, an exception for exceeding the ELI rent may be granted for project-based rental assistance where it can be shown that additional rents are necessary to make the project feasible and that the tenant-paid portion of the rent will not exceed 30 percent of their household income nor the published HTF rent limit.

**B. Use of LIHTCs 0 or 10-20 points**

Projects which have received, or are applying for federal Low-Income Housing Tax Credits in a pending application round, will receive ~~20~~ points under this category. Projects which applied for, but are not awarded LIHTCs in the current pending application round are ineligible for points under this category.

- Projects with an award of 4 percent LIHTCs – 20 points
- Projects with an award of 9 percent LIHTCs – 10 points

**C. Committed Non-Federal Leverage 0 or 5-20 points**

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

funding. Also not eligible as leverage under this category is project-based rental assistance which earns points in scoring category D.

- Leverage of at least 50% of total development cost – 20 points
- Leverage of at least 40% of total development cost – 15 points
- Leverage of at least 30% of total development cost – 10 points
- Leverage of at least 20% of total development cost – 5 points

**D. Project-Based Rental Assistance 0 or 5 points**

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

**E. Redevelopment and Revitalization 0 or 5 points**

A project will receive 5 points if it meets one of the following conditions:

- (1) The project is located on a site considered by NDHFA, in its sole discretion, to be brownfield or grayfield in nature.
- (2) The project is in a city revitalization area established by resolution or other legal action by the city, and the development of the project contributes to a concerted community revitalization plan. For purposes of this Plan, a concerted community revitalization plan is defined as a locally approved revitalization plan targeting specific existing areas or neighborhoods within the community for housing and economic development including the infill new construction or rehabilitation of housing. To qualify, the plan must be officially adopted by the local governing body, identify a specific time period, apply only to a defined geographic area within the community, and specifically call for infill new construction or rehabilitation of affordable housing within the boundaries of the plan. Local housing needs surveys, consolidated housing or economic development plans, short-term work plans, municipal zoning or land use plans, or plans which are so broad as to encompass the entire community or so narrow as to encompass only the project's subject property do not qualify under this definition.
- (3) The project is located in an Opportunity Zone, as defined in Code Section 1400Z-1.

Adaptive reuse projects are eligible for points under this category. Rehabilitation of existing habitable and occupied housing is not.

~~**F. Permanent Supportive Housing 0 or 5-20 points**~~

~~Properties in which low-income units are set aside (as defined later in this section) and rented to persons with special needs will receive up to 11 points. For purposes of this scoring category, special needs populations include:~~

- ~~• Persons suffering from chronic or persistent mental illness.~~
- ~~• Persons suffering from chronic chemical dependency.~~
- ~~• Persons with disabilities (physical and/or developmental).~~
- ~~• Individuals or families who are experiencing long-term homelessness, or at significant risk of long-term homelessness. Homeless projects addressing the needs of families with children, or individuals in recovery or who are justice involved, are encouraged.~~

- ~~The frail elderly, defined as persons, 62 years of age or older, who are unable to perform one or more “activities of daily living” without help. Activities of daily living comprise walking, eating, bathing, grooming, dressing, transferring, and home management activities.~~

~~10 percent of the units ..... 5 points~~

~~15 percent of the units ..... 8 points~~

~~20 percent of the units ..... 11 points~~

~~*Permanent Supportive Housing Threshold Criteria*~~

~~To earn points in this Permanent Supportive Housing scoring category, a property must provide documentation that it meets the following requirements:~~

- ~~(1) A need for the special type of housing based on market demand, the applicable Consolidated Plan (either provide a narrative that cites page numbers and includes excerpts or mark applicable sections in the table of contents and provide the pages containing those excerpts, not the entire plan), and the findings of the local social service agency or North Dakota Department of Human Services regional service center;~~
- ~~(2) Third-party verification of the services which are appropriate to the targeted population. Such services will vary depending on the target population. Examples include, but are not limited to:
 
  - ~~Case management.~~
  - ~~Mental health services.~~
  - ~~Alcohol and substance abuse counselling.~~
  - ~~Independent living skills training.~~
  - ~~Job and vocational skills training.~~
  - ~~Health and medical care.~~
  - ~~Social and community engagement activities.~~
  - ~~“Peer-to-peer” guidance from individuals already in the service program.~~
  - ~~For Frail Elderly, securing access to meal services adequate to meet nutritional needs, housekeeping aid, personal assistance, or other services essential to maintaining independent living.~~~~
- ~~(3) A formal letter of intent between the owner and a qualified service agency/agencies to provide on-going services consistent with the needs of the targeted population. The service provider must have experience providing services to a similar population and have sufficient capacity to deliver the services proposed. The letter of intent must be detailed regarding:
 
  - ~~The special needs population to be served.~~
  - ~~The services pledged.~~
  - ~~The projected costs of the services and the sources of funds to cover such costs.~~
  - ~~A tenant selection plan that describes how those individuals and/or families will be identified and assisted in renting the supportive housing units, for projects serving chronic homeless (or at-risk-of) populations.~~~~
- ~~(4) Projects receiving conditional commitments of HTF assistance will be required to submit, prior to HTF loan closing, a formal agreement between the owner and the qualified service agency/agencies committing to the provision of the services described in the letter of intent.~~



~~Compliance monitoring activities will include confirmation of the provision of the services pledged at the time of HTF application as well as a review of marketing efforts targeted at the specific special needs population. Projects which dedicate 100 percent of its units to Permanent Supportive Housing and which will be staffed by services personnel will receive bonus points as follows:~~

- ~~• 8 to 12 hours per day, Monday through Friday.....3 points~~
- ~~• 8 to 12 hours per day, seven days per week.....6 points~~
- ~~• 24 hours per day.....9 points~~

~~Personnel whose primary responsibility is for the maintenance or security of the property is not considered to be “services personnel” for purposes of this scoring bonus.~~

***Set aside definition***

~~For purposes of this section, set aside shall mean designed and held for occupancy for members of the special needs population selected by the applicant for points under this scoring category (Target Population). During initial lease-up, priority shall be given in the tenant screening process to income-qualified households in the Target Population. Units shall be set aside for qualified Target Population households until the earlier of such time as the Project’s minimum Permanent Supportive Housing commitment has been met or for a period of 90 days from the placed-in-service date. Once a unit occupied by a Target Population household is physically vacated, that unit shall be held for a minimum of 60 days for occupancy by another qualified Target Population household unless the Project otherwise already complies with the minimum Permanent Supportive Housing unit percentage pledged on the application and required under the LURA. Diligent efforts to market the available unit to the Target Population shall be demonstrated during this time period. If after the 60-day period the unit is then leased to a household that is not within the Target Population, and the Project does not otherwise meet the minimum required Permanent Supportive Housing unit percentage, the next subsequent available unit shall be set aside for and marketed to the Target Population for 60 days. This subsequent next-available-unit rule will continue to apply until the Project has once again met its Permanent Supportive Housing unit percentage.~~

**F. Tenant Support Coordinator **5-10 points****

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

(1) Tenant Support Coordinator

Projects which provide, either through direct employment or by contract with an experienced third party, a dedicated Tenant Support Coordinator (TSC) for at least one hour per unit per month will receive 5 points. The TSC would be required to develop and maintain working relationships with tenants in the project. The TSC’s role is to increase the ability of tenants to maintain stability and uphold lease obligations through the following: facilitating provision of supportive services by connecting tenants with appropriate providers, identifying needs for assistance, and educating tenants on available resources.

(2) Tenant Support Coordinator and Medicaid-Approved Service Provider

Projects which provide the TSC provisions in the preceding paragraph (1) and which also enter into a formal letter of intent with one or more qualified service agencies with demonstrated experience providing housing stability services consistent with the needs of the project’s resident population will receive 10 points. The service provider(s) must also be able to process for insurance reimbursement. The letter of intent must be detailed regarding the suite of services to be made available to tenants who need and want supports.



Projects receiving points under this category must, at a minimum:

- Support the person to understand and maintain income and benefits to retain housing;
  - Household budgeting and financial management;
  - Assistance in applying for benefits related to housing affordability;
  - Establishment of payee/guardian services as needed;
  - Assistance with the income recertification process;
  - Wealth and asset building initiatives.
- Support the building of natural housing supports and resources in the community;
  - Encouragement of community activity;
  - Facilitation of meetings with a tenant support team.
- Identify and prevent behaviors that may jeopardize continued housing;
  - Coordination with parole and probation requirements;
  - Collaboration with law enforcement (i.e. the creation of safety plans);
  - Training on lease compliance, household management and best practices of successful tenants.
- Promote health and wellbeing that enable tenants to retain housing;
  - Connecting tenants with health providers;
  - Assistance in securing and increasing employment;
  - Assistance in securing child care;
  - Identifying educational opportunities in areas such as nutrition, education, and physical wellness;
  - Parenting supports;
  - Life coaching via peer support specialists.

A tenant selection plan must be provided as part of the initial application for HTF assistance. The tenant selection plan must describe in detail how individuals and/or families with special needs will be identified, affirmatively marketed to, and assisted in renting units at the project.

Projects which received 10 points under this scoring category F will be required to submit with the reservation package a formal executed agreement with each provider identified in the letter(s) of intent.

Compliance monitoring activities will include:

- Confirmation of hiring or contracting with a TSC;
- Confirmation of the provision of the services pledged at the time of initial application, if applicable; and
- Review of marketing efforts targeted at special needs populations.

For purposes of this scoring category, tenants with special needs include individuals or families who:

- Suffer from serious or persistent mental illness;
- Suffer from substance use disorders;
- Have disabilities, including intellectual, physical, or developmental;
- Are experiencing long-term homelessness, or are at significant risk of long-term homelessness;
- Are justice involved; or
- Are frail elderly, defined as those 62 years of age or older, who are unable to perform one or more "activities of daily living" without help. Activities of daily living comprise walking, eating, bathing, grooming, dressing, transferring, and home management activities.

## **G. Universal Design**

**0 or 3-12 points**

Properties which meet the minimum universal design features below are eligible for points in this scoring category based on a percentage of units:

- 10 percent of the units..... 3 points
- 15 percent of the units..... 6 points
- 20 percent of the units..... 9 points

Universal design units must be wheelchair-accessible and contain design features which may exceed the ADA standards, but which allow a project to be usable for the greatest possible percentage of the population. For purposes of this scoring category, the required minimum universal design features include:

- Roll-in or walk-in shower in at least one bathroom in the unit.
- Any additional bathrooms containing a bath tub should include a transfer seat, grab bars, and a floor drain to handle water splashed onto the floor during transfer.
- Front loading washing machines and dryers with accessible controls.
- Dishwasher.
- Lever handles on all doors and fixtures.
- Security doors with automatic openers.
- Accessible garbage dumpsters.
- Covered outside entries with adequate lighting.
- Kick plates on apartment doors to prevent damage from wheelchairs.
- Apartment doors which are wieldy for persons using a wheelchair or a walker.
- Hard surface flooring with maximum threshold heights of ½” beveled or ¼” square-edged.
- Appliances with front controls.
- Controls for the garbage disposal, range hood light, and exhaust fan located on the front of the lower cabinets.
- Lower-mounted upper cabinets with handles within reach of a person in a wheelchair.
- Roll-under bathroom and kitchen sinks.
- Lower-mounted mirrors/medicine cabinets.
- Audio/visual alert doorbells.
- Braille characters included to the left on all interior common area signage.

The project architect must certify that the accessible units and common areas meet or exceed Federal Fair Housing Accessibility Guidelines and include the universal design elements listed above.

Applicants who receive points under this category will receive 1 additional point for each of the universal design units that are two-bedroom or larger, up to a maximum of 3 points. As an example, a project with more than 20 percent of the total units meeting the universal design elements, 3 of which are two-bedroom or larger will receive a total of 12 points.

**H. Design Standards 0 or 3-10 points**

- (1) Properties with an elevator in each residential building will receive 10 points.
- (2) Properties with a building(s) design that has no more than 4 units per outside main entrance will receive 3 points. Points given for this building design cannot be added to points given for design standard #1.
- (3) Properties with a building design(s) that includes a separate outside main entrance for each unit will receive 10 points. Points given for this building design cannot be added to points given for design standards #1 or #2.

A maximum of 10 points may be earned in this category.

**I. Readiness to Proceed 0-25 points**

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

**J. Housing for Families 0 or 10 points**

Properties in which 20 percent or more of the HTF-assisted units identified in the application are three-bedroom or larger will receive 10 points.

**K. Period of Affordability 0 or 1 point**

The minimum period of affordability for projects assisted by the HTF is 30 years. Projects which commit to affordability for a period of 31 years or longer will receive one point.

**L. Geographic Diversity 0 or -5 points**

Federal regulation places a priority on the use of HTF funding in a geographically diverse manner. Projects located in the same city as a project which has already been selected in the current HTF application round shall receive a scoring deduction of five points.

**M. Missing Threshold Items 0 or -5 points per missing item**

In accordance with the Threshold Requirements section of this Allocation Plan, a five point deduction will be assessed during the scoring process for each threshold item missing from the application package after the application deadline.

**VI. SET-ASIDE**

**Indian Reservation Native American Set-Aside**

Ten percent (10%) of the state's HTF funding will be set aside for projects located within North Dakota Indian Reservations or on Tribal land, either held in trust or fee-simple. If sufficient qualifying proposals on Indian Reservations or Tribal lands are not received by the close of the first application round, the unused set-aside funding will be included in the general pool of funding, eligible to be awarded to non-Indian Reservation Native American proposals in accordance with this Plan. The Indian Reservation Native American set-aside will only be available in the first application round, and not in subsequent application rounds, of each Plan year.

For ~~2019~~2020, the amount of HTF funding set aside under this section of the Plan is \$300,000. Only the first \$300,000 of the highest scoring qualified application is eligible for approval under this set-aside. Any requested amount of funding in excess of the first \$300,000 of the highest scoring qualified application must compete for such funding in the general pool.

To be eligible for approval under this set-aside, applications must meet all requirements contained in this Plan, including all general provisions, federal cross-cutting requirements, threshold requirements, and minimum scoring.

## **VII. AWARD PROCESS**

Proposals received by the due date will be reviewed and ranked within an approximate 45-day timeframe. Successful proposals will be issued a 90-day conditional commitment of financial assistance from the HTF. During this timeframe, applicants will be required to reach certain benchmarks identified in NDHFA's conditional commitment letter, including completion of an environmental review. A 60-day extension of the conditional commitment period may be granted at the sole discretion of NDHFA. Upon satisfactory review of these items, a financial award agreement will be issued. The financial award agreement will rescind 270 days from the date of the initial conditional commitment, if the HTF loan is not closed, so that NDHFA is able to reallocate the HTF funding to other projects in the next annual round. Federal regulation requires that all HTF funds must be committed by NDHFA within 24 months and expended within five years of HUD's agreement with NDHFA.

### **Required monthly progress reports from financial award to HTF loan closing.**

In order to ensure that HTF funding is conditionally committed to projects which are proceeding according to the schedule presented in the application, each applicant receiving an HTF financial award will be required to submit monthly progress reports until closing of the HTF loan. The report must describe the applicant's actual progress to date together with an estimated timeline for future project activity.

### **Required quarterly progress reports from HTF loan closing to occupancy.**

Commencing with closing of the HTF loan, the borrower must submit quarterly progress reports until the project has reached stabilized occupancy. The report must describe actual development progress to date together with a current development budget and estimated timeline for future activity and lease-up. Development costs which increase above the contingency listed in the HTF application must be disclosed in the progress reports along with an explanation as to how the gap is being filled. At NDHFA's discretion, information submitted with draw requests, such as site reports, may serve to satisfy the quarterly reporting requirement.

## **VIII. ACCESS TO HTF FUNDS**

Draws against an HTF financial award can be made for eligible costs incurred upon firm commitment of all other funding sources. A mortgage with recapture provisions, deed restriction, loan agreement, and promissory note (collectively, the Loan Documents) must be executed prior to release of any HTF funds. The deed restriction must be in a senior position to any foreclosable loan(s) on the property. The Loan Documents will detail the loan terms and affordability requirements, as well as any additional requirements particular to the project, such as limiting tenant preference to homeless individuals and families.

The borrower may request one or more draws of available HTF loan proceeds for payment or reimbursement of eligible costs incurred toward the development of the project. Draws are requested by submitting to NDHFA a completed HTF Draw Request form together with an ACH authorization, documentation supporting the expenses claimed, general contractor's sworn construction statement, architect's inspection or trip report, and conditional lien waivers for any general contractor or major subcontractor payments in the current draw as well as unconditional lien waivers for any general

contractor and major subcontractor payments paid by the previous draw. All disbursements are made by electronic funds transfer to the borrower's account or designated escrow agent.

Disbursement of up to 95 percent (95%) of the HTF loan proceeds may be made during construction of the project. A hold-back amount of five percent (5%) of the HTF loan proceeds will be retained until project completion. Disbursement of the hold-back amount will be made upon satisfaction of all post-closing conditions including but not limited to final sworn total development cost certification, certificate of occupancy, completion certification, final lien waivers, and executed loan or grant commitments for all other permanent funding sources.

## **IX. REPAYMENT OR RECAPTURE OF HTF FUNDS**

All HTF awards will be structured as forgivable zero-interest loans with a minimum term of 30 years. Repayment terms will be based on cash flow and determined on a project specific basis as necessary to achieve project feasibility. Recapture of HTF funds may occur in the event that final total development costs were such that assistance provided by the HTF exceeds established program limits, or exceeded that which was necessary to make the project financially feasible.

Income targeting and rent restriction requirements will remain on the project for the term of the loan and will be enforced through a deed restriction on the land. In the event of a prepayment of the loan, the deed restriction will ensure the income and rent restrictions remain in place for the remainder of the term of the HTF loan.

A recapture of the HTF funds from the borrower will occur at any time during the term of the loan if the borrower fails to abide by the representations made in the application, unless waived by NDHFA. In the event of recapture of the HTF funds, the deed restriction will remain in place for the remainder of the original term of the HTF loan.

## **X. COMPLIANCE MONITORING**

Owners of HTF-assisted properties must remain in compliance with program guidelines throughout the term of the HTF loan. NDHFA will monitor all properties for compliance with HTF program requirements including those related to income and rent limits, cash flow, reserve accounts, insurance coverage, and property condition. Annual compliance monitoring will consist of a desk review of information provided by the project owner and/or a property inspection and review of documentation at the project location. A copy of the HTF Ongoing Compliance Monitoring Manual is provided to all HTF award recipients and is also available on the NDHFA website at <http://www.ndhfa.org/Development/HousingTrustFund.html>.

On a quarterly basis, owners of HTF-assisted properties must provide to NDHFA the HTF Quarterly Report, found on the NDHFA website at [www.ndhfa.org](http://www.ndhfa.org).

On an annual basis during the affordability period, owners of HTF-assisted properties must provide, at a minimum, the following items to NDHFA:

- Rental Compliance Report (rent schedule for all Restricted Units), found on the NDHFA website at <http://www.ndhfa.org/Development/HIFForms.html>.
- Audited project-specific financial statements such as a balance sheet, statement of revenues and expenses (income statement), and statement of cash flows.
- Reserve account statements.

- Proof of sufficient property and liability insurance coverage listing NDHFA as mortgagee.
- Documentation supporting the current utility allowance being used (i.e., a copy of the utility allowance table from the local public housing authority).
- A self-certification attesting to the owner's continued compliance with all HTF regulatory requirements contained in 24 CFR Part 93.

NDHFA ~~will~~may charge each HTF-assisted property an annual fee to cover expenses incurred during normal and routine monitoring activities. The fee is currently set at \$50 per property, plus \$40 per Restricted Unit. NDHFA reserves the right to adjust the annual fee as necessary. Additional fees may be assessed to properties determined to be in substantial noncompliance in order to cover the expense of additional monitoring. The HTF compliance monitoring fee should be included in the operating budget of applications for HTF assistance.

Developments which are subject to annual compliance monitoring fees for other programs administered by NDHFA may be eligible for a reduction in their HTF compliance monitoring fee at the sole discretion of NDHFA.

## **XI. DISCLAIMER OF NDHFA LIABILITY**

NDHFA seeks to allocate sufficient HTF assistance to a project to make the project economically feasible. Such decision shall be made solely at the discretion of NDHFA but in no way represents or warrants to any applicant, investor, lender, or others that the property is feasible, viable, or of investment quality.

No member, officer, agent, or employee of NDHFA shall be personally liable concerning any matters arising out of, or in relation to, the allocation of HTF assistance.

## **XII. MODIFICATION TO THE ALLOCATION PLAN**

The Executive Director may make minor modifications deemed necessary to facilitate the administration of the HTF or to address unforeseen circumstances. Further, the Executive Director is authorized to waive any conditions not mandated by federal statute or regulation on a case by case basis for good cause shown. As a matter of practice, NDHFA will document any waivers from the established priorities and selection criteria of this Allocation Plan and will make this documentation available to the public, upon request.

**North Dakota Housing Finance Agency**

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*Equal Housing  
Opportunity*

## C. HOME PROGRAM DISTRIBUTION STATEMENT

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## 2020 HOME PROGRAM DISTRIBUTION STATEMENT

The Department of Housing and Urban Development (HUD) has designated the State of North Dakota as a Participating Jurisdiction (PJ) and as such it may apply for and distribute HOME funds. The agency responsible for administration of the North Dakota HOME Program is the Department of Commerce, Division of Community Services (DCS).

This is a description of how the state plans to distribute FY 2020 HOME funds and administer its program. The plan demonstrates consistency with the goals identified in the state's Consolidated Plan (CP). Accordingly, the state will use its HOME funds for the following activities to help meet the identified housing needs:

- Rehabilitation of Owner-occupied and Rental Property
- Acquisition, New Construction, Site Improvements, or Demolition Linked to a Project
- Homebuyer Assistance
- Administrative Costs

### TIMELY PRODUCTION AND OCCUPANCY OF ASSISTED HOUSING

The 2013 Final Rule revised a number of commitment and completion deadlines and imposed new occupancy deadlines:

- **HOME projects must be completed within 4 (four) years of commitment.** Any project that is not completed in a timely manner will be terminated and PJs will be required to repay HOME funds drawn. [*§92.205(e)(2)*]
- **HOME-assisted rental units must be occupied by income-eligible households within 18 months of project completion.** If not, PJs must repay HOME funds for the vacant units. (Note: for units that remain vacant for six months following completion, the PJ must identify and develop an enhanced marketing plan and report this information to HUD). [*§92.252*]
- **A homebuyer unit must have a ratified sales contract within nine months of construction completion.** The PJ and Subrecipients must either convert the unit to a HOME rental property or repay the full HOME investment. [*§92.254(a)(3)*]



**ALTERNATIVE FORMATS FOR DISABLED  
PERSONS ARE AVAILABLE UPON REQUEST**

- **The Consolidated Appropriations Act of 2019 (PL 116-6) temporarily suspended the Community Development Housing Organization (CHDO) 24-month commitment requirement for set-aside funds to specific projects (Section 231(b)). The suspension applies to 2018-2021 CHDO funds.**
  - **This appropriation act also continues the temporary suspension of the regular HOME funds 24-month commitment requirement to specific projects for 2016-2021 funds. The Consolidated Appropriations Act of 2020 (PL 116-94) added 2022 to the years covered by the suspension.**
  - **Both commitment requirements are suspended through December 31, 2022.**
- **CHDO Fund Set-Aside**
  - **PJs shall reserve not less than fifteen percent (15 percent) of the grant for projects to be developed, sponsored, or owned by community housing development organizations.**
  - **If after 24 months those funds are not committed, PJs may elect to use the funds for any HOME project and are no longer restricted to CHDO projects.**
  - **Uncommitted CHDO set-aside funds at the end of the 24 month period may be reprogrammed to other eligible HOME activities, subject to procedures established by HUD.**
- **The PJ can no longer “reserve” CHDO funds for future projects identified at a later date. [*§92.2 Commitment, §92.300(a)(1)*]**
- **Since FY 2015 appropriations, HOME funds have a period of 9 (nine) fiscal years until expiration. This period is based on 4 (four) fiscal years during which HUD may obligate funds to the PJ (i.e. period of availability in the appropriation act) plus the 5 (five) year expenditure deadline beginning after the last day of the month in which HUD notifies the PJ of HUD’s execution of the HOME Investment Partnership Agreement for a specific fiscal year allocation. Any funds that are not expended before this deadline will be deobligated by HUD. This nine-year period is determined annually by Congress, which generally begins when Congress appropriates the Federal funds to HUD. [*§92.500(d)(1)(A) and (C), and §92.500(d)(2)*]**

## **DISTRIBUTION PLAN**

The state will administer its program through Subrecipients, non-and-for-profits, and CHDOs. The HOME Program funds will be allocated to Subrecipients through a non-competitive set-aside. The non-and-for-profit and CHDO category will be competitive and receives awards based on scoring criteria. If CHDO funds remain, the DCS may open the second round of CHDO applications, at its discretion, accepted from CHDOs only.

Applicants new to the HOME Program are required to partner with an experienced developer, sponsor, or consultant (i.e., someone with completed projects and operating successfully).

A CHDO must have a history of serving the community within which housing to be assisted with HOME funds is to be located. In general, an organization must be able to show one year of serving the community before HOME funds are reserved for the organization and have demonstrated capacity for carrying out housing projects assisted with HOME funds. [§92.2]

**The state may reallocate funds based on high demand, a natural disaster, or other determinations where performance-based measures have not been met. Uncommitted CHDO set-aside funds at the end of the 24 month period may be reprogrammed to other eligible HOME activities, subject to procedures established by HUD.**

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

### **HOME Goals and Eligible Activities**

The HOME Program focuses on 3 (three) major housing needs:

1. Single-family Homeowner Rehabilitation – Community Action Agencies;
2. Rental Production and Rehabilitation – CHDOs and Non-and-For-Profit Developers;
3. Homebuyer Down Payment Assistance – Grand Forks Community Land Trust

Each of these housing needs is considered a high or medium priority need for the use of HOME funds. These needs are addressed and prioritized locally by set-asides, determined by the DCS, to their recipients and Subrecipients. Each Subrecipient delivers the HOME Program in their region, city, or multiple regions. Each year, the state will review the needs and completed goals to determine if goals will be updated based on the new developments that create changing housing needs around the state.

### **HOME Performance Measures**

The state collects performance data on the state's in-house HOME Program data collection system. Recipients and Subrecipients are required to report performance data for all activities.

Performance data reporting consists of entering one of three objectives for the program:

1) Create a Suitable Living Environment; 2) Provide Decent Affordable Housing; and 3) Create Economic Opportunities. In addition, the following appropriate outcomes are also required: Availability/Accessibility, and Affordability, or Sustainability. Based on the objectives and outcomes selected, the system will populate the specific output indicators for each activity. DCS will then enter this information on HUD's Integrated Disbursement and Information System (IDIS).

<b>2020 Summary of Funding ESTIMATE</b>			
2020 HUD Allocation	\$3,000,000.00		
State Program Income	\$ 11,360.00		
Recaptured Funds	\$ 12,940.00		
Prior Years Project Funds Unobligated	\$ 676,885.00		
Total 2020 Allocation	\$3,701,185.00		
Total Available for Project Set-Aside	\$3,401,185.00		
Total Available for Administration Set-Aside (maximum of 10% of HUD allocation)	\$ 300,000.00		
<b>Subrecipients</b>	<b>Project</b>	<b>Administration</b>	<b>Operating</b>
Minot Community Action Partnership (Reg. II)	\$ 140,000.00	\$ 10,000.00	
Dakota Prairie Community Action Agency (Reg. III)	\$ 140,000.00	\$ 10,000.00	
Red River Valley Community Action (Reg. IV)	\$ 140,000.00	\$ 10,000.00	
Southeastern ND Community Action Agency (Reg. V)	\$ 140,000.00	\$ 10,000.00	
Community Action Region VI	\$ 0	\$ 0	
Bismarck Community Action Program (Reg. VII)	\$ 140,000.00	\$ 10,000.00	
Dickinson/Williston Community Action Partnership (Reg. I & VIII)	\$ 140,000.00	\$ 10,000.00	
Grand Forks Community Land Trust	\$ 500,000.00	\$ 0	
Open Funds (Subrecipients, CHDOs, and Non-and-For-Profit Beneficiaries for Rental Development and Rehabilitation)	\$1,611,185.00	\$ 0	
CHDO Reserve (minimum of 15% of HUD allocation)	\$ 450,000.00		\$ 0
State PJ Administration		\$240,000.00	
<b>TOTAL</b>	<b>\$3,401,185.00</b>	<b>\$300,000.00</b>	<b>\$ 0</b>

## SECTION I

### Subrecipients

All recipients are expected to locally meet the HOME Program match requirement of 25 percent (25%) unless specifically waived by the DCS. Existing general waivers include a state policy that homeowner rehabilitation and tenant-based rental assistance (TBRA) activities are excluded from the match requirement. All estimated match must be reported at project application and finalized before final draw.

Only HOME assistance forms listed in Part 92.205(b) will be allowed. Applicants should use private funds, tax credits, Rural Development, Federal Home Loan Bank, Community Development Block Grant, North Dakota Housing Incentive Fund, Department of Energy, Housing Trust Fund, or other grant/loan programs to help leverage HOME activities.

Additional match sources not identified by close-out in IDIS must be reported throughout the period of affordability. **Match source data must be submitted to the DCS no later than July 15<sup>th</sup> of each year.**

#### **Subrecipient Set-Aside**

HOME funds will be set aside for seven community action agencies. These funds will be utilized to complete activities in their jurisdiction that are consistent with the State's Consolidated Plan and identified as priorities for their areas. **The completed HOME Annual Application Plan must be submitted to DCS no later than August 1, 2020.**

#### **Subrecipient Definition**

A Subrecipient is defined as a public agency or non-profit organization selected by the PJ to administer all or some of the PJ's HOME programs to provide homeowner rehabilitation or homebuyer assistance. A public agency or non-profit organization that receives HOME funds solely as a developer or owner of a housing project is not a Subrecipient. The PJ's selection of a Subrecipient is not subject to the procurement procedures and requirements.

#### **Community Action Agency (CAA) Set-Aside**

CAAs can no longer transfer funds from one activity to another (e.g., rehab funds to multi-family project). Funds not used for originally approved purpose must be returned to DCS.

Eligible activities can include all necessary **rehabilitation** required to bring an existing owner-occupied home up to the HOME property standards as defined in 92.251(b) and the North Dakota State Building Code (or locally amended North Dakota State Building Code). All rehab work must meet all applicable state and local code requirements. When rehabilitation is selected as a regional priority, neither the estimated value of the house prior to rehabilitation or the after-rehab value of the housing shall exceed 95 percent of the median purchase price for a single-family residence (single-family residence, condominium unit, cooperative unit, or combination manufactured home and lot) as defined by HUD. Each homeowner will be required to sign a Housing Rehabilitation Program Homeowner Agreement that is determined on the amount of funds provided to the homeowner. In addition, all homeowners must sign the Community

Action Agency’s policy stating the Community Action Agency’s right to walk away from a project. Homeowners must also sign a restrictive land use covenant prior to work beginning or a final LURA at project completion.

**Please note that no choice limiting actions may be taken and no construction activities may begin until the Site Specific Checklist has been completed, and the DCS has issued the Release of Funds.**

The period of affordability is as follows:

<b>HOME Assistance Per Unit</b>	<b>Minimum Period of Affordability</b>
Single-family Homeowner Rehabilitation	5 yrs.

The terms of the agreement for repayment may allow for a pro-rata reduction of the recapture amount in monthly increments. Below is an example of a five-year plan:

Month	Recapture	Month	Recapture	Month	Recapture	Month	Recapture	Month	Recapture	Month	Recapture
1	100%	11	83.3%	21	66.6%	31	50.0%	41	33.3%	51	16.6%
2	98.3%	12	81.6%	22	65.0%	32	48.3%	42	31.6%	52	15.0%
3	96.6%	13	80.0%	23	63.3%	33	46.6%	43	30.0%	53	13.3%
4	95.0%	14	78.3%	24	61.6%	34	45.0%	44	28.3%	54	11.6%
5	93.3%	15	76.6%	25	60.0%	35	43.3%	45	26.6%	55	10.0%
6	91.6%	16	75.0%	26	58.3%	36	41.6%	46	25.0%	56	8.3%
7	90.0%	17	73.3%	27	56.6%	37	40.0%	47	23.3%	57	6.6%
8	88.3%	18	71.6%	28	55.0%	38	38.3%	48	21.6%	58	5.0%
9	86.6%	19	70.0%	29	53.3%	39	36.6%	49	20.0%	59	3.3%
10	85.0%	20	68.3%	30	51.6%	40	35.0%	50	18.3%	60	1.6%

When housing rehabilitation is selected, each CAA must develop Homeowner Rehabilitation Guidelines (HRG). The HRG must be submitted with their application and contain the following:

- a. The criteria used to determine applicant eligibility based on income as defined by either Part5/Section 8 annual income or adjusted gross income as defined for reporting on IRS Form 1040, assets, ownership, occupancy, and location. Any priorities which are used to select households for assistance (e.g., households with income less than 50 percent of median annual income) along with how the income information will be verified;
- b. The types of property or properties eligible for assistance (e.g., single-family unit, condominium unit, mobile home/manufactured home [permanent foundation on private lot], and cooperative unit);
- c. Provide a description of any type of homeowner contribution required (cash, labor, or materials);
- d. A description of how you will inspect for HOME property standards as defined in 92.251(b). Assurance that all work complies with the North Dakota State Building Code (or a locally amended North Dakota State Building Code). Also include how your agency will assure that newly constructed housing meets the current edition of the Model Energy Code, Uniform Building Code, and Uniform Mechanical Code;

- e. Define how you will meet lead-based paint regulations of section §92.355 and 24 CFR Part 35;
- f. Describe the minimum and maximum amount of assistance allowed along with the terms of the assistance. Indicate what will happen if a house cannot be brought up to HOME property standards with the maximum investment;
- g. Describe how you will assure that no more than the necessary amounts of HOME Program funds are invested in any one project (Layering);
- h. Specify the form of financial assistance in which HOME funds are provided (e.g. grant or deferred-payment loan);
- i. Address special requirements for reconstruction or rehabilitation of manufactured housing units as set forth in section §92.251(e);
- j. Describe the process for written construction documents and cost estimates as required by 92.251(b)(2), contractor selection to ensure cost reasonableness, and inspections and approvals of work as required by 92.251(b)(3);
- k. Define the staff, owner, and contractor roles and responsibilities. Include a grievance procedure for applicants and disputes between an owner and a contractor;
- l. Provide a statement that outlines your conflict of interest policy in Section II, HOME Statement of Assurances; and
- m. Describe the homeowner counseling services that are available to each client.

**Grand Forks Community Land Trust (GF CLT) Homebuyer Down Payment Assistance Set-Aside**

- a. Assistance may only be provided to homebuyers whose income (Section 8 definition) does not exceed 80 percent (80%) of the median for the area.
- b. Assisted housing may be either a single-family dwelling, condominium, cooperative unit, or manufactured housing.
- c. The Subrecipient must demonstrate compliance with the DCS homebuyer guidelines and performs sound underwriting of the homebuyer's ability to afford and sustain homeownership.
- d. All homebuyers assisted under the HOME program must receive housing counseling that is performed by a certified housing counselor who has passed the HUD certification examination and is employed by a HUD-approved housing counseling agency prior to receiving homebuyer assistance as required at 24 CFR 254(a)(3).
- e. The DCS will determine which level of environmental review (CEST or CENST) and procedures that will be required for the homebuyer project according to 24 CFR Part 58 definitions and the procedures and in 24 CFR 92.352.

- Homebuyer acquisition providing only down payment are Categorically Excluded

but Not Subject to Other Federal Laws and Authorities (CENST) as long as the project meets one of the following criteria:

- Activities to assist homebuyers to purchase an existing dwelling unit or dwelling units under construction, including closing costs and down payment assistance. \*These units must be constructed or under construction at the time of application.
- The ONLY activities that can be initiated prior to the DCS releasing funds are costs associated with program administration, project delivery cost necessary to determine eligibility and underwrite the household, contracting for preliminary architectural/engineering fees, and costs associated with the environmental review process.
  - For all other activities, Subrecipients cannot obligate or incur costs or draw down funds until the environmental review requirements are satisfied, and the DCS has released funds to the project.
- f. If only acquisition assistance (downpayment assistance) is provided, the property must meet the Uniform Physical Condition Standards (UPCS) and all applicable State and local housing quality standards, habitability standards, and code requirements at the time of initial occupancy as required at 92.251(c)(3).
- g. If the project includes acquisition assistance and rehabilitation, the property must be free from health or safety hazards before occupancy and within six months of the transfer of ownership and meet all applicable State and local housing quality standards and code requirements. The housing must not contain the specific deficiencies proscribed by HUD based on the applicable inspectable items and inspected areas in HUD-prescribed physical inspection procedures (UPCS) issued pursuant to 24 CFR 5.705.
- h. The housing must comply with HUD's Lead Safe Housing Regulations. All lead-based paint hazards must be identified and subsequently addressed (reduced) per the regulations of section §92.355 and 24 CFR Part 35.
- i. The GF CLT must inspect the housing and document this compliance based upon an inspection that is conducted no earlier than 90 days before the commitment of HOME assistance. If the housing does not meet these standards, the housing must be rehabilitated to meet these standards, or it cannot be acquired with HOME funds. New construction must conform to all local building code requirements.
- j. A certified appraisal is required **prior to acquisition** to determine the initial purchase price. Neither the purchase price nor the appraised value of a HOME assisted property may exceed 95 percent of the area median sales price, as determined by HUD for the county where the home is located.
- k. The minimum HOME assistance is \$1,000 per unit.
- l. Property must be occupied as a principal residence by the homebuyer and subsequent



low-income buyers throughout the Affordability Period. 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.

- m. 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.

### **Recapture Requirements for Homebuyer Downpayment Assistance**

DCS will impose the recapture provisions for all homebuyer assistance that will include a direct subsidy to an eligible homebuyer. In order to ensure the period of affordability, any of the entities who have elected to provide homebuyer assistance are required to specify their recapture provisions. The recapture provisions will be included in their written agreement with the DCS.

### **Required Recapture Provisions**

Recapture provisions must ensure that the PJ recoups all or a portion of the HOME assistance to the homebuyers if the housing is no longer the principal residence of the family during the period of affordability (see Period of Affordability Table). The HOME investment subject to recapture is based on the amount of HOME assistance that enabled the homebuyer to buy the dwelling unit. This includes any HOME assistance that reduced the purchase price from fair market value to an affordable price (direct subsidy) but excludes the amount between the cost of producing the unit and the market value of the property (i.e., the development subsidy). The direct subsidy may include down payment assistance, closing costs, or any other HOME assistance provided directly or indirectly to the homebuyer to enable the homebuyer to purchase the home. The period of affordability is based upon the total amount of initial HOME funds subject to recapture.

The recapture provisions must be assured so that the unit remains affordable through deed restrictions, covenants attached to the land, mortgages, or other similar mechanisms. The DCS and GF CLT will execute an agreement with each homebuyer to specify the affordability requirements to enable DCS to retain the authority to enforce them.

- Should the homeowner be noncompliant and fail to occupy the home as principal residence during the Affordability Period **but refuses to resell the home to a subsequent low-income homebuyer**, the GF CLT must deem the homeowner non-compliant and **enforce full repayment** of the original amount of the buyer subsidy covered by the recapture provisions.
- Should the homeowner be noncompliant and fail to occupy the home as principal residence during the Affordability Period, **and the home is resold to a subsequent low-income homebuyer**, the GF CLT must enforce the recapture provisions and recoup a prorated amount owed back.
  - The GF CLT must bring the unit into compliance and enforce the HOME written agreement for the remainder of the Affordability Period for re-occupancy with a

subsequent low-income homebuyer.

- Repayment of the HOME loan does not terminate the affordability period. The subsequent low-income homebuyer may assume the remainder of the POA in effect and the principal residency requirement, as initially determined by the DCS based on the amount of HOME investment in the unit.
- The GF CLT will follow the recapture option in 24 CFR 92.254(a)(5)(ii)(A)(2) which allows for recapturing a reduced amount during the affordability period. The GF CLT will require the minimum affordability period based on the amount of the direct home subsidy. Beginning in year one, the recapturable amount of the HOME investment will be reduced on a pro-rata basis, as long as the homeowner continues to own and occupy the unit. (For instance, if the affordability period is ten years and the owner occupies the unit for six years, then 6/10ths (60%) of the recapture amount will be forgiven, and 40% of the direct home subsidy amount will be recaptured.)
- If the net proceeds (sale price minus loan repayment, other than HOME funds, and seller's closing costs) are not sufficient to recapture the HOME investment and enable the homeowner to recover the amount of the homeowner's investment (the amount of their down payment), the HOME recapture amount will be set as follows:

$$\frac{\text{HOME Investment}}{\text{HOME Investment} + \text{Homeowner Investment}} \times \text{Net Proceeds} = \text{HOME Recapture Amount}$$

$$\frac{\text{Homeowner Investment}}{\text{HOME Investment} + \text{Homeowner Investment}} \times \text{Net Proceeds} = \text{Amount to Homeowner}$$

- Should the homeowner remain in the unit but elects to pay off the outstanding balance of the HOME loan, the owner is still subject to principal residence for the remainder of the Affordability Period.
- Should the homeowner default and the lender foreclose, the requirements of the GF CLT is dependent upon the Affordability Period surviving the foreclosure or not, when determining how to proceed with compliance of the recapture and resale provisions. The GF CLT must work with the DCS if such circumstances arise.

The GF CLT may also adopt recapture provisions that differ from the model provisions in the HOME regulations. The particular recapture provision adopted (whether one of the models or an alternate approach) requires specific approval by DCS and HUD.

### **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:

<b>HOME Assistance to the Buyer</b>	<b>Minimum Period of Affordability</b>
-------------------------------------	--

Less than \$15,000	5 yrs.
\$15,000 - \$40,000	10 yrs.
More than \$40,000	15 yrs.

### **Administration**

The State (as the PJ) and Subrecipients are allowed to receive HOME money for administrative expenses. These costs may not exceed ten percent of the entire HOME allocation for North Dakota.

### **Recaptured Funds**

The recaptured funds must be returned to DCS to be used to carry out HOME-eligible activities.

### **Open Funds**

Unobligated performance funds may be reallocated to other Subrecipients that can demonstrate: 1) all prior year awards are fully committed; 2) an unmet need in their service region; 3) are ready to proceed; and 4) have the capacity to spend the funds in a timely manner.

Subrecipients that have expended and drawn down 75% of their 2020 grant award may be eligible for additional Open Funds. **These agencies may submit a Request for Amendment to their existing grant award, after January 2, 2021.**

### **CHDO and Non-and-For-Profit Developers**

All CHDO and non-and-for-profit beneficiaries are expected to locally meet the HOME Program match requirement of 25 percent, unless specifically waived by the DCS. Existing general waivers include a state policy that homeowner rehabilitation activities are excluded from the match requirement.

Only the forms of HOME assistance listed in Part 92.205(b) are allowed. Applicants should also use private funds, tax credits, Rural Development, Federal Home Loan Bank, CDBG, North Dakota Housing Incentive Fund, Department of Energy, Housing Trust Fund or other grant/loan programs to help leverage HOME activities.

**Submission of the HOME Rental Development and Rehabilitation Applications are due by September 1, 2020.** The approval of applications for CHDOs and non-and-for-profit developers will be a competitive process. If CHDO reserve funds remain, the DCS may at its discretion, open a second competitive round of applications to be accepted from CHDOs only.

**The second round of CHDO applications may open on January 15, 2021 and are due to the DCS by February 15, 2021. The HOME Rental Development and Rehabilitation Application can be found at:**

<http://www.communityservices.nd.gov/uploads/9/HOMERentalApplicationwithProformawithDCR.xls>

The HOME Program Underwriting Standards can be found at:  
<http://www.communityservices.nd.gov/uploads/9/HomeUnderwriting.pdf>

The HOME Rental Development and Rehabilitation Application must be submitted with attachments that include the following:

- a. Compliance with Section II HOME Statement of Assurances;
- b. Supporting documentation for Section III Scoring Criteria;
- c. Address special requirements for new construction, reconstruction or rehabilitation and how you will inspect for HOME property standards as defined in 92.251(a)(b)(c)(f). Assurance that all work complies with the North Dakota State Building Code (or a locally amended North Dakota State Building Code). Also include how your agency will assure that newly constructed housing meets the current edition of the Model Energy Code, Uniform Building Code, and Uniform Mechanical Code;
- d. Describe how you will assure that no more than the necessary amounts of HOME Program funds are invested in the project (Layering) as set forth in section §92.250;
- e. Provide evidence of the amount and form of matching contribution as set forth in section §92.220;
- f. Describe the process for written construction documents and cost estimates, contractor selection to ensure cost reasonableness, and inspections and approvals of work as required by 92.251;
- g. The criteria used to determine that the HOME-assisted units are occupied by households that are eligible as low-income families and meet the requirements of 92.252 to qualify as affordable housing; and
- h. All other requested appendices and documentation not listed herein.

## **Owner**

Rental housing is considered “owned” if the housing organization is the owner in fee simple absolute of multifamily, or single-family housing (or has a long-term ground lease) for rental to low-income families in accordance with §92.252. If the housing is to be rehabilitated or constructed, the housing organization must prove internal capacity, or hire and oversee the developer that rehabilitates or constructs the housing. At minimum, the housing organization must hire or contract with an experienced project manager to oversee all aspects of the development, including: 1) obtaining zoning, 2) securing non-HOME financing, 3) selecting a developer or general contractor, 4) overseeing the progress of the work, and 5) determining reasonable costs. The housing organization must own the rental housing during development and for a period at least equal to the period of affordability in §92.252. If the housing organization acquires housing that meets the property standards in §92.251, the organization must own the rental housing for a period at least equal to the period of affordability in §92.252.

## **Developer**

Rental housing is “developed” by a housing organization if: 1) the housing development organization is the owner of multifamily or single family housing in fee simple absolute (or has a long term ground lease) and 2) the housing developer of new housing that will be constructed, or existing substandard housing that will be rehabilitated for rent to low-income families in accordance with §92.252. To be the “housing developer,” the housing organization must be in sole charge of all aspects of the development process, including obtaining zoning, securing non-HOME financing, selecting architects, engineers, and general contractors, overseeing progress of the work, and determining reasonable costs. At a minimum, the housing development organization must own the housing during development, and for a period at least equal to the period of affordability in §92.252.

## **Sponsor (CHDO only)**

Rental housing is “sponsored” by a CHDO if the CHDO “developed” the rental housing project and agrees to convey details of the project to an identified, private nonprofit organization at a predetermined time after completion of the development of the project. Sponsored rental housing is subject to the following requirements:

- The private non-profit organization may not be created by a governmental entity;
- The HOME funds must be provided to the entity that owns the project;
- The HOME funds must be invested in the project that is owned by the CHDO;
- Before commitment of HOME funds, the CHDO sponsor must select the private non-profit organization that will obtain ownership of the property;
- The private non-profit organization assumes the CHDO’s HOME obligations (including any repayment of loans) for the rental project at a specified time after completion of development; and
- If the housing is not transferred to the private non-profit organization, the CHDO organization sponsor remains responsible for the HOME assistance and the HOME project.

## **Community Housing Development Organization (CHDO)**

Eligible applicants include community-based non-profit 501(c)(3), 501(c)(4), or 905 (subordinate organization of a 501(c) organization) organizations with the mission statement that identifies decent, affordable housing to low and moderate-income persons.

**The DCS will certify non-profit organizations that meet defined criteria as CHDOs in the HOME Investment Partnerships Program Final Rule Subpart A, §92.2. The fiscal year CHDO Certification applications are due to the DCS by June 15<sup>th</sup> of each year or with submission of a HOME Rental Development Application, whichever occurs first.**

In addition, these organizations must meet and satisfactorily demonstrate the prescribed requirements. DCS will be using the HUD guidance on CHDO qualifications. CHDO’s are also eligible to participate in non-CHDO housing activities. **CHDOs must demonstrate to the DCS**

**that their certification status is maintained during each year of the period of affordability (POA) of a rental development project.**

**Up to ten percent (10%) of the CHDO set-aside may be used for pre-development loans to assist specific projects at the discretion of DCS.** Per 92.301 these loans can be used for technical assistance and site control, and seed money loans. The CHDO must repay the loan to the PJ from construction loan proceeds or other project income, or the loan may be combined with the subsequent CHDO project funding. The PJ may waive repayment of the loan, in part or in whole, if there are impediments to project development that the PJ determines are reasonably beyond the control of the borrower. Pre-development loan repayments must be sent to the DCS. The repaid funds will be added to the next FY allocation.

**CHDO Definition** - A non-profit organization that:

- (1) Is organized under state or local laws;
- (2) Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;
- (3) Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization. A CHDO may be sponsored or created by a for-profit entity, but:
  - (i) The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, developer, or real estate management firm;
  - (ii) The for-profit entity may not have the right to appoint more than one-third of the membership of the organization's governing body. Board members appointed by the for-profit entity may not appoint the remaining two-thirds of the board members;
  - (iii) The CHDO must be free to contract for goods and services from vendors of its own choosing; and
  - (iv) The officers and employees of the for-profit entity may not be officers or employees of the CHDO.
- (4) Has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 (26 CFR 1.501(c)(3)-1 or 1.501(c)(4)-1), is classified as a subordinate of a central organization non-profit under section 905 of the Internal Revenue Code of 1986, or if the private non-profit organization is a wholly owned entity that is disregarded as an entity separate from its owner for tax purposes (e.g., a single member limited liability company that is wholly owned by an organization that qualifies as tax-exempt), the owner organization has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 and meets the definition of "CHDO;"

- (5) Is not a governmental entity (including the PJ, other jurisdiction, Indian tribe, public housing authority, Indian housing authority, housing finance agency, or redevelopment authority) and is not controlled by a governmental entity. An organization that is created by a governmental entity may qualify as a CHDO; however, the governmental entity may not have the right to appoint more than one-third of the membership of the organization's governing body and no more than one-third of the board members may be public officials or employees of governmental entity. Board members appointed by a governmental entity may not appoint the remaining two-thirds of the board members. The officers or employees of a governmental entity may not be officers or employees of a CHDO;
- (6) Has standards of financial accountability that conform to 24 CFR 84.21, "Standards for Financial Management Systems;"
- (7) Has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions or by-laws;
- (8) Maintains accountability to low-income community residents by:
  - (i) Maintaining at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representative of low-income neighborhood organizations. For urban areas, "community" may be a neighborhood or neighborhoods, city, county or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, town, village, county, or multi-county area (but not the entire state); and
  - (ii) Providing a formal process for low-income program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of affordable housing;
- (9) Has a demonstrated capacity for carrying out housing projects assisted with HOME funds. A designated organization undertaking development activities as a developer or sponsor must satisfy this requirement by having paid employees with housing development experience, who will work on projects assisted with HOME funds. For its first year of funding as a CHDO, an organization may satisfy this requirement through a contract with a consultant who has housing development experience to train appropriate key staff of the organization. An organization that will own housing must demonstrate capacity to act as owner of a project and meet the requirements of §92.300(a)(2). A non-profit organization does not meet the test of demonstrated capacity based on any person who is a volunteer or whose services are donated by another organization; and
- (10) Has a history of serving the community within which housing to be assisted with HOME funds is to be located. In general, an organization must be able to show one year of serving the community before HOME funds are reserved for the organization. However, a newly created organization formed by local churches, service organizations or neighborhood organizations may meet this requirement by demonstrating that its parent organization has at least one year of serving the community.

## **Non-and-For-Profit Developers**

**Note:** Non-and-for-profits are not required to be designated CHDOs to apply for DCS HOME Program funding, but funding for such projects will not be toward meeting the CHDO set-aside requirement.

Non-and-for-profits can participate in the HOME Program as owners or developers of multi-family housing. The non-and-for-profit must not be disqualified from any program administered by DCS or under debarment, proposed debarment or suspension by a federal agency.

The non-and-for-profit must be able to demonstrate technical expertise of staff and other project partners in housing production and management and meet the following criteria:

- The non-and-for-profit has successfully administered (this means following all the cross-cutting requirements, such as: Davis Bacon, Section 3, and Contract Compliance) at least one (1) HOME, CDBG, or NSP funded development of similar nature and scope;

**or**

- Has a proven track record in affordable housing development and project management for a minimum period of five (5) years prior to the application submission date; and
- Documented capacity to carry out the long-term rental compliance responsibilities associated with the development through the period of affordability.



## Section II

### HOME Statement of Assurances

#### Other Federal requirements and nondiscrimination

- (a) The Federal requirements set forth in 24 CFR part 5, subpart A, are applicable to participants in the HOME program. The requirements of this subpart nondiscrimination and equal opportunity; disclosure requirements; debarred, suspended or ineligible contractors; and drug-free workplace.
- (b) The nondiscrimination requirements at section 282 of the Act are applicable. These requirements are waived in connection with the use of HOME funds on lands set aside under the Hawaiian Homes Commission Act, 1920 (42 Stat. 108).
- (c) The Violence Against Women Act (VAWA) requirements set forth in 24 CFR part 5, subpart L, apply to all HOME tenant-based rental assistance and rental housing assisted with HOME funds as applied by 24 CFR 92.359. The core statutory protections of VAWA that prohibit denial or termination of assistance or eviction solely because an applicant or tenant is a victim of domestic violence, dating violence, sexual assault, or stalking became applicable upon enactment of VAWA. Compliance with VAWA regulatory requirements applied by 24 CFR 92.359 and 24 CFR part 5, subpart L, are required for any tenant-based rental assistance or rental housing project. The PJ and Subrecipient further acknowledges that, despite its name, VAWA provisions apply without regard to an individual's sex, gender identity, or sexual orientation.
- (d) Consultant Activities. No person providing consultant services in an employer-employee type relationship shall receive more than a reasonable rate of compensation for personal services paid with HOME funds. In no event, however, shall such compensation exceed the limits in effect under the provisions of any applicable statute (e.g., annual HUD appropriations acts which have set the limit at the equivalent of the daily rate paid for Level IV of the Executive Schedule, see the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, Pub. L. 104-204 (September 26, 1996)). Such services shall be evidenced by written agreements between the parties which detail the responsibilities, standards, and compensation. Consultant services provided under an independent contractor relationship are not subject to the compensation limitation of Level IV of the Executive Schedule.

#### Affirmative Marketing; Minority Outreach Program

- (a) *Affirmative marketing.*
  - 1. Each PJ must adopt and follow affirmative marketing procedures and requirements for rental and homebuyer projects containing five or more HOME-assisted housing units. Affirmative marketing requirements and procedures also apply to all HOME-funded programs, including, but not limited to, TBRA and downpayment assistance programs. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status, or disability. If PJ's written agreement with the project owner permits the rental housing project to limit

tenant eligibility or to have a tenant preference in accordance with §92.253(d)(3), the PJ must have affirmative marketing procedures and requirements that apply in the context of the limited/preferred tenant eligibility for the project.

2. The affirmative marketing requirements and procedures adopted must include:
  - a) Methods for informing the public, owners, and potential tenants about Federal fair housing laws and the PJ's affirmative marketing policy (e.g., the use of the Equal Housing Opportunity logotype or slogan in press releases and solicitations for owners, and written communication to fair housing and other groups);
  - b) Requirements and practices each Subrecipient and owner must adhere to in order to carry out the PJ's affirmative marketing procedures and requirements (e.g., use of commercial media, use of community contacts, use of the Equal Housing Opportunity logotype or slogan, and display of fair housing poster);
  - c) Procedures to be used by Subrecipients and owners to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing program or the housing without special outreach (e.g., through the use of community organizations, places of worship, employment centers, fair housing groups, or housing counseling agencies);
  - d) Records that will be kept describing actions taken by the PJ and by Subrecipients and owners to affirmatively market the program and units and records to assess the results of these actions; and
  - e) A description of how the PJ will annually assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.
3. A State that distributes HOME funds to units of general local government must require each unit of general local government to adopt affirmative marketing procedures and requirements that meet the requirement in paragraphs (a) and (b) of this section.

(b) *Minority outreach.* A PJ must prescribe procedures acceptable to HUD to establish and oversee a minority outreach program within its jurisdiction to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, under-writers, accountants, and providers of legal services, in all contracts entered into by the participating jurisdiction with such persons or entities, public and private, in order to facilitate the activities of the PJ to provide affordable housing authorized under this Act or any other Federal housing law applicable to such jurisdiction. Section 85.36(e) of this title describes actions to be taken by a PJ to assure that minority business enterprises and women business enterprises are used when possible in the procurement of property and services.

### **Affirmative Marketing Guidance**

The DCS will take the following actions to provide information to attract eligible persons from all racial, ethnic, and gender groups in the housing market area that is assisted by HOME funding.

All correspondence, notices and advertisements related to the HOME Program, must contain the Equal Housing Opportunity logo or slogan.

Participants in the HOME Program will be required to use affirmative fair housing marketing practices in soliciting renters or buyers, determining their eligibility, and concluding all transactions. Any HOME-assisted housing must comply with the following procedures for the required compliance period, depending on the program used:

- (a) Owners advertising vacant units must include the equal housing opportunity logo and/or slogan. Wherever a phone number is provided, there must also be a TDD/TTY phone number, or equivalent, provided. The Relay North Dakota TDD number is 800-366-6888, Voice Users 1-800-366-6889, and Spanish Users 1-800-435-8590. This service is free of charge. Recently the number “711” has been approved by the FCC for use in contacting the relay service. This number works for both TTY and voice telephones and while it is applicable in most states, you are still required to list the “800” numbers presented above. Advertising media may include newspapers, radio, televisions, brochures, leaflets, or a sign in a window. In addition, owners will be required to have written communication to Fair Housing organizations.
- (b) The owner will be required to solicit applications for vacant units from persons in the housing market who are least likely to apply for the HOME-assisted housing without the benefit of special outreach efforts. In general, persons who are not of the race or ethnicity of the residents of the neighborhood in which the rehabilitated building is located shall be considered those least likely to apply. Special outreach efforts will include contacts with CAAs, human service centers and county social service offices.
- (c) The owner must maintain a file containing all marketing efforts (e.g., copies of newspaper ads, memos of phone calls, copies of letters, etc.) and the records to assess the results of these actions are to be available for inspection by the DCS.
- (d) The owner shall maintain a listing of all tenants residing in each unit from the time of application through the end of the compliance period.

The DCS will assess the affirmative marketing efforts of the owner by comparing predetermined occupancy goals (based upon the area from which potential tenants will come) to actual occupancy data that the owner is required to maintain. The owner's outreach efforts will also be evaluated by reviewing marketing efforts. The DCS will assess these efforts by use of a compliance certification or a personal monitoring visit to the project at least annually.

Where an owner fails to follow the affirmative marketing requirements, corrective actions shall include extensive outreach efforts to appropriate contacts to achieve the occupancy goals or other sanctions that the DCS may deem necessary. In addition, owners will be counseled as to affirmative marketing requests. In the event they continue to be in non-compliance, they may not be allowed to receive future HOME funds.

All units of local government that receive HOME funds must submit affirmative marketing procedures they have adopted to the DCS.

## Environmental Review

(a) *General.* The environmental effects of each activity carried out with HOME funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321) and the related authorities listed in HUD's implementing regulations at 24 CFR parts 50 and 58. The applicability of the provisions of 24 CFR part 50 or part 58 is based on the HOME project (new construction, rehabilitation, acquisition) or activity (TBRA) as a whole, not on the type of the cost paid with HOME funds.

(b) *Responsibility for review.*

1. The jurisdiction (e.g., the PJ or State recipient) or insular area must assume responsibility for environmental review, decision making, and action for each activity that it carries out with HOME funds, in accordance with the requirements imposed on a recipient under 24 CFR part 58. No funds may be committed to a HOME activity or project before the completion of the environmental review and approval of the request for release of funds and related certification, except as authorized by 24 CFR part 58.
  2. A State PJ must also assume responsibility for approval of requests for release of HOME funds submitted by State recipients.
  3. HUD will perform the environmental review, in accordance with 24 CFR part 50, for a competitively awarded application for HOME funds submitted to HUD by an entity that is not a jurisdiction.
- **Completion of the environmental review process is MANDATORY before taking ANY action on a specific site or making a commitment or expenditure of HUD or any other non-HUD project funds for property acquisition or transfer, rehabilitation, conversion, lease, repair, inhabiting a property or construction activities. 24 CFR Part 58.22 describes limitations on activities pending clearance as (a) neither a Subrecipient nor any participant in the development process, including public or private non-profit or for-profit entities, or any of their contractors, may commit HUD or non-HUD assistance under a program listed in 58.1(b) on an activity or project until HUD has approved the Subrecipient's Request Release of Funds (RROF) and the DCS has issued the certification to use HOME funds to the Subrecipient. This certification will come in a letter through email addressed to the Subrecipient's contact person. If a violation occurs resulting in adverse environmental impact or limiting the choice of reasonable alternatives during this vital step in the NEPA process, funds will not be able to be utilized for the site that violated NEPA.**
  - **NOTE: A choice limiting action is ANY action done prior to the certification being issued by the DCS. This is not an all-inclusive list of choice limiting actions: acquisition, purchase, moving tenants or homebuyers into property, rehabilitation, groundwork, lease, repair, demolition, landscaping, etc. The Subrecipient is to use "due diligence" that a violation does not occur during this step of the NEPA process or the funds will be lost to the project site.**

- The ONLY activities that can be initiated prior to the DCS releasing funds are costs associated with program administration, project delivery cost necessary to determine eligibility and underwrite the household, contracting for preliminary architectural/engineering fees, and costs associated with the environmental review process. Keep in mind, even these exempt costs can only occur after the effective date of the contract. No costs incurred or obligated prior to the contract effective date are allowable HOME costs and could result in the loss of the Subrecipient's HOME award. When a Subrecipient spends money on these exempt costs, they are taking a financial risk because if the environmental review concludes that a site is not eligible, the Subrecipient will not be reimbursed for those costs spent.
- **For all other activities, Subrecipients cannot obligate or incur costs or draw down funds until the environmental review requirements are satisfied, and the DCS has released funds to the project.**
- Each HOME activity or project must have a written record of the environmental review process that documents the steps taken for the project that completed the NEPA process according to rules and authorities. **This is the Environmental Review Record (ERR), which must be available for public review.**

### **Displacement, Relocation, and Acquisition**

- (a) *Minimizing displacement.* Consistent with the other goals and objectives of this part, the PJ must ensure that it has taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of a project assisted with HOME funds. To the extent feasible, residential tenants must be provided a reasonable opportunity to lease and occupy a suitable, decent, safe, sanitary, and affordable dwelling unit in the building/complex upon completion of the project.
- (b) *Temporary relocation.* The following policies cover residential tenants who will not be required to move permanently but who must relocate temporarily for the project. Such tenants must be provided:
1. Reimbursement for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporarily occupied housing and any increase in monthly rent/utility costs.
  2. Appropriate advisory services, including reasonable advance written notice of:
    - a) The date and approximate duration of the temporary relocation;
    - b) The location of the suitable, decent, safe, and sanitary dwelling to be made available for the temporary period;
    - c) The terms and conditions under which the tenant may lease and occupy a suitable, decent, safe, and sanitary dwelling in the building/complex upon completion of the project; and
    - d) The provisions of paragraph (b)(1) of this section.

(c) *Relocation assistance for displaced persons—*

1. *General.* A displaced person (defined in paragraph (c)(2) of this section) must be provided relocation assistance at the levels described in, and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4201-4655) and 49 CFR part 24. A “displaced person” must be advised of his or her rights under the Fair Housing Act and, if the comparable replacement dwelling used to establish the amount of the replacement housing payment to be provided to a minority person is located in an area of minority concentration, the minority person also must be given, if possible, referrals to comparable and suitable, decent, safe, and sanitary replacement dwellings not located in such areas.

2. *Displaced Person.*

For purposes of paragraph (c) of this section, the term *displaced person* means a person (family individual, business, nonprofit organization, or farm, including any corporation, partnership or association) that moves from real property or moves personal property from real property, permanently, as a direct result of acquisition, rehabilitation, or demolition for a project assisted with HOME funds. This includes any permanent, involuntary move for an assisted project, including any permanent move from the real property that is made:

- a) After notice by the owner to move permanently from the property, if the move occurs on or after:
  - 1) The date of the submission of an application to the PJ or HUD, if the applicant has site control and the application is later approved; or
  - 2) The date the jurisdiction approves the applicable site, if the applicant does not have site control at the time of the application; or
- b) Before the date described in paragraph (c)(2)(a) of this section, if the jurisdiction or HUD determines that the displacement resulted directly from acquisition, rehabilitation, or demolition for the project; or
- c) By a tenant-occupant of a dwelling unit, if any one of the following three situations occurs:
  - 1) The tenant moves after execution of the agreement covering the acquisition, rehabilitation, or demolition and the move occurs before the tenant is provided written notice offering the tenant the opportunity to lease and occupy a suitable, decent, safe, and sanitary dwelling in the same building/complex upon completion of the project under reasonable terms and conditions. Such reasonable terms and conditions must include a term of at least one year at a monthly rent and estimated average monthly utility costs that do not exceed the greater of:
    - (i) The tenant's monthly rent before such agreement and estimated average monthly utility costs; or

(ii) The total tenant payment, as determined under 24 CFR 5.628, if the tenant is low-income, or 30 percent of gross household income, if the tenant is not low-income;

2) The tenant is required to relocate temporarily, does not return to the building/complex, and either:

(i) The tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation; or

(ii) Other conditions of the temporary relocation are not reasonable; or

3) The tenant is required to move to another dwelling unit in the same building/complex but is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move, or other conditions of the move are not reasonable.

(i) Notwithstanding paragraph (c)(2) of this section, a person does not qualify as a *displaced person* if:

- The person has been evicted for cause based upon a serious or repeated violation of the terms and conditions of the lease or occupancy agreement, violation of applicable federal, State or local law, or other good cause, and the PJ determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance. The effective date of any termination or refusal to renew must be preceded by at least 30 days advance written notice to the tenant specifying the grounds for the action.
- The person moved into the property after the submission of the application but, before signing a lease and commencing occupancy, was provided written notice of the project, its possible impact on the person (e.g., the person may be displaced, temporarily relocated, incur a rent increase), and the fact that the person would not qualify as a “displaced person” (or for any assistance under this section) as a result of the project;
- The person is ineligible under 49 CFR 24.2(g)(2); or
- HUD determines that the person was not displaced as a direct result of acquisition, rehabilitation, or demolition for the project.

(ii) The jurisdiction may, at any time, ask HUD to determine whether a displacement is or would be covered by this rule.

(d) *Initiation of negotiations.* For purposes of determining the formula for computing replacement housing assistance to be provided under paragraph (c) of this section to a tenant displaced from a dwelling as a direct result of private-owner rehabilitation, demolition or

acquisition of the real property, the term *initiation of negotiations* means the execution of the agreement covering the acquisition, rehabilitation, or demolition.

- (e) *Optional relocation assistance.* The PJ may provide relocation payments and other relocation assistance to families, individuals, businesses, nonprofit organizations, and farms displaced by a project assisted with HOME funds where the displacement is not subject to paragraph (c) of this section. The jurisdiction may also provide relocation assistance to persons covered under paragraph (c) of this section beyond that required. For any such assistance that is not required by State or local law, the jurisdiction must adopt a written policy available to the public that describes the optional relocation assistance that it has elected to furnish and provides for equal relocation assistance within each class of displaced persons.
- (f) *Residential antidisplacement and relocation assistance plan.* The PJ shall comply with the requirements of 24 CFR part 42, subpart C.
- (g) *Real property acquisition requirements.* The acquisition of real property for a project is subject to the URA and the requirements of 49 CFR part 24, subpart B.
- (h) *Appeals.* A person who disagrees with the PJ's determination concerning whether the person qualifies as a displaced person, or the amount of relocation assistance for which the person may be eligible, may file a written appeal of that determination with the jurisdiction. A low-income person who is dissatisfied with the jurisdiction's determination on his or her appeal may submit a written request for review of that determination to the HUD Field Office.

## **Labor**

- (a) General.
  - 1. Every contract for the construction (rehabilitation or new construction) of housing that includes 12 or more units assisted with HOME funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 3141), to all laborers and mechanics employed in the development of any part of the housing. Such contracts must also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701).
  - 2. The contract for construction must contain these wage provisions if HOME funds are used for any project costs in §92.206, including construction or nonconstruction costs, of housing with 12 or more HOME-assisted units. When HOME funds are only used to assist homebuyers to acquire single-family housing, and not for any other project costs, the wage provisions apply to the construction of the housing if there is a written agreement with the owner or developer of the housing that HOME funds will be used to assist homebuyers to buy the housing and the construction contract covers 12 or more housing units to be purchased with HOME assistance. The wage provisions apply to any construction contract that includes a total of 12 or more HOME-assisted units, whether one or more than one project is covered by the construction contract. Once they are determined to be applicable, the wage provisions must be contained in the construction contract so as to cover all laborers and mechanics employed in the development of the



entire project, including portions other than the assisted units. Arranging multiple construction contracts within a single project for the purpose of avoiding the wage provisions is not permitted.

3. PJs, contractors, subcontractors, and other participants must comply with regulations issued under these acts and with other Federal laws and regulations pertaining to labor standards, as applicable. PJs shall be responsible for ensuring compliance by contractors and subcontractors with labor standards described in this section. In accordance with procedures specified by HUD, PJ shall:

- 1) Ensure that bid and contract documents contain required labor standards provisions and the appropriate Department of Labor wage determinations;
- 2) Conduct on-site inspections and employee interviews;
- 3) Collect and review certified weekly payroll reports;
- 4) Correct all labor standards violations promptly;
- 5) Maintain documentation of administrative and enforcement activities; and
- 6) Require certification as to compliance with the provisions of this section before making any payment under such contracts.

(b) *Volunteers.* The prevailing wage provisions of paragraph (a) of this section do not apply to an individual who receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered and who is not otherwise employed at any time in the construction work. See 24 CFR part 70.

(c) *Sweat equity.* The prevailing wage provisions of paragraph (a) of this section do not apply to members of an eligible family who provide labor in exchange for acquisition of a property for homeownership or provide labor in lieu of, or as a supplement to, rent payments.

### **Lead-Based Paint**

Housing assisted with HOME funds is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, J, K, M and R of this title.

### **Conflict of Interest**

(a) *Applicability.* In the procurement of property and services by PJ, State recipients, and Subrecipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, apply. In all cases not governed by 24 CFR 85.36 and 24 CFR 84.42, the provisions of this section apply.

(b) *Conflicts prohibited.* No persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities may obtain a financial interest or financial

benefit from a HOME-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to the HOME-assisted activity, or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. Immediate family ties include (whether by blood, marriage or adoption) the spouse, parent (including a stepparent), child (including a stepchild), brother, sister (including a stepbrother or stepsister), grandparent, grandchild, and in-laws of a covered person.

(c) *Persons covered.* The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the PA, State recipient, or Subrecipient which are receiving HOME funds.

(d) *Exceptions: Threshold requirements.* Upon the written request of the PJ, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME Investment Partnerships Program and the effective and efficient administration of the PJ's program or project. An exception may be considered only after the PJ has provided the following:

1. A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
2. An opinion of the PJ's or State recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(e) *Factors to be considered for exceptions.* In determining whether to grant a requested exception after the PJ has satisfactorily met the requirements of paragraph (d) of this section, HUD will consider the cumulative effect of the following factors, where applicable:

1. Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;
2. Whether the person affected is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
3. Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question;
4. Whether the interest or benefit was present before the affected person was in a position as described in paragraph (c) of this section;
5. Whether undue hardship will result either to the PJ or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and
6. Any other relevant considerations.

(f) *Owners and developers.*

1. No owner, developer, or sponsor of a project assisted with HOME funds (or officer, employee, agent, elected or appointed official, or consultant of the owner, developer, or sponsor or immediate family member or immediate family member of an officer, employee, agent, elected or appointed official, or consultant of the owner, developer, or sponsor) whether private, for-profit or nonprofit (including a CHDO when acting as an owner, developer, or sponsor) may occupy a HOME-assisted affordable housing unit in a project during the required period of affordability specified in §92.252(e) or §92.254(a)(4). This provision does not apply to an individual who receives HOME funds to acquire or rehabilitate his or her principal residence or to an employee or agent of the owner or developer of a rental housing project who occupies a housing unit as the project manager or maintenance worker.
2. *Exceptions.* Upon written request of a housing owner or developer, the PJ (or State recipient, if authorized by the state PJ may grant an exception to the provisions of paragraph (f)(1) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME program and the effective and efficient administration of the owner's or developer's HOME-assisted project. In determining whether to grant a requested exception, the PJ shall consider the following factors:
  - (1) Whether the person receiving the benefit is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted housing, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
  - (2) Whether the person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted housing in question;
  - (3) Whether the tenant protection requirements of §92.253 are being observed;
  - (4) Whether the affirmative marketing requirements of §92.351 are being observed and followed; and
  - (5) Any other factor relevant to the PJ's determination, including the timing of the requested exception.

**Executive Order 12372**

- (a) *General.* Executive Order 12372, as amended by Executive Order 12416 (3 CFR, 1982 Comp., p. 197 and 3 CFR, 1983 Comp., p. 186) (Intergovernmental Review of Federal Programs) and HUD's implementing regulations at 24 CFR part 52, allow each State to establish its own process for review and comment on proposed Federal financial assistance programs.
- (b) *Applicability.* Executive Order 12372 applies to applications submitted with respect to HOME funds being competitively reallocated under subpart J of this part to units of general local government.

## **Civil Rights**

It will comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 200d et seq.), and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied in the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant received Federal financial assistance and will immediately take any measures necessary to effectuate this assurance. If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the applicant, this assurance shall obligate the applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits.

## **Equal Opportunity**

It will comply with:

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

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

- (d) Section 3 of the Housing and Community Development Act of 1968 (12 U.S.C. 170/u) (24 CFR Part 135). Section 3 of the Housing and Urban Development Act of 1968 requires, in connection with the planning and carrying out of any project assisted under the Act, to the greatest extent feasible, that opportunities for training and employment be given to lower-income persons residing within the unit of local government or the non-metropolitan county in which the project is located, and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part, by persons residing in the project area. The grantee must assure good faith efforts toward compliance with the statutory directive of Section 3; and

- (e) Executive Order 11246, as amended by Executive Orders 11375 and 12086, and the regulations issued pursuant thereto (24 CFR Part 130 and 41 CFR Chapter 60) prohibit a HOME recipient and subcontractors, if any, from discriminating against any employee or applicant for employment because of race, color, religion, sex or national origin. The grantee and subcontractors, if any, must take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action must include, but not be limited to, the following: employment; upgrading; demotion or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship. The grantee and subcontractors must post in conspicuous places, available to employees and applicants for employment, notices to be provided setting for the provisions of this nondiscrimination clause. For contracts over \$10,000, the grantee or subcontractors will send to each applicable labor union a notice of the above requirements, the grantee and subcontractors will comply with relevant rules, regulations and orders of the U.S. Secretary of Labor. The grantee or subcontractors must make their books and records available to State and federal officials for purposes of investigation to ascertain compliance.
- (f) Executive Order 13166 eliminates, to the extent possible, limited English proficiency as a barrier to full and meaningful participation by beneficiaries in all federally assisted and federally conducted programs and activities.

### **Fair Housing**

It will affirmatively further fair housing and will comply with:

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

## Section III

### Scoring Criteria

Each application meeting the threshold requirements will be reviewed and assigned points according to the following selection criteria. **Applications must achieve a minimum score of 80 points to be considered for funding.** Scoring will be on entire project/units (not just HOME units). **Applicants may request no more than 70 percent (70%) of the hard construction costs.** Income targeting for HOME requires at initial occupancy that not less than 90 percent (90%) of the units assisted with HOME funds be occupied by families at 60 percent (60%) and below area median income (AMI). If a project has five or more HOME units, 20 percent (20%) of those units must have Low-HOME rents for the period of affordability. **The DCS may impose stricter requirements for the unit mix and AMI of HOME-assisted units.**

#### A. Income Targeting

Scoring for additional targeted units must have another program Land Use Restrictive Agreement (LURA) or DCS will restrict these units at the state level. **Projects are able to receive points for a unit under only one restriction category.**

##### 1) Serves Extremely Low-Income Households *0-15 points*

Up to 15 points will be awarded to properties with units **both** income and rent restricted for households at or below 30 percent (30%) AMI at the Low-HOME unit rent rate. Elections made in this category must be incorporated into a LURA and will be binding, at a minimum, for the term of the HOME loan.

- 20% of total units income and rent restricted at or below 30% of AMI *15 points*
- 15% of total units income and rent restricted at or below 30% of AMI *10 points*
- 10% of total units income and rent restricted at or below 30% of AMI *5 points*

For purposes of applying the 30 percent (30%) rent restriction under this category, and exception for exceeding the 30 percent (30%) rent may be granted for Section 8 project-based rental assistance where it can be shown that additional rents are necessary to make the project feasible and that the rent will not exceed 30 percent (30%) of the tenant's income. This exception will not apply for Section 8 Tenant-based Rental Assistance (TBRA).

*or*

##### 2) Serves Very-Low and Low-Income Households *0-15 points*

15 points will be awarded to properties with additional assisted units which are income restricted at or below the 80 percent (80%) AMI **and** LOW-HOME unit rent rate restricted for tenants at or below the 50 percent (50%) AMI level. Elections made in this category will be incorporated into the LURA and will be binding.

- 20% of total units are income restricted at or below 80% AMI and rent restricted at or below 50% AMI *15 points*
- 15% of total units are income restricted at or below 80% AMI and rent restricted at or below 50% AMI *10 points*

- 10% of total units are income restricted at or below 80% AMI and rent restricted at or below 50% AMI **5 points**

**B. Addresses Housing Shortage in Developing Communities of 20,000 or Less **15 points****

Points awarded when the proposed project is in a community with a population of 20,000 or less, as documented in the most recently completed decennial U.S. Census, which can document, to the satisfaction of DCS, an unmet housing need or housing shortage.

**C. Leveraging **Up to 25 points****

DCS will award up to 25 points based on the amount of HOME funds requested per HOME unit:

<u>Points</u>	<u>HOME Funds per HOME Assisted Unit</u>
25	Less than \$70,000
15	\$70,000-\$99,999
5	\$100,000-\$120,000

**D. Financial Support from Local Sources **0-25 points****

Of the 25 percent (25%) required match, one point will be awarded for every percentage point of the match that comes from a local contribution, defined as:

Local governmental and community private contributions, including but not limited to cash, measurable in-kind services, or tax abatements, to reduce project costs or enhance feasibility.

**E. Readiness to Proceed **0-25 points****

Applicant must have provided 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 commitment for both construction and permanent financing; ownership or option to purchase land; and availability of infrastructure will be considered in the award of points.

- Ownership or option to purchase land **5 points**
- Letters of commitment for other funding sources **5 points**
- Letters of commitment for permanent financing **5 points**
- Letters of commitment for construction **5 points**
- Availability of infrastructure **5 points**

**F. Rehab of Existing Vacant Habitable Structures or Infill Opportunities **15 points****

In accordance with the Main Street Initiative (<https://www.mainstreetnd.com>) in building healthy, vibrant communities, citizens gain both the benefits of using existing infrastructure and the opportunity to enhance our communities. Proposals involving the rehabilitation of existing structures that are at risk of becoming uninhabitable or obsolete because of age and

deterioration, or proposals involving the concept of infill, in which we build mixed-use structures on empty lots between existing buildings, or build on under-utilized surface parking lots, and further increase the efficient use of existing infrastructure, may receive up to 15 points.

G. Preservation

**5 points**

State- or Federally- assisted projects in danger of prepayment, such as Rural Development 515 financed projects or those with expiring (within the next 36 months) project-based rental assistance contracts for 50 percent (50%) or more of the units, which are at-risk of being lost from the state's affordable housing inventory will receive 5 points. Projects at risk of losing federal financial assistance because of default on their federal contract are also eligible for points under this category.

Provide a copy of all relevant documents as applicable including, but not limited to:

- (1) HAP Contract;
- (2) Regulatory Agreement;
- (3) Filing documents of intent to opt out;
- (4) Loan documents that describe the ability to pre-pay the financing including required approvals and/or penalties;
- (5) Copy of most recent REAC, MOR, or RD inspection report or other evidence of physical deterioration that would threaten the HAP contract;
- (6) At least three market comparables for each bedroom size to indicate what market rents might be achievable at the project without the federal assistance restrictions; and
- (7) Narrative describing the dissolution of current ownership/management entity capacity.

H. Tenant Support Coordinator

**5-10 points**

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

- (1) **Tenant Support Coordinator** **5 points**  
Projects which provide, either through direct employment or by contract with an experienced third party, a dedicated Tenant Support Coordinator (TSC) for at least one hour per project unit per month will receive 5 points. The TSC would be required to develop and maintain working relationships with tenants in the project. The TSC's role is to increase the ability of all tenants to maintain stability and uphold lease obligations through the following: facilitating provision of supportive services by connecting tenants with appropriate providers, identifying needs for assistance, and educating tenants on available resources.
- (2) **Tenant Support Coordinator and Medicaid-Approved Service Provider** **10 points**  
Projects which provide the TSC provisions in the preceding paragraph (1) and which also enter into a formal letter of intent with one or more qualified service agencies



with demonstrated experience providing housing stability services consistent with the needs of the project's residents will receive 10 points. The service provider(s) must also be able to process for insurance reimbursement. The letter of intent must be detailed regarding the suite of supports and services to be made available to tenants who need and want them.

Projects receiving points under this category must, at a minimum:

- Support the person to understand and maintain income and benefits to retain housing;
  - Household budgeting and financial management;
  - Assistance in applying for benefits related to housing affordability;
  - Establishment of payee/guardian services as needed;
  - Assistance with the income recertification process;
  - Wealth and asset building initiatives.
- Support the building of natural housing supports and resources in the community;
  - Encouragement of community activity;
  - Facilitation of meetings with a tenant support team.
- Identify and prevent behaviors that may jeopardize continued housing;
  - Coordination with parole and probation requirements;
  - Collaboration with law enforcement (i.e. the creation of safety plans);
  - Training on lease compliance, household management and best practices of successful tenants.
- Promote health and wellbeing that enable tenants to retain housing;
  - Connecting tenants with health providers;
  - Assistance in securing and increasing employment;
  - Assistance in securing childcare;
  - Identifying educational opportunities in areas such as nutrition, education, and physical wellness;
  - Parenting supports;
  - Life coaching via peer support specialists.
  - Facilitating connections to Home and Community-Based Care services.

A tenant selection plan must be provided as part of the initial application. The tenant selection plan must describe in detail how individuals and/or families with special needs will be identified, affirmatively marketed to, and assisted in renting units at the project.

Projects which received 10 points under this scoring category will be required to submit a formal executed agreement with each provider identified in the letter(s) of intent at the time of project completion.

Compliance monitoring activities will include:

- Confirmation of hiring or contracting with a TSC;
- Confirmation of the provision of the services pledged at the time of application, if applicable; and
- Review of marketing efforts targeted at special needs populations.

For purposes of this scoring category, tenants with special needs include individuals or families who:

- Suffer from serious or persistent mental illness;
- Suffer from substance use disorders;
- Have disabilities, including intellectual, physical, or developmental;
- Are experiencing long-term homelessness, or are at significant risk of long-term homelessness;
- Are justice involved; or
- Are frail elderly, defined as those 62 years of age or older, who are unable to perform one or more “activities of daily living” without help. Activities of daily living comprise walking, eating, bathing, grooming, dressing, transferring, and home management activities. Assisted living, or projects serving a similar purpose, are not eligible under this Plan.

Walkability

*Up to 15 points*

In accordance with the Main Street Initiative (<https://www.mainstreetnd.com>) in building healthy, vibrant communities, a walkable city is a healthy city.

Walkable cities allow residents of any age to become more physically active and spend more time outdoors, thereby improving wellness and reducing health care costs. And across the country, the greater the walkability, the higher the real estate values. Two large demographic groups, millennials and retiring baby boomers, are seeking walkable neighborhoods where they can live, work, shop, learn and play.

Up to 15 points will be awarded based on the walk score assigned by [www.walkscore.com](http://www.walkscore.com).

- |                           |                  |
|---------------------------|------------------|
| • 80-100 point walk score | <i>15 points</i> |
| • 60-79 point walk score  | <i>10 points</i> |
| • 40-59 point walk score  | <i>6 points</i>  |
| • 20-39 point walk score  | <i>4 points</i>  |
| • 10-19 point walk score  | <i>2 points</i>  |
| • 0-9 point walk score    | <i>0 points</i>  |

I. Public Housing Notification

*5 points*

A proposal which provides a written commitment to notify local public housing agencies of vacancies and give priority to households on waiting lists of those agencies will receive 5 points.

J. Cross-Cutting Requirements

Besides the rules and requirements specific to the HOME program, there are several additional broad Federal rules that must be adhered to in the course of administering the program. While the PJ is responsible for implementing these rules, owners, developers, CHDOs, and other non-and-for-profits must also be aware of them and actively ensure that a project or activity is in compliance.

**Any applicants with substantial noncompliance, unresolved issues, or who have had substantial findings related to other Federal funds from DCS including these Federal cross-cutting requirements within the last four years are not eligible to apply.**

These other Federal cross-cutting requirements cover the following:

- 24 CFR 92.350 – Federal requirements set forth in 24 CFR part 5, subpart A: nondiscrimination and equal opportunity; disclosure requirements, debarred, suspended or ineligible contractors; drug-free work; and housing counseling
- 24 CFR 92.351 – Affirmative marketing; minority outreach program
- 24 CFR 92.352 – Environmental review
- 24 CFR 92.253 – Displacement, relocation and acquisition
- 24 CFR 92.354 – Labor
- 24 CFR 92.355 – Lead-based Paint
- 24 CFR 92.356 – Conflict of interest
- 24 CFR 92.357 – Executive order 12372
- 24 CFR 92.358 – Consultant activities
- 24 CFR 92.359 – VAWA requirements

## RESOURCES

- Division of Community Services - HOME Program:  
<https://www.communityservices.nd.gov/communitydevelopment/Programs/HOMEProgram/>
- HUD Exchange - HOME Investment Partnership Program:  
<https://www.hudexchange.info/programs/home/>
- Electronic Code of Federal Regulations – Title 24, Subtitle A, Part 92:  
<https://www.ecfr.gov/cgi-bin/text-idx?SID=38711658c0fa5ce50d3e43055d19756c&mc=true&node=pt24.1.92&rgn=div5>
- Suspension of the HOME Commitment and CHDO Reservation Deadline:  
<https://www.hudexchange.info/news/suspension-of-the-home-commitment-and-chdo-reservation-deadline/>
- Notice CPD-18-10: Suspension of 24-month HOME Commitment Requirement:  
<https://www.hudexchange.info/resource/5746/notice-cpd1810-suspension-of-24month-home-commitment-requirement-for-deadlines-occurring-in-2016-2017-2018-2019-and-2020/>
- Notice CPD-20-01: Four-Year Completion Requirement for HOME-Assisted Projects:  
<https://files.hudexchange.info/resources/documents/Notice-CPD2001-Four-Year-Completion-Requirement-HOME-Assisted-Projects.pdf>
- Federal Registrar/Vol. 81, No. 232/December 2, 2016 - Changes to HOME Program Commitment Requirement Interim Final Rule:  
<https://www.govinfo.gov/content/pkg/FR-2016-12-02/pdf/2016-28591.pdf>
- FY 2013 HOME Final Rule – Amendment of HOME Program Regulations:  
<https://www.hudexchange.info/programs/home/home-final-rule/>
- Title II of the Cranston-Gonzalez National Affordable Housing Act:  
<https://www.hudexchange.info/resource/2647/title-ii-of-the-cranston-gonzalez-national-affordable-housing-act/>

**D. CDBG PROGRAM DISTRIBUTION STATEMENT**

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# 2020

## NORTH DAKOTA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM DISTRIBUTION STATEMENT

Prepared By

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ALTERNATIVE FORMATS FOR DISABLED  
PERSONS ARE AVAILABLE UPON REQUEST



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

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

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

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

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

## **SECTION I**

### **Introduction**

#### **A. Purpose of Program Distribution Statement**

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

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

#### **B. Purpose of the Community Development Block Grant Program**

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

Nationally, the CDBG Program is divided into two categories:

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

#### **C. National Objectives**

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



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

1. Activities benefiting low and moderate income persons:

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

A. Area Benefit Activities:

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

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

b. Limited Clientele Activities:

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

c. Housing Activities:

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

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

d. Job Creation or Retention Activities:

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

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

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

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

e. Planning Only Activities:

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

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

Activities meeting one or more of the following criteria, in the absence of substantial evidence to the contrary, will be considered to aid in the prevention or elimination of slums or blight:

a. Activities to address slums or blight on an area basis. An activity will be considered to address prevention or elimination of slums or blight in an area if the state can determine that:

- (1) The area, delineated by the unit of general local government, meets a definition of a slum, blighted, deteriorated or deteriorating area under state or local law;
- (2) Throughout the area there is a substantial number of deteriorated or deteriorating buildings or the public improvements are in a general state of deterioration;
- (3) The assisted activity addresses one or more of the conditions which contributed to the deterioration of the area.

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

- (4) The state keeps records sufficient to document its findings that a project meets the national objective of prevention or elimination of slums and blight.

b. Activities to address slums or blight on a spot basis. Acquisition, clearance, relocation, historic preservation and building rehabilitation activities which eliminate specific conditions of blight or physical decay on a spot basis not located in a slum or

blighted area will meet this objective. Under this criterion, rehabilitation is limited to the extent necessary to eliminate specific conditions detrimental to public health and safety.

- c. **Planning Only Activities.** An activity involving planning (when the activity is the only activity for which the grant to the unit of general local government is given, or the planning activity is unrelated to any other activity assisted by the grant) if the plans are for a slum or blighted area, or if all elements of the planning are necessary for and related to an activity which, if funded, would meet one of the other criteria of elimination of slums or blight.

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

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

## SECTION II

### Eligible & Ineligible Activities

#### ELIGIBLE ACTIVITIES

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

#### A. Title I Eligible Activities

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

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

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



community development and housing activities are to be concentrated with respect to the planning and execution of such activities, and including the carrying out of activities as described in Section 461 of Title 40 on August 12, 1981;

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

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

24. Provision of direct assistance to facilitate and expand homeownership among persons of low and moderate income (except that such assistance shall not be considered a public service of purposes of paragraph (8) by using such assistance to:
  - a. Subsidize interest rates and mortgage principal amounts for low and moderate income homebuyers;
  - b. Finance the acquisition by low and moderate income homebuyers of housing that is occupied by the homebuyers;
  - c. Acquire guarantees for mortgage financing obtained by low and moderate income homebuyers from private lenders (except that amounts received under this title may not be used under this subparagraph to directly guarantee such mortgage financing and grantees under this title may not directly provide such guarantees);
  - d. Provide up to 50 percent of any down payment required from low or moderate income homebuyer; or
  - e. Pay reasonable closing costs (normally associated with the purchase of a home) incurred by a low or moderate income homebuyer.
25. Lead-based paint hazard evaluation and reduction, as defined in Section 4851b of this title.

## **B. Ineligible Activities**

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

1. Public Works, Facilities, and Site or Other Improvements (this list is not inclusive) (Except for removal of architectural barriers for handicapped accessibility) for buildings and facilities for the general conduct of government, and/or which are predominantly used for municipal purposes.
  - City/Town Halls
  - Courthouses
  - Other headquarters of government where the governing body meets regularly
2. Purchase of Equipment

The purchase of furnishings and personal property, except when necessary for use by a recipient or its subgrantees in the administration of its community development program, is generally ineligible (except for certain economic development projects). Examples are:

  - The purchase of office equipment and fixtures
  - Motor vehicles
  - Furnishings
  - Personal property not an integral structural fixture

3. Operating and Maintenance Expenses

The general rule is that any expense associated with operating, maintaining, or repairing Public Facilities and works, or any expense associated with providing public services not assisted with block grant funds is ineligible for assistance. However, operating and maintenance expenses associated with providing public services or interim assistance otherwise eligible for assistance under this part may be assisted. Examples of activities which are not eligible for block grant assistance are:

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

4. General Government Expenses

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

5. Political Activities

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

6. Religious Purposes

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

7. Nursing Homes

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

## SECTION III

### General Information for Applicants

#### A. Eligible Applicants

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

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

- c. The local governments involved must submit a signed cooperative agreement which defines who will be responsible for the administration and implementation of the grant if awarded.
5. When submitting an application for a fire department/fire district, the following guidance for determining the eligible, or lead applicant is applicable:
  - a. If a fire department/fire district primarily serves an eligible community, that community is the eligible applicant.
  - b. If a fire department/fire district serves an eligible community, as well as the immediate surrounding area, then the community is the eligible applicant.
  - c. If a fire department/fire district serves an area consisting of two or more counties, then the parent county (that county in which a majority of the area of the fire district is located) is the eligible applicant.
  - d. A county is the eligible applicant for rural fire departments/districts not primarily serving an incorporated area.

## **B. Eligible Applicants for Multi-Jurisdictional Housing and Planning Activities**

1. County wide Projects
  - a. A county may submit a multi-jurisdictional application to address housing and planning needs throughout its jurisdiction to include incorporated cities within the county.
  - b. The county must have a written multi-jurisdictional/joint agreement with all incorporated cities within the county. The application must contain a written statement from each city that chooses not to participate in the activity.
  - c. The county must complete a county wide needs assessment and undertake actions to affirmatively further fair housing.
  - d. To fulfill the citizen participation requirements, the County must hold one public hearing no earlier than 180 days prior to submitting the grant application and one public hearing prior to grant closeout. The County will be required to publish the notice of public hearing in the county's official newspaper and in all official newspapers of each participating jurisdiction.
2. Multi-County Projects
  - a. A county may submit a multi-county application to address housing and planning needs to include incorporated cities within those counties.
  - b. The multi-county application will include a multi-jurisdictional/joint agreement executed by all participating jurisdictions to include all incorporated cities and participating counties and must include a designation of the lead county. The

application must contain a written statement from each jurisdiction that chooses not to participate in the activity.

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

### **C. Types of Grants Available**

Applicants may only apply for a single activity per application, except when applying for the Governor's Fund for Community Development.

**SECTION IV**  
**Allocation of Funds**

This section of the Program Distribution Statement describes the estimated allocation of funds the state will receive in FY2020.

**A. Funds Available**

FY2020 Allocation	\$3,961,967
Less State Administration	118,298
Less Regional Council Contracts	60,941
Less 1% Technical Assistance	39,619
Total Allocation Available for Projects	<u>3,743,109</u>
Less Governor's Set Aside for Community Development*	<u>1,664,026</u>
Total Allocation Available for Regional Distribution	2,079,083
Plus Projected Program Income**	<u>1,000,000</u>
Funds Available for Distribution	\$3,079,083

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

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

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

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

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



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

**B. Regional Allocations**

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

<b>2020 CDBG Allocation (Estimated)</b>					
<b>American Community Survey 5-Year</b>					
<b>2011-2015 Low and Moderate Income Summary Data</b>					
<b>Region</b>	<b>Total LMI Persons</b>	<b>Percent LMI Persons</b>	<b>LMI Allocation</b>	<b>50% Base Allocation</b>	<b>Total Allocation</b>
1	13,577	7%	77,175	129,943	207,118
2	35,191	19%	200,034	129,943	329,977
3	22,959	13%	130,504	129,943	260,447
4	13,276	7%	75,464	129,943	205,407
5	27,286	15%	155,100	129,943	285,043
6	23,558	13%	133,909	129,943	263,852
7	31,644	17%	179,872	129,943	309,815
8	15,390	8%	87,480	129,943	217,423
<b>Total</b>	<b>182,881</b>	<b>100.00%</b>	<b>1,039,539</b>	<b>1,039,544</b>	<b>2,079,083</b>
*The percentage for LMI persons were rounded to the nearest whole number.					
** Program income funds are not reflected in this total.					

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

Title I of the Housing and Community Development Act of 1974, as amended (HCD ACT), requires that the State must estimate the amount of funds to be used to benefit low and moderate income persons. Since the State must assure that for the three-year period 2018, 2019, and 2020, its funds benefit low and moderate income persons, the following depicts the minimum amount that must directly benefit such persons:

2018 Total Funds Available for Distribution			\$4,764,256
Less Local Administration			<u>476,426</u>
		Subtotal	\$4,287,830
Minimum Amount Estimated to Benefit	.70 x	\$4,287,830 =	<u>\$3,001,481</u>
2019 Total Funds Available for Distribution			\$4,961,967
Less Local Administration			<u>496,197</u>
		Subtotal	4,465,770
Minimum Amount Estimated to Benefit	.70 x	\$4,465,770 =	<u>\$3,126,039</u>
2020 Total Funds Available for Distribution			\$4,961,967
Less Local Administration			<u>496,197</u>
		Subtotal	4,465,770
Minimum Amount Estimated to Benefit	.70 x	\$4,465,770 =	<u>\$3,126,039</u>

North Dakota will assure that 70 percent of the funds spent during the three-year period beginning with the 2020 program year, will be spent on projects benefiting low and moderate income persons. This will be achieved through the State's funding distribution system. Each Regional Council is required to individually meet this goal and will adjust their project review/priority ranking system and funding allocations so that each spends 70 percent of their yearly allocation on projects which meet the national objective of benefiting low and moderate income persons.

**D. Grant Minimum and Maximum**

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

<u>Public Facilities &amp; Public Services</u>		
Minimum Amount		\$20,000.00
Maximum Amount		300,000.00
<u>Housing - Single Family</u>		
Minimum Amount		\$25,000.00
Maximum Amount		500,000.00
<u>Housing - Multi- Family</u>		
Minimum Amount		\$25,000.00
Maximum Amount		500,000.00

<u>Economic Development</u>	
Retail Sector & Tourism	
Minimum Amount	\$10,000.00
Maximum Amount	300,000.00
Primary Sector	
Minimum Amount	\$50,000.00
Maximum Amount	500,000.00
Main Street Improvements	
Minimum Amount	\$20,000.00
Maximum Amount	100,000.00
<u>Planning &amp; Other Activities</u>	
Minimum Amount	\$5,000.00
Maximum Amount	15,000.00
<u>Governor's Fund for Community Development</u>	
Minimum Amount	\$10,000.00
Maximum Amount	1,500,000.00

**E. Limitation of Award of Funds for Economic Development Projects**

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

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

These applications will be considered using the same criteria used for all other economic development applications. Main Street projects must follow the North Dakota Main Street program requirements.

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

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

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

1. The Regional Council Board or its designated committee must approve amendments to the Regional Program Statement prior to notifying cities, counties and other interested parties.
2. All cities, counties and other interested parties in the region must be notified in writing of the intended change and allow 30 days for comment. The written notice should be sent in letter or memo form.
3. A copy of the notification must be submitted to the DCS **within 10 working days of the date of the notification**, along with a copy of the board approval and the minutes approving the amendment. **The 15-day comment period must be completed by the application/amendment deadline of June 18, 2021.**
4. Upon receipt of the intended change, DCS will forward a copy of all changes to HUD.
5. Changes to the Regional Program Statement cannot be implemented prior to the 30 day process.

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

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

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

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

1. The Regional Council Board or its designated committee must approve amendments to the Regional Program Statement prior to notifying cities, counties and other interested parties.
2. All cities, counties and other interested parties in the region must be notified in writing of the changes to be made and given 15 days to respond. The written notice should be sent in letter or memo form. **The 15-day comment period must be completed by the application/amendment deadline of June 17, 2020.**
3. Changes to the Regional Program Statement cannot be implemented prior to notifying cities, counties and other interested parties.

4. A copy of the notification must be submitted to the DCS **within 10 working days after the end of the 15-day comment period**, along with a copy of the board approval and the minutes approving the amendment. **If the notification is not submitted within the required time frame, the amendment will not be valid.**

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

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

**EXCEPTION:**

Transfers without Notice

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

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

## **H. Timely Distribution of Funds**

One hundred percent (100%) of FY2020 CDBG funds must be obligated and announced to units of general local governments within 15 months of the State signing its grant agreement with HUD.

At the Governor's direction, any unobligated and deobligated regional allocation funds as of July 31, 2021, will be recaptured and placed in the Governor's Fund for Community Development.

**Applications that are recommended for funding by the Regional Council during their initial Scoring and Ranking committee meeting must be submitted to the DCS within six months. Should a Regional Council have subsequent application rounds, these applications will be due by June 18, 2021 for the 2020 program year. Waivers to the initial six-month deadline policy may be granted on a case by case basis. The request needs to clearly state why the application(s) cannot be submitted within the six-month timeframe.**

**All CDBG applications and amendments must contain original signatures and be received in the DCS office by June 18, 2021 for the 2020 program year.**

## **I. Monitoring Findings**

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

## SECTION V

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

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

#### A. General CDBG and CDLF Policies and Procedures

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

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

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

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

### **Long Term Residential Facilities**

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

### Assisted Living

- A building or structure containing a series of living units operated as one entity to provide services for five or more individuals who are not related by blood, to the owner or manager of the entity and which is kept, used, maintained, advertised, or held out to the public as a place that provides or coordinates individualized support services to accommodate an individual's needs and abilities to maintain as much independence as possible.

### Basic Care

- A facility licensed by the department under North Dakota Century Code chapter 23-09.3 whose focus is to provide room and board and health, social, and personal care



to assist the residents to attain or maintain their highest level of functioning, consistent with the resident assessment and care plan, to five or more residents not related by blood or marriage to the owner or manager. These services shall be provided on a twenty-four-hour basis within the facility, either directly or through contract, and shall include assistance with activities of daily living and instrumental activities of daily living; provision of leisure, recreational, and therapeutic activities; and supervision of nutritional needs and medication administration.

### Nursing Facility

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

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

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

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

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

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

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

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

## **B. Statement of Assurances**

The applicant hereby assures and certifies that:

1. Resolution of Authority

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

2. Access to Records

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

3. Legal Authority

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

4. Financial Management

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

5. HUD Disclosure

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

6. Assessments for Public Improvements

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

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

7. Citizen Participation

The applicant will:

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

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

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

#### 8. Building Standards

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

#### 9. Conflict of Interest

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

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

(7) Any other relevant considerations.

10. Anti-Displacement

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

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

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

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

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

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

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

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

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

(i) Decent, safe, and sanitary;

(ii) Adequate in size to accommodate the occupants;

(iii) Functionally equivalent; and

(iv) In an area not subject to unreasonably adverse environmental conditions.

- (2) Persons displaced shall have the right to elect, as an alternative to the benefits under this subsection to receive benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 if such persons determine that it is in their best interest to do so; and
- (3) Where a claim for assistance under subparagraph (1)(d) is denied by grantee, the claimant may appeal to the State, and that the decision of the State shall be final unless a court determines the decision was arbitrary and capricious.

#### 11. Displacement and Relocation

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

It will comply with:

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

#### 12. Civil Rights

It will comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 200d et seq.), and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied in the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant received Federal financial assistance and will immediately take any measures necessary to effectuate this assurance. If any real property or structure thereon is provided or improved with the aid

of Federal financial assistance extended to the applicant, this assurance shall obligate the applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits.

13. Excessive Force Policy

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

14. Equal Opportunity

It will comply with:

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

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

- e. Section 3 of the Housing and Community Development Act of 1968 (12 U.S.C. 170/u) (24 CFR Part 135). Section 3 of the Housing and Urban Development Act of 1968 requires, in connection with the planning and carrying out of any project assisted under the Act, to the greatest extent feasible, that opportunities for training and employment be given to lower-income persons residing within the unit of local government or the non-metropolitan county in which the project is located, and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part, by persons residing in the project area. The grantee must assure good faith efforts toward compliance with the statutory directive of Section 3; and



- f. Executive Order 11246, as amended by Executive Orders 11375 and 12086, and the regulations issued pursuant thereto (24 CFR Part 130 and 41 CFR Chapter 60) prohibit a CDBG recipient and subcontractors, if any, from discriminating against any employee or applicant for employment because of race, color, religion, sex or national origin. The grantee and subcontractors, if any, must take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action must include, but not be limited to, the following: employment; upgrading; demotion or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship. The grantee and subcontractors must post in conspicuous places, available to employees and applicants for employment, notices to be provided setting for the provisions of this nondiscrimination clause. For contracts over \$10,000, the grantee or subcontractors will send to each applicable labor union a notice of the above requirements, the grantee and subcontractors will comply with relevant rules, regulations and orders of the U.S. Secretary of Labor. The grantee or subcontractors must make their books and records available to State and federal officials for purposes of investigation to ascertain compliance.
- g. Executive Order 13166 eliminates, to the extent possible, limited English proficiency as a barrier to full and meaningful participation by beneficiaries in all federally assisted and federally conducted programs and activities.

#### 15. Fair Housing

It will affirmatively further fair housing and will comply with:

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

#### 16. Labor Standards

It will comply with:

- a. Section 110 of the Housing and Community Development Act of 1975, as amended, 24 CFR 570.605, and State regulations regarding the administration and enforcement

of labor standards. Section 110 requires that all laborers and mechanics employed by contractors or subcontractors on construction work assisted under the Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276-a-276a-5). By reason of the foregoing requirement the Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.) also applies. However, these requirements apply to rehabilitation of residential property only if such property is designed for residential use for eight or more families;

- b. Davis-Bacon Act, as amended (40 U.S.C. a- et seq.), Section 2; June 13, 1934, as amended (48 Stat. 948.40 U.S.C. 276(C), popularly known as The Copeland Anti-Kickback Act. The Act mandates that all laborers and mechanics be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account except "permissible" salary deductions, the full amounts due at the time of payments, computed at wage rates not less than those contained in the wage determination issued by the U.S. Department of Labor. Weekly compliance statements and payrolls are required to be submitted to the federally-funded recipient by the contractor;
- c. Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.) According to the Act, no contract work may involve or require laborers or mechanics to work in excess of eight hours in a calendar day, or in excess of 40 hours in a work week, unless compensation of not less than one and one-half times the basic rate is paid for the overtime hours. If this Act is violated, the contract or subcontractor is liable to any affected employee for unpaid damages as well as to the United State for liquidated damages; and
- d. Federal Fair Labor Standards Act, (29 U.S.C.S. 201 et seq.). The act requires that covered employees be paid at least the minimum prescribed wage, and also that they be paid one and one-half times their basic wage rate for all hours worked in excess of the prescribed work-week.

17. EPA Listing of Violating Facilities

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

18. Environmental Impact

It will comply with:

- a. Section 104(f) of the Housing and Community Development Act of 1974, as amended through 1981. This section expresses the intent that "the policies of the National Environmental Policy Act of 1969 and other provisions of law which further the purposes of such Act be most effectively implemented in connection with the expenditure of funds under" the Act. Such other provisions of law which further the purpose of the National Environmental Policy Act of 1969 are specified in regulations issued pursuant to Section 104(f) of the Act and contained in 24 CFR Part 58; and

- b. The National Environmental Policy Act of 1969 (42 U.S.C. Section 4321, et seq. and 24 CFR Part 58). The purpose of this Act is to attain the widest use of the environment without degradation, risk to health or safety or other undesirable and unintended consequences. Environmental review procedures are a necessary part of this process. The grantee must certify that the proposed project will not significantly impact the environment and that the grantee has complied with environmental regulations and fulfilled its obligations to give public notice of the funding request, environmental findings and compliance performance.

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

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

19. Floodplain Management and Wetlands Protection

It will comply with:

- a. The Flood Disaster Protection Act of 1973, Public Law 93-234, 87 Stat. 975, approved December 31, 1973. Section 102(a) required, on and after March 2, 1974, the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Secretary of the Department of HUD as an area having special flood hazards. The phrase "Federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance;
- b. Executive Order 11988, May 24, 1978: Floodplain Management (42 F.R. 26951, et seq.) The intent of this Executive Order is to (1) avoid, to the extent possible, adverse impacts associated with the occupancy and modification of floodplains and (2) avoid direct or indirect support of floodplain development wherever there is a practical alternative. If the grantee proposes to conduct, support or allow an action to be located in the floodplain, the grantee must consider alternatives to avoid adverse effects and incompatible involvement in the floodplains. If siting in a floodplain is the only practical alternative, the grantee must, prior to taking an action: (1) design or modify its actions in order to minimize a potential harm to the floodplain; and (2) prepare and circulate a notice containing an explanation of why the action is proposed to be located in a floodplain; and
- b. Executive Order 11990, May 24, 1977: Protection of Wetlands (42 F.R. 26961, et seq.). The intent of this Executive Order is to avoid adverse impacts associated with the destruction or modification of wetlands and direct or indirect support of new construction in wetlands, wherever there is a practical alternative. The grantee must avoid undertaking or providing assistance for new construction located in wetlands

unless there is no practical alternative to such construction and the proposed action includes all practical measures to minimize harm to wetlands which may result from such use.

20. Historic Preservation

It will comply with:

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

21. Farmlands Protection

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

22. Lead-Based Paint

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

23. Solid Waste

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

24. Air Quality

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

hazardous air pollutants, and the State implementation plan for the control of air pollution.

25. Water Quality

It will comply with:

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

26. Noise, Facility Siting

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

27. Wildlife

It will comply with:

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

## SECTION VI

### Final Grant Application Submission Requirements

#### A. Application Requirements

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

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

Each applicant must:

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

Surveys must be completed prior to the submission of pre-applications and must be completed according to the guidelines included on the DCS website,

<https://www.communityservices.nd.gov/communitydevelopment/> under additional resources. This guidance contains complete guidelines to be used in completing income surveys.

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

## SECTION VII

### Program Design - Economic Development & Main Street

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

CDLF funding can also be used for community's slum and blighted areas, including downtown façade and streetscape improvements, and limited interior improvements. The program helps communities aid in the prevention or elimination of slums or blight in a designated area. This funding is part of the North Dakota Main Street Program, assisting in the Governor's Main Street initiative.

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

#### Main Street

##### A. Eligible Projects

The intent of the North Dakota Main Street program is to focus on long-term community development within cities downtown areas. Assistance is available to non-entitlement cities and incorporated cities.

1. Façade Improvements (examples include: signage, painting, awnings, lighting, windows, doors, entryways, and other approved improvements)
2. Streetscapes (examples include: street lighting, signage, landscaping, parking, sculptures, pools of water and fountains, and other approved site improvements)
3. Code enforcement improvements to non-residential buildings
4. Renovation of closed or abandoned buildings to serve another public purpose
5. Energy system improvements or retrofitting
6. Execution of architectural design features to enhance or preserve the aesthetic quality of facilities and improvements receiving CDBG assistance (excluding furniture and furnishings within buildings)

##### B. Eligibility Requirements

1. Cities may apply for a CDLF grant or loan through your respective regional planning council. If project costs are more than the CDBG allocated amount, local match is required to fully cover the remainder of the project costs.



2. CDBG funding for administrative costs can be provided in the amount of 10% of total project costs, with a maximum of \$10,000. Refer to Section V for administrative funds guidance.
3. Eligibility is based upon HUD's Slum and Blight criteria, and not subject to Low-to-Moderate Income (LMI) % requirements. To qualify under the national objective of slums/blight on an area basis, an activity must meet all the following criteria:
  - a. The area must be officially designated by the grant recipient and must meet a definition of a slum, blighted, deteriorated, or deteriorating area under State or local law. See the North Dakota Main Street Program for official designation form.
  - b. In the case where the applicable State law does not specify the percentage of deteriorated or deteriorating buildings required to qualify the area, then at least one quarter of all the buildings in the area must meet the grant recipient's definition of:
    - i. deteriorated or deteriorating;
    - ii. abandoned;
    - iii. experiencing chronic high occupancy turnover rates or chronic vacancy rates in commercial or industrial buildings;
    - iv. experiencing significant declines in property values or abnormally low property values relative to other areas in the community; or
    - v. known or suspected of environmental contamination
4. Projects must meet a national objective, be an eligible activity under the CDBG program, and comply with applicable state and federal laws and regulations.
5. A slum and blight area is defined as having a significant amount of structures that demonstrate major deterioration. The boundary is exhibited by a survey of the area.
  - a. "**Slum area**" means an area in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of these factors is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals, or welfare. (N.D.C.C. 40-58-01.1(23))
  - b. "**Blighted area**" means an area other than a slum area which by reason of the presence of a substantial number of slums, deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility, or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of these factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an

economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use. "Blighted area" does not include any land that has been assessed as agricultural property within the last ten years unless it was located within the interior boundaries of a city for at least ten years. The applicant must provide architectural renderings of the proposed design. Renovations to a historic property must maintain its historic character and must also conform to guidelines established in the "Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings". (N.D.C.C. 40-58-01.1(2))

6. The slum and blight area that is documented for the purposes of this application is considered the targeted area for the project. Proposed improvements can be anywhere within that targeted area, but not outside of it. For the map itself, a boundary must be outlined illustrating the project area. This boundary must be applied exclusively to the City's downtown area.
7. The targeted area must be officially designated as a Slum and Blighted Area by the City's local official. The area must be re-designated every 10 years for continued qualification and documentation must be retained. The term "**structurally substandard**" refers to inadequate and unsatisfactory conditions of a structure or streetscape, typically in violation of local code. The term "**dilapidated**" refers to broken down, decayed, or crumbling structures or streetscapes as a result of age or neglect.
8. **Exterior Improvements:**  
A Slum and Blight Inventory Form (SFN 61555) must be completed for each building in either a Word document or a PDF. This form must be completed for all buildings in the slum/blight area. The conditions are based upon definitions of property ratings for classifying buildings as excellent, good, fair or poor. Descriptions must be included of the building conditions.

Some satisfactory examples of descriptions are "crumbling brick, cracking stucco, wood rotted on window frames, cracks in window sills, weathered and discolored awning, rusty sign." Photographs must be submitted along with the application. More than one photo for each building may be submitted to show deterioration conditions.

The applicant may also include responses to the other fields in the form if they are contributing to slum and blight conditions in the area such as: tenants relocating to a new mall or office space, lack of lighting or nighttime use of the area, or unwillingness of landlords to correct code violations, etc.

**Interior Improvements:**

A Slum and Blight Inventory Form (SFN 61555) must be completed for each building in either a Word document or a PDF. This form must be completed for all buildings in the slum/blight area. Please indicate the condition that qualifies the building and include supporting documentation. Descriptions must be included of the building conditions. Conditions that qualify a building for interior improvements include:

- Abandoned structures

- Experiencing chronic high occupancy turnover rates or chronic vacancy rates in commercial or industrial buildings
- Experiencing significant declines in property values or abnormally low property values relative to other areas in the community; or
- Known or suspected of environmental contamination

**The percentage of buildings designated as fair or poor must be at least 25% to be eligible.**

Note: Funding will only be provided for structures which aid in qualifying the designated slum/ blighted area. Rehabilitation costs do not include improvements to buildings that do not meet the slum/ blighted criteria included in the Slum and Blight Inventory Form.

9. An Engineer or Architect is not required for Main Street projects, but strongly encouraged. If CDBG dollars are used towards engineering or architect fees, the Brooks Act procurement process outlined in Section 6 of the CDBG Administrative Manual must be followed for projects over \$200,000.00.
10. A CDBG Full Application and Environmental Review will be required prior to release of funds. All projects are subject to the requirements of the Fair Labor Standards Act, including Davis-Bacon wage rates.

## **Economic Development**

### **A. General Economic Development Policies & Procedures**

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

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

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

- (1) The business generating the program income must have met all special conditions of the financial award, to include the business generating the program income and the grantee must satisfy all conditions of the financial award, to include job creation;
- (2) A final report and audit must be completed and accepted by the DCS; and
- (3) A notice of grant closeout must be issued.

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

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

(including any deferment period). The interest rate will be fixed for the term of the loan. Interest will begin accruing at the time principal payments begin. Principal and interest payments will begin 30 days after the funds are fully advanced or 24 months from the financial award date, whichever comes first.

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

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

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

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

Where the public facility or improvement is undertaken principally for the benefit of one or more particular businesses, but where other businesses might also benefit from the assisted activity, the requirement may be met by aggregating only the jobs created or retained by those businesses for which the facility/improvement is principally undertaken, provided that the cost (in CDLF funds) for the facility/improvement is less than \$10,000 per permanent full-time equivalent job to be created or retained by those businesses.

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

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

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

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

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

15. An applicant may apply for economic development funds for a project that proposes to provide area benefit. This is an activity, the benefits of which are available to all the residents in a particular area, where at least 51 percent of the residents are low and moderate income persons. Such an area need not be coterminous with census tracts or other officially recognized boundaries, but must be the entire area served by the activity.

Units of general local government may, at the discretion of the state, use either HUD provided data comparing census data with appropriate low and moderate income levels or survey data that is methodologically sound. An activity that serves an area that is not primarily residential in character shall not qualify under this criterion.

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

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

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

The following will not be considered as match:

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

Applicants must include documentation for the value of the collateral offered and a description of all security positions held by lenders and any liens which may apply to the collateral.

19. An equity investment which equals a minimum of 10 percent of the total project cost must be made by the principal(s). Unless in the case of nonprofit corporations where equity requirements may be less, however, they will be determined on their own merits. This equity requirement may be met through a direct cash injection or through tangible balance sheet equity, as defined by generally acceptable accounting principles. The equity must be available upon receipt of the full application.

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

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

## **B. Economic Development Funding Set-Asides**

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



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

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

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

#### 1. Funding Cycle

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

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

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

### C. Business Plan

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

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

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

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

#### 1. Sample Business Plan Format

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

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

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

## 2. The Company

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

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

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

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

## 4. Management

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

## 5. Ownership

- Names, addresses and business affiliations of principal holders of subject's common stock and other types of equity securities (include details on holdings).
- Degree to which principal holders are involved in management.
- Principal non-management holders.

- Names of board directors, areas of expertise, and the role of the board when business is operational.
- Amount of stock currently authorized and issued.

## 6. Marketing Plan

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

## 7. Technology

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

- Describe regulatory or approval requirements and status, and discuss any other technical and legal considerations that may be relevant to the technological development of the product.
- Describe current and future plans for research and development efforts.

#### 8. Production/Operating Plan

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

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

#### 9. Financial

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

## SECTION VIII

### Program Design - Public Facilities

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

#### A. Public Facilities Special Requirements

1. Requirement for Public Improvements

All public improvement projects funded under the CDBG Public Facilities category shall procure plans, drawings and specifications for the work from a licensed architect or registered professional engineer with an estimated project cost of \$50,000 or more.

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

2. Requirement for Infrastructure

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

3. Requirement for projects purchasing equipment

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

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

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

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

## **B. Special Assessments for Public Improvements**

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

## SECTION IX

### Program Design - Housing

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

#### A. Housing Policy and Procedures

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

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

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

#### **B. Creation of New Housing Units**

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

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

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

#### **C. Relocation (temporary or permanent):**

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



#### **D. Housing Revolving Loan Fund**

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

## SECTION X

### Program Design Governor's Fund for Community Development

The Governor's Fund for Community Development will be approximately \$1,455,040.

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

1. Request for the Governor's Fund are accepted anytime throughout the year. All requests must go through their respective Regional Council. The Application/Business Plan must be reviewed and approved by the Regional Review Committee.
2. Regional Councils will submit all requests to the Division of Community Services. The proposed activity must be CDBG eligible and meet a national objective. The Program Design for Economic Development (Section VII of the CDBG PDS) must be followed.
3. The focus of the fund will be to fund primary sector projects. "Primary sector business" means an individual, corporation, limited liability company, partnership, or association certified by the ND Department of Commerce Division of Economic Development and Finance, which through the employment of knowledge or labor adds value to a product, process, or service which results in the creation of new wealth. Primary sector does not include "production agriculture."
4. The fund will also focus on retail sector projects. The definition of retail sector is: those businesses involved in the direct sale of goods, commodities, activities, or services to the consumer. Retail also includes tourism related activities.
5. The retail sector projects will assist the Governor's Main Street Initiative to build on the three pillars of economic success: a skilled workforce; smart, efficient infrastructure; and healthy, vibrant communities. Utilizing our current infrastructure to its fullest potential, we can reduce the cost of local government and create vibrant, healthy cities.
6. The decision to fund Economic Development related project(s) will be based on the significant impact to the state's economy and must meet one of the following criteria: (1) does the project create jobs; (2) is the business viable; (3) will the project have a positive impact on the community and state; and (4) will the business create new wealth in the community and state.
7. The funds may be used to fund Main Street projects that do not fall under Section VII – Economic Development & Main Street. These include façade improvements or streetscapes for buildings not occupied by business owners. Examples include: senior citizen centers, community centers, schools, child care centers, etc. The decision to fund Main Street projects under the Governor's Fund Set-Aside will be determined by the Governor's office and the availability of funds remaining at the time an application is received. The North Dakota Main Street Program guidelines must be followed.
8. The funds may be used to fund emergency projects and special needs housing for the homeless. The decision to fund emergency project(s) will also be based on the projects ability to alleviate an immediate health or safety concern within the community.

9. The funds may be used to fund public service activities. This includes the operational costs to existing and new agencies that support substance abuse recovery. These facilities serve individuals who have a history of substance abuse, with an emphasis on the homeless, those at risk of becoming homeless, and those referred by the judicial system.
  - a. Definition of facility – a residential treatment center (sometimes called a rehab) is a live-in facility providing therapy for substance abuse. These facilities must be in compliance with the rules and regulations of the North Dakota Behavioral Health Department. In North Dakota, treatment programs are required to be licensed by the Behavioral Health Division within the ND Department of Human Services.
  - b. Treatment programs are listed here (by region or by service type): [www.nd.gov/dhs/services/mentalhealth/licensing.html](http://www.nd.gov/dhs/services/mentalhealth/licensing.html). Recovery Services (i.e. including recovery housing, peer support) are not currently under the authority of the Department of Human Services – though North Dakota has been notified that the federal funding will in the future require minimum standards and assurances.
  - c. In addition, the cost of operating and maintaining the portion of a facility in which the CDBG funded public service is located and the lease of furnishings, equipment, or other personal property needed for an eligible public service may be paid for with CDBG funds. Paying for the operation and maintenance of an entire public facility that is only partially used by a CDBG assisted activity is not permitted.
  - d. State grantees must limit their expenditures on public service activities to 15% of their annual grant allocation.
  - e. No program receiving support from CDBG will deny access to any patient, client or participant or consider him/her “not in recovery” based solely on his/her use of FDA approved pharmacotherapy. Recipients must share all policies with participants.
  - f. Recipients must identify specific data to be collected during implementation of the application requirements. Determine what is needed to collect at intake (for example, beneficiaries’ age, disability, race, and income status), and what to collect during and post implementation (for example, spending rates, number of people assisted, and client satisfaction levels), as well as tangible results, such as number of employed clients, and their salaries, benefits, and duration of employment. One way to collect this information is to conduct exit interviews with them; this information is vital to improve future programs.
10. The funds may also be used for permanent supportive housing (PSH) to address long term homelessness. The decision to fund a PSH project will be based on the project’s 1) proposed impact on long term homelessness; 2) the supportive services coupled with the housing units and; 3) demonstrated local support for the project via cash match or other forms of financial support.
11. The decision to fund existing multi-family housing project(s) will be based on a community needs assessment and/or market analysis to maintain existing stock and continue to provide decent affordable housing for low to moderate income people.

12. SFN 53734 “Governor’s Fund” needs to be completed and submitted with each request for funding from the Governor’s Set- Aside for Community Development.
11. Administrative funds will be awarded from the Governor’s Fund based on the same formula as other CDBG projects. If funding for a project is shared by the Governor’s Fund and Regional Funds, administrative funds will be pro-rated. These formulas can be found on Section V of this document.
12. The Regional Councils are not required to use their CDLF funds before the Governor’s Fund is accessed. However, an analysis of the Regional Council balances will occur at the time of each request to determine the possible partnering/participation of CDLF funds with the Governor’s Fund.
13. The Program Income generated from loans made through the Governor’s Fund will be returned to the Governor’s Revolving Loan Fund.

**2020**

**REGION I**

**TRI-COUNTY REGIONAL  
DEVELOPMENT  
COUNCIL**

**PO Box 697  
113 4<sup>th</sup> Street East  
Williston, ND 58802-0697  
Phone: 701-577-1358  
Fax: 701-577-1363  
TTY: 800-366-6888  
ND Relay Voice: 800-366-6889  
ND Relay Spanish: 800-435-8590**



**ALTERNATIVE FORMATS FOR DISABLED  
PERSONS ARE AVAILABLE UPON REQUEST**

## EXECUTIVE SUMMARY

This "Regional Attachment" to the North Dakota Program Distribution Statement for the Community Development Block Grant program and the Community Development Loan Fund reflects the needs of North Dakota Planning Region I and addresses the needs of the low and very low income residents, slum and blight removal, or the urgent needs of those counties and their resident communities.

**Total FY 2020 Amount Available for Distribution: \$295,306**

*Allocations by emphasis area:*

Public Facility	\$206,714
Housing Rehabilitation, Housing Opportunity, & Multi-Jurisdictional Program	\$0
Planning	\$0
Economic Development	\$0
Main Street (economic development buildings)	\$88,592
Other Eligible Activities	<u>\$0</u>
<b>Total FY 2020 Funds Available for Distribution</b>	<b>\$295,306</b>

Initial new project applications will be limited to \$100,000 of CDBG project funds (excluding eligible administration). If any funds remain in the Public Facility or Housing allocations after the Scoring and Ranking, the Review Committee will consider amendment requests for the remaining balance after **July 1<sup>st</sup>, 2020**. All active public facilities and active housing projects will be eligible for review. Additional dollars, if available, will be allocated to projects based on demonstrated need and on a "first-come first-serve" basis. The Review Committee may review Emergency and Other Eligible Activities Supporting Economic Development proposals throughout the year at regularly scheduled bi-monthly Board Meetings.

Economic development proposals, if any, can be accepted at any time during the year and may be funded through the state revolving loan fund programs.

### APPLICATION DEADLINES

#### Public Facility

- May 15, 2020 Pre-applications due at Tri-County Regional Development Office
- May 28, 2020 Presentations to Tri-County Review Committee and pre-application scoring by Tri-County Review Committee
- July 1, 2020 Final applications due at Tri-County Regional Development Office. A time extension may be given at the discretion of the Review Committee.

#### Housing Rehabilitation

- May 15, 2020 Pre-applications due at Tri-County Regional Development Office

- May 28, 2020 Presentations to Tri-County Review Committee and pre-application scoring by Tri-County Review Committee
- July 1, 2020 Final applications due at Tri-County Regional Development Office. A time extension may be given at the discretion of the Review Committee.

**Planning**

- May 15, 2020 Pre-applications due at Tri-County Regional Development Office
- May 28, 2020 Presentations to Tri-County Review Committee and pre-application scoring by Tri-County Review Committee
- July 1, 2020 Final applications due at Tri-County Regional Development Office. A time extension may be given at the discretion of the Review Committee.

**Main Street**

- May 15, 2020 Pre-applications due at Tri-County Regional Development Office
- May 28, 2020 Presentations to Tri-County Review Committee and pre-application scoring by Tri-County Review Committee
- July 1, 2020 Final applications due at Tri-County Regional Development Office. A time extension may be given at the discretion of the Review Committee.

**Emergency Activities**

Applications are accepted at any time. Public Facility local match requirements may be waived at the discretion of the Review Committee.

**Economic Development**

Economic development projects, in addition to the regional funds available, may also be funded from those funds revolved from previous projects, or returned funds from other projects. Applications are accepted at any time.

**Other Eligible Activities**

Applications will be accepted throughout the year. Proposals will be reviewed and evaluated for potential grant or loan funding at regularly held board meetings. Recommendations for funding, if any, are subject to board approval and availability of funding.

**APPLICATION SUBMITTAL**

Applications for eligible activities will be accepted from eligible applicants (City or County units of government). Application forms are available at the Tri-County Regional Development Council office. Technical Assistance is available from Tri-County staff.

## **Conflict of Interest**

In order to avoid a real or perceived conflict of interest, Review Committee members will abstain from voting on projects where the committee member represents the applicant.

## **Review Process**

- A. Public Facility, Housing Rehabilitation, Planning, Slum and Blight, Emergency and Other (CDBG)
  - 1. A Review Committee made up of the Board of Directors of the Tri-County Regional Development Council will be empowered to evaluate and rank all pre-applications generated from North Dakota Planning Region I.
  - 2. Following a review by Council staff, the Council's Review Committee will meet to review proposals, interview applicants, score/rank all eligible pre-applications, and invite full applications from successful entities.
  - 3. Full applications, recommended for funding, will be sent to the ND Division of Community Services for HUD compliance review and development of the Financial Award.
  
- B. Economic Development Applicants (CDLF)
  - 1. An economic development "Request for Application" from eligible entities for eligible activities may be generated internally by the local government, private entrepreneur, local development corporation and/or with technical assistance from the regional council staff.
  - 2. The Tri-County Regional Development Council Review Committee will be empowered to rank and evaluate all "Requests for Application" and "Full Applications" generated from North Dakota Planning Region I.
  - 3. Applicants will be required to first submit a "Request for Application" for initial review by the Review Committee and only those applicants who are invited to submit "Full Applications" may be considered for funding.
  - 4. The Review Committee will meet bi-monthly, or as needed, to consider eligible "Requests for Application" and to make recommendations on "Full Applications".
  - 5. After reviewing "Full Applications", interviewing the applicant/entrepreneur, and hearing testimony from interested parties, the Review Committee will make its recommendation.
  - 6. "Full Applications" recommended for funding will be sent to the ND Division of Community Services for HUD compliance review and development of contract agreements.



## **GENERAL GUIDELINES**

It is the intent of the Tri-County Regional Development Council Review Committee to utilize unobligated allocation funds, if any, for the purpose of funding projects that are in any other allocation category, and are in need of additional funding; or if the funding allocation within that category has been depleted. Transfers of unobligated funds from one allocation category to another may be made in accordance with the State Program Distribution Statement. Although, it is anticipated that funds unobligated within any of the allocation categories will not be available; it is the intent of the Tri-County Regional Development Council to allow for other contingencies. These funds, if any, would be made available for projects based on the following definitions:

- A. Emergencies are activities needed to alleviate an immediate and urgent condition which possess a serious health, welfare or safety threat which did not become apparent or known until after the application deadline, or in the case of a funded project, where unforeseen and unexpected circumstances require additional CDBG funds which, if not available, would hinder the completion of the project.
- B. Applications for emergencies can be submitted throughout the 2020 grant year at any time. The Review Committee will review applications.
- C. Other is for other activities which do not fit into any other category but which are eligible for CDBG assistance. Any proposal within this category must meet one of the national objectives of the program.

### **Application Submission Requirements**

Emergency and Other Applications: The application submission requirements will be based on the type of application; if the applicant has previously applied for CDBG funds in this calendar year only limited additional information may be required.

### **Review and Selection Process**

Emergency and Other Applications: The review and selection process will be based on the type of application; if the applicant has previously applied for CDBG funds in this calendar year only limited additional information may be required.

### **Scoring Criteria**

Emergency and Other Applications: No point system; decisions will be subjective based on the availability of funds, need, commitment, appropriateness and benefit to low/very low income.

### **Conflict of Interest**

In order to avoid a real or perceived conflict of interest, Review Committee members will abstain from voting on projects where the committee member represents the applicant.

## **IMPLEMENTATION SCHEDULE**

### **Public Facility**

- May 15, 2020      Pre-applications due at Tri-County Regional Development Council office
- May 28, 2020      Presentations to Tri-County Review Committee and pre-application scoring by Tri-County Review Committee
- July 1, 2020        Final applications due at Tri-County Regional Development Council office

### **Housing Rehabilitation**

- May 15, 2020      Pre-applications due at Tri-County Regional Development Council office
- May 28, 2020      Presentations to Tri-County Review Committee and pre-application scoring by Tri-County Review Committee
- July 1, 2020        Final applications due at Tri-County Regional Development Council office. A time extension may be given at the discretion of the Review Committee.

### **Planning and Other Eligible Activities**

- May 15, 2020      Pre-applications due at Tri-County Regional Development Council office
- May 28, 2020      Presentations to Tri-County Review Committee and pre-application scoring by Tri-County Review Committee
- July 1, 2020        Final applications due at Tri-County Regional Development Council office. A time extension may be given at the discretion of the Review Committee.

### **Main Street**

- May 15, 2020      Pre-applications due at Tri-County Regional Development Council office
- May 28, 2020      Presentations to Tri-County Review Committee and pre-application scoring by Tri-County Review Committee
- July 1, 2020        Final applications due at Tri-County Regional Development Council office. A time extension may be given at the discretion of the Review Committee.

### **Emergency Activities**

Applications are accepted at any time. Emergency applications (original and one copy required) will be accepted anytime based on the availability of unobligated funds, if any.

## **Economic Development**

"Request for Applications" and "Full Applications" for economic development proposals will be accepted at any time, although applicants should be aware that the Council staff will attempt to adhere to a deadline of at least 15 days prior to the bi-monthly Review Committee meeting. Applicants will be notified in advance if meeting dates and times change. Review Committee meetings are tentatively scheduled for the last Friday of every other month. This schedule is subject to change. Applicants may contact the Tri-County staff for more information.

## **PUBLIC FACILITY GUIDELINES**

### **Application Submission Requirements**

A two-step process will be utilized to determine the highest priority public facility projects in North Dakota Planning Region I. Pre-applications for public facility monies must be completed and received by the regional council by the deadline date. To apply for funding consideration, eligible applicants must complete the pre-application forms and required attachments that include:

- Application Cover Page
- Project Narrative
- Project Area Map
- Preliminary Engineer's or Architect's Report<sup>1</sup>
- Resolution of Sponsorship
- Low/Very Low Income Benefit Documentation

<sup>1</sup>Please consult Tri-County staff for the required format.

Pre-applications for eligible activities will be accepted from eligible applicants (City or County units of government). Application forms are available at the Tri-County Regional Development Council office. Technical Assistance is available from Tri-County staff. The minimum amount an applicant may apply for is \$20,000.00.

Any public facility project which has been estimated to cost at least \$200,000 or more is required to have a set of plans, drawings, and/or specifications prepared by a licensed architect or registered engineer.

If after the completion of the pre-application review process a project is invited to submit a final application, the additional items needed to complete a final application include:

- Evidence of One Public Hearing
- Applicant Assurance Certification
- Fair Housing Certification
- Community Development Needs Assessment
- Firm Commitment of Other/Matching Funds

HUD Disclosure Report  
Resolution of Excessive Force<sup>2</sup>  
Citizen Participation Plan<sup>2</sup>

<sup>1</sup>Please consult Tri-County staff for the required format.

<sup>2</sup>The Displacement Plan, Resolution of Excessive Force, and Citizen Participation Plan are only required if the applicant has not previously submitted these documents to the ND Division of Community Services or if it has amended the plans since the original submission.

All applications recommended for funding and which meet the above requirements will be delivered to the ND Division of Community Services for a HUD and State compliance review and for final grant award agreements.

All successful applicants are required to complete a Section 504 Self Evaluation/Transition Plan prior to project closeout.

Asbestos testing is a requirement for all construction projects. It is recommended that this be done by the applicant prior to submitting an application as this can significantly change the cost of the project. Asbestos testing prior to the application is not a covered cost of CDBG.

### **Review and Selection Process**

- A. A Review Committee made up of the Board of Directors of the Tri-County Regional Development Council will be empowered to evaluate and rank all pre-applications generated from North Dakota Planning Region I.
- B. Only proposals which meet the full requirements of the application (including minimum matching funds), and determined to be submitted by an eligible applicant for an eligible activity will be considered.
- C. Council staff will tally all "objective" scoring criteria for the pre-applications prior to being reviewed by the Review Committee.
- D. The Review Committee will hold a CDBG Review meeting at which time all proposals will be presented. Representative(s) of the applicants may be present for the Review Committee to interview and present their proposals.
- E. After all proposals have been reviewed by the committee, committee members will score all "subjective" scoring criteria for each public facility proposal. Those scores will then be totaled and averaged to determine ranking.
- F. After rankings have been determined, the committee will consider a recommended amount to award to each project according to ranking starting from highest to lowest. The committee reserves the right to adjust the amount of each award from the amount requested, and to determine the amount awarded, if any, to public facility projects as it deems appropriate.

- G. The committee will establish funding levels for each project in order of ranking, but if not enough funds are available to fund an application, the committee may:
1. Offer to the applicant the funds remaining in the allocation, and if it is not accepted, offer the funds to the next eligible applicant in order of ranking until the funds are expended; or,
  2. The Review Committee may transfer unobligated funds to another allocation for immediate or later distribution within the guidelines of the State Program Distribution Statement; or
  3. Any combination of the above.

**Scoring Criteria - Public Facilities**

Scoring criteria will be divided into two categories; scores that are "objective" in nature and require no personal judgment and scores that are "subjective" in nature and will require personal judgment by an individual.

**A. Objective Scoring (650 points Maximum)**

1. Project Type: **(maximum 150 points)**

Installation of water and/or sewer facilities	150 Points
Rehabilitation of slum or blighted buildings	125 Points
Fire protection facilities/equipment	115 Points
Install flood & drainage facilities	95 Points
Street construction/reconstruction	80 Points
Community Center	75 Points
Construction/repair of Senior Citizen Centers	70 Points
Removal of architectural barriers	60 Points
All other eligible CDBG projects	50 Points

2. Score 2 points for each Very Low/Low percentage point above 50%. **(maximum of 100 points)**

3. Percentage of minorities living in project area – taken from most current U.S. Census Date: **(maximum of 100 points)**

Communities with above 76% minority population	100 points
Communities with 51% to 75% minority population	75 points
Communities with 26% to 50% minority population	50 points
Communities with below 26% minority population	25 points

4. Score 2 points for each percentage point of total project costs paid out of Local Funds or other funds. Do not include CDBG or administration funds requested. **(100 points maximum)**

5. CDBG cost per Very Low/Low income person to benefit: **(maximum 50 points)**

\$250 or below	50 Points
\$251 - \$500	40 Points
\$501 - \$1,000	30 Points
\$1,001 - \$1,500	20 Points
\$1,501- \$2,000	10 Points
\$2,001 & above	0 Points

6. Public Facilities funding received from CDBG in prior years: **(maximum of 50 points)**

No Prior Funding	50 Points
5 Years Prior	40 Points
4 Years Prior	30 Points
3 Years Prior	20 Points
2 Years Prior	10 Points
1 Year Prior	0 Points

7. Project Readiness: **(maximum of 100 points)**

Complete plans and proof of other funding committed	100 points
Complete plans and other funds located – not committed	50 points
Complete plans and other funding not located	20 points
Other	0 points

**B. Subjective Scoring (400 points Maximum)**

The following criteria are guidelines for the review committee to utilize when making subjective scoring determinations with regard to public facility pre-applications. These criteria will be utilized by each of the committee members to arrive at a subjective score within the range of a maximum score of 400 points and a minimum score of 1 point.

- The degree to which the problem presents a direct threat to the public's health and safety.
- The immediacy of the problem in terms of solving it.
- Efforts of the community to alleviate the problem.
- Efforts of the community toward economic development.
- Does the community have sufficient infrastructure to support its economic development efforts.
- Does the proposed activity appear to be the most effective long-term solution to the problem.
- Is the project effective/appropriate when compared with similar projects in the region.

- Whether the proposed project is necessary to comply with court orders or State or Federal requirements.
- The need for outside financial assistance to complete the project.

### **Matching Funds Requirements**

Due to limited funds available and to attempt to address as many of the priority projects as possible and to demonstrate a commitment by each applicant in alleviating their own problems; the Tri-County Regional Development Council will require a minimum local funding match. The match must be committed by the applicant or the entity for which the applicant is submitting an application for and it must be in writing.

The minimum local match percentage is **25%** of the total project. The applicant will be required to pay the project administration costs from their local match accordingly:

- a) 15% of approved CDBG project funds, with a minimum of \$ 5,000 per project. Project administration fees may be adjusted according to the scope of work of the project and financial condition of the applicant.

Although specific match amounts are recommended only, the local match is required to cover any applicable engineering/architectural fees and project administration costs. The engineering and/or architectural fees needs to be documented in the application for budgeting purposes.

Emergency Public Facility match requirements may be waived at the discretion of the Review Committee. Local match requirements on non-emergency project applications or amendments may be waived based on demonstrated financial hardship and at the discretion of the Review Committee. Applicants that may not have the means to meet the match recommendation for CDBG funds must provide documentation in writing demonstrating the lack of available funds.

## **HOUSING**

### **HOUSING REHABILITATION**

#### **Application Submission Requirements**

A two-step process will be utilized to determine the highest priority housing projects in North Dakota Planning Region I. Pre-applications for housing monies must be completed and received by the regional council by the deadline date. To apply for funding consideration, eligible applicants must complete the pre-application forms and required attachments which include:

- Application Cover Page
- Project Narrative and Objective Scoring Worksheet
- Individual Housing Applications & Summary Sheet
- For Rehabilitation Activities: *(See Rehabilitation Notes Below)\**
- Section 8 HQS Inspection
- Lead-Based Paint Risk Assessment
- Project Area Map
- Resolution of Sponsorship

Pre-applications for eligible activities will be accepted from eligible applicants (City or County units of government). Application forms are available at the Tri-County Regional Development Council office. Technical Assistance is available from Tri-County staff. The minimum amount an applicant may apply for is \$25,000.00.

A city or county applying for financial assistance on a multi-family housing unit must include with the pre-application documentation which discloses any/all amounts held in reserve by the applicant. The amount held in reserve may determine the amount of grant, up to 100%, the applicant can be eligible for. The Tri-County Regional Development Council will not accept and review any pre-applications for housing assistance that does not include documentation of the reserve account.

If the applicant has funds in the reserve account that are pledged for another project or activity, the applicant must provide documentation (board minutes) that discloses the planned activity and the amount obligated for the activity.

If it has been determined the applicant has funds in the reserve account to pay for some of the proposed project activities, the Board of Directors, at its discretion, may require the applicant to apply the reserve funds against the cost of the proposed project.

If after the completion of the pre-application review process a project is invited to submit a final application, the additional items needed to complete a final application include:

- Evidence of One Public Hearing
- Fair Housing Certification
- Community Development Needs Assessment
- Applicant Assurance Certification
- Firm Commitment of Other/Matching Funds
- HUD Disclosure Report
- Resolution of Excessive Force<sup>1</sup>
- Citizen Participation Plan<sup>1</sup>

All applications recommended for funding and which meet the above requirements will be delivered to the ND Division of Community Services for a HUD and State compliance review and for final grant award agreements.

All housing applicants are required to complete a Section 504 Self Evaluation/Transition Plan prior to project closeout.

**\*Rehabilitation Notes:** Housing rehabilitation applicants are advised of The Lead Safe Housing Regulation issued by the Department of HUD requiring a lead-based paint risk assessment and subsequent notification, evaluation and reduction of lead-based paint hazards in federally subsidized residential housing built prior to 1978. Applicants are advised that the Regulation will substantially increase the costs of rehabilitation activities and should conduct HQS inspections and Lead-based paint risk assessments prior to pre-application submission and/or be prepared to commit additional funding to the proposed project. Certified/licensed lead-based paint contractors are required to accomplish the work and must be identified.



<sup>1</sup>The Displacement Plan, Resolution of Excessive Force, and Citizen Participation Plan are only required if the applicant has not previously submitted these documents to the ND Division of Community Services or if it has amended the plans since the original submission.

Asbestos testing is now a requirement for all housing rehabilitation projects of five (5) units or more. It is recommended that this be done by the applicant prior to submitting an application as this can significantly change the cost of the project. Asbestos testing prior to the application is not a covered cost of CDBG.

### **Review and Selection Process**

- A. A Review Committee made up of the Board of Directors of the Tri-County Regional Development Council will be empowered to evaluate and rank all pre-applications generated from North Dakota Planning Region I.
- B. Only proposals which meet the full requirements of the application process, and determined to be submitted by an eligible applicant for an eligible activity will be considered.
- C. Council staff will tally all "objective" scoring criteria for the applications prior to being reviewed by the Review Committee.
- D. The Review Committee will hold a CDBG Review meeting at which time all proposals will be presented. Representative(s) of the applicants may be present for the Council to interview and present their proposals.
- E. After all proposals have been reviewed by the committee; committee members will score all "subjective" scoring criteria for each housing proposal. Those scores will then be totaled and averaged to determine ranking.
- F. After rankings have been determined, the committee will consider a recommended amount to award to each project according to ranking starting from highest to lowest. The committee reserves the right to adjust the amount of each award from the amount requested, and to determine the amount awarded, if any, to public facility and housing projects as it deems appropriate.
- G. The committee will establish funding levels for each project in order of ranking, but if not enough funds are available to fund an application, the committee may:
  - 1. Offer to the applicant the funds remaining in the allocation, and if it is not accepted, offer the funds to the next eligible applicant in order of ranking until the funds are expended; or,
  - 2. The Review Committee may transfer unobligated funds to another allocation for immediate or later distribution within the guidelines of the State Program Distribution Statement; or
  - 3. Any combination of the above.

## Scoring Criteria - Housing

### A. Objective Scores (Maximum 450 points)

1. Percent of elderly, handicapped, female headed, children under 18, or minority households residing in substandard housing in the entire project area:

More than 80%	100 Points
60.1% - 80%	75 Points
40.1% - 60%	50 Points
20.1% - 40%	25 Points
1% - 20%	0 Points

2. Percent of very low income households to benefit:

100%	100 Points
90% - 99%	75 Points
70% - 89%	50 Points
30% - 69%	25 Points
1% - 29%	0 Points

3. Other funding sources:

Over 40% of total project cost	100 Points
30% - 39%	75 Points
20% - 29%	50 Points
Less than 20%	0 Points

4. Housing funding received from CDBG in prior years:

No Prior Funding	50 Points
5 Years Prior	40 Points
4 Years Prior	30 Points
3 Years Prior	20 Points
2 Years Prior	10 Points
1 Year Prior	0 Points

5. Project Readiness:

Complete plans/specs and proof of other funding committed	100 points
Complete plans/specs and other funds located – not committed	50 points
Complete plans/specs and other funding not located	20 points
Other	0 points

## **B. Subjective Score (maximum 300 points)**

The following criteria are guidelines for the review committee to utilize when making subjective scoring determinations with regard to housing pre-applications. These criteria will be utilized by each of the committee members to arrive at a subjective score within the range of a maximum score of 300 points and a minimum score of 1 point.

The degree to which the housing conditions present a direct threat to health and safety of the occupants and the public.

- Efforts of the community to alleviate the problem.
- Efforts of the community toward economic development.
- Does the community have sufficient infrastructure to support its economic development efforts.
- Is the project effective/appropriate when compared with similar projects in the region.
- The need for outside financial assistance to complete the project.

## **C. Bonus Subjective Scoring (25 points)**

The following questions reflect areas that have been targeted as priorities by TCRDC. Project applications addressing the described priorities may be awarded up to 25 bonus points.

Does the project assist with home ownership activities?

Does the project assist in writing down land acquisition and/or preparation costs for the construction of affordable rental housing projects and planned unit developments for low and very low income households?

Does the project emphasize:

- Making single family homes and apartments handicap accessible where needed,
- Modernize single family homes owned by the elderly, or
- Rehabilitate rural single and multi-family housing?
- Is the project designed to comply with the State Building Code and State Energy Code if the use of funds is for new construction?
- Does the project provide assistance to clients in the Welfare-to-Work Program?

## **Matching Funds Requirements**

Due to limited funds available and to attempt to address as many of the priority projects as possible and to demonstrate a commitment by each applicant in alleviating their own problems; the Tri-County Regional Development Council will recommend a 25% local funding match.

The local match may be required to fully cover any/all engineering/architectural costs and project administration costs of the project.

The applicant will be required to pay the project administration costs accordingly:

- a) 15% of approved CDBG project funds, with a minimum of \$ 5,000 per project. Project administration fees may be adjusted according to the scope of the project and financial condition of the applicant.

## **PLANNING GUIDELINES**

### **Application Submission Requirements**

Pre-applications for planning funds must be completed and received by the regional council by the deadline date. Proposals will be reviewed and evaluated for potential funding at the regularly held board meeting. Recommendations for funding, if any, are subject to board approval and availability of funding. The application must address eligible activities relating to the establishment of a Capital Improvement Plan, Community Strategic Plan, Comprehensive Plan, Zoning or other plans. Application proposals should specifically address the need for the proposed planning activity, its impact, cost, benefit to Low Income or Very Low Income households, and local matching funds provided. Contact Tri-County staff for assistance in developing proposals for planning funding. The minimum amount an applicant may apply for is \$5,000.00 and the maximum amount is \$ 15,000.00.

### **Review and Selection Process**

1. Planning grant proposals will be considered only if funds are available. Proposals must be complete and meet CDBG eligibility requirements.
2. The Review Committee will review planning applications and make recommendations for grant awards.
3. Tri County staff will prepare summary reviews of proposals. The staff reviews will be provided to Review Committee members prior to the meeting.
4. Planning grant applicants may be invited to meet with the Review Committee to answer questions and provide clarification.
5. The Review Committee will evaluate and rank applications reserving the right to adjust grant award amounts where appropriate or to decline awarding any funds to the proposal.

6. Applications recommended for funding and which meet the eligibility requirements will be delivered to the ND Division of Community Services for a HUD and State compliance review and for final grant award agreements.

**Scoring Criteria – Planning**

Planning grant proposals will be evaluated based on the following categories with a maximum of 50 points in each category (Maximum total score – 350 points).

**1. Need: (50 point maximum)**

Does the proposal clearly respond to an existing or anticipated need and describe how the planning process will help address the need or problem?

**2. Impact: (50 point maximum)**

Highest scores will be applied to those applications that best meet the following criteria:

- Work products are clearly defined
- Work products and results clearly address described need
- Consultant selected is qualified and experienced

**3. Cost: ( 50 point maximum)**

Is the cost documented and appear reasonable?

**4. Low Income/Very Low Income Benefit: (50 point maximum)**

One point will be applied for each percent of LI/VLI above 50 percent who will benefit.

**5. Percentage of Minority Living in Project Area – Taken from most current U.S.**

Census Data: **(50 point maximum)**

Communities with above 76% minority population	50 points
Communities with 51% to 75% minority population	40 points
Communities with 26% to 50% minority population	30 points
Communities with below 26% minority population	20 points

**6. Project Readiness: (50 point maximum)**

Proof of other funding committed	50 points
Other funding located but not committed	25 points
No other funding located or committed	0 points

## 7. Match: (50 point maximum)

75-100%	50 points
50-74%	40 points
25-49%	30 points
10-24%	20 points
5-9%	10 points
0-4%	0 points

## ECONOMIC DEVELOPMENT GUIDELINES

### Application Submission Requirements

Applications for Community Development Loan Funds (CDLF) will be accepted anytime during 2020. A two-step process will be utilized to determine the best primary and/or retail sector projects in North Dakota Planning Region I. A "Request for Application" for economic development monies must be completed by an eligible applicant for a loan directly to the government entity, local development corporation or private developer. A bank must be involved in all CDLF projects unless it is determined that the project is a disaster situation. To apply for funding consideration, eligible applicants must complete the "Request for Application" forms and required attachments which include:

- Application Cover Page
- Preliminary Staffing Plan
- Source and Use of Funds Statement
- Proposed Security Position
- Principal's Proposed Equity Investment

### Application Submittal

Applications for eligible activities will be accepted from eligible applicants (City or County units of government). Application forms are available at the Tri-County Regional Development Council office. Technical Assistance is available from Tri-County Staff.

If after the completion of the "Request for Application" review process a project is invited to submit a "Full Application", the additional items needed to complete that application include:

- Full Business/Marketing Plan
- Personal Financial Statement
- Commitment to Locate in Planning Region I
- Firm Commitment of Other/Matching Funds
- Resolution of Sponsorship
- Evidence of One Public Hearing
- Fair Housing Certification
- Applicant Assurance Certification
- Community Development Needs Assessment
- HUD Disclosure Report
- Proposed Grant Administrator and Qualifications

Citizen Participation Plan<sup>1</sup>  
Resolution of Excessive Force Plan<sup>1</sup>

All full applications recommended for funding and which meet the above requirements will be delivered to the ND Division of Community Services for a HUD and State compliance review and for final loan agreements.

**Review and Selection Process**

- A. The Tri-County Regional Development Council Review Committee will be empowered to rank and evaluate all "Requests for Application" and "Full Applications" generated from North Dakota Planning Region I.
- B. Applicants will be required to first submit a "Request for Application" for initial review by the Review Committee.
- C. Only proposals which meet the minimum State and/or HUD requirements in the "Request for Application" and are determined to be submitted by an eligible applicant for an eligible activity and are concluded to be a viable economic venture will be invited to submit a "Full Application". A Bank must be involved in the CDLF project unless it is a disaster situation.
- D. The Review Committee will meet to consider eligible "Requests for Application" and to make recommendations on "Full Applications".
- E. After reviewing "Full Applications", interviewing the applicant/entrepreneur and hearing testimony from interested parties the Review Committee will make its recommendation.

<sup>1</sup>The Displacement Plan, Resolution of Excessive Force, and Citizen Participation Plan are only required if the applicant has not previously submitted these documents to the ND Division of Community Services or if it has amended the plans since the original submission.

- F. After discussing the proposal with representative(s) of the applicant, as well as, consideration of subjective scoring criteria the Review Committee may:
  - 1. Approve the project as proposed;
  - 2. Approve with modifications or conditions;
  - 3. Withhold a decision until a later date;
  - 4. Request additional information;
  - 5. Deny the request; or
  - 6. Any combination of the above.

**Evaluation Criteria - Economic Development**

The Review Committee will use no structured scoring system; decisions will be subjective and will be based on the following criteria:

- Financial Strength of the Proposal
- Probability of Monetary Success
- Likelihood of Loan Repayment

Need and Appropriateness for Funds  
 Strength of Management Person/Team  
 Potential Success in Marketing  
 Past Expertise and Experience  
 Benefit for Job Creation  
 Degree of benefit to the local economy  
 Benefit to low/moderate income persons

### **MAIN STREET GUIDELINES**

Slum and blight projects for the Main Street Program must aid in the prevention or elimination of slums and blight. Activities may address slums and blight on an area basis. A four step process will be utilized to determine the eligible Main Street projects in North Dakota Planning Region 1. The process is as follows:

- Step 1: Project Eligibility
- Step 2: Eligible Activities for Projects
- Step 3: Eligible Recipients
- Step 4: Review and Approval Process

Pre-applications for Slum and Blight monies must be completed and received by the regional council by the deadline date. The following documentation must be submitted to the TCRDC for project consideration:

- CDBG Pre-application
- Declaration of Slum and Blighted Area
- Slum and Blight Inventory Form (including project photographs)
- Map of designated area (contact TCRDC)

On the basis of project need, the committee will score each proposal using the following criteria:

<b>Objective Scoring Criteria for slum and blight projects</b>	<b>Maximum Points</b>
Non-Profit benefit (city, county, tribal government, or other non-profit)	150
Elimination of Brownfields or cleanup	100
Matching funds: 1 point for each percentage of non-CDBG funds	250
Public Facilities project	250
Planning project	100
Other eligible CDBG project	50

<b>Subjective Scoring Criteria for all Projects</b>	<b>Maximum Points</b>
Project appropriateness; effectiveness; long term solution	300
Past performance, communication and/or responsiveness	100
Commitment to project (matching funds, likeliness of completion, etc.)	200
Readiness, community/regional benefit, public health/safety benefit	400



The Review Committee reserves the option to not fund any projects scoring less than 200 points.

For more information on the process and required documentation please contact the TCRDC.

### ALLOCATION OF FUNDS

Allocation amounts for each planning region in North Dakota are estimates and subject to change, and amounts may be transferred to other emphasis areas as the regional council and/or Governor determines to be proper. The level of funds awarded and terms and conditions from what is requested by individual applicants are subject to change by the Review Committee of the Tri-County Regional Development Council.

Initial funding targets for the North Dakota Planning Region I are as follows:

<b>Total FY 2020 Amount Available for Distribution:</b>	<b>\$295,306</b>
<i>Allocations by emphasis area:</i>	
Public Facility	\$206,714
Housing Rehabilitation, Housing Opportunity, & Multi-Jurisdictional Program	\$0
Planning	\$0
Economic Development	\$0
Main Street (economic development buildings)	\$88,892
Other Eligible Activities	<u>\$0</u>
<b>Total FY 2020 Funds Available for Distribution</b>	<b>\$295,306</b>

Funds may be designated, but not beyond the requirements of the Governor, within the allocation limits for the following activities:

- A. Public Facilities, Housing, Planning and Other - Eligibility, activities and projects as described in the State Action Plan.
- B. Economic Development - Eligibility, activities and projects as described in the State Action Plan.
- C. Unobligated - Unobligated funds within all allocation categories, if any, may at the option of the Tri-County Regional Development Council Board and in accordance with the State Program Distribution Statement be used for housing, public facilities, economic development, emergency projects, and other activities that are eligible for CDBG assistance.

If you require special arrangements under the Americans with Disabilities Act, contact either the Tri-County Regional Development Council at (701) 577-1358; the State Relay Service at 1-800-366-6888 or 711 (TTY); the State Relay Service at 1-800-366-6889 or 711 (Voice); or the State Relay Service at 1-800-435-8590 or 711 (Spanish).

**2020**

**REGION II**

**SOURIS BASIN**

**PLANNING COUNCIL**

**PO Box 2024**  
**PO Box 2024**  
**1905 2<sup>nd</sup> St SE**  
**Minot, ND 58702**  
**info@sourisbasin.org**  
**Website: sourisbasin.org**  
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**ND Relay Voice: 800.366.6889**  
**Spanish: 800.435.8590**



**ALTERNATIVE FORMATS FOR  
DISABLED PERSONS ARE AVAILABLE  
UPON REQUEST**

**If you have an emergency or urgent project, please call SBPC right away to discuss options and eligibility.**

## ALLOCATION ESTIMATES

Low- and Moderate-Income (LMI) projects	329,373
<b>Region 2 Total Allocation</b>	<b>329,373</b>

Allocations to one or more categories may be adjusted accordingly without notice and at the sole discretion of the SBPC Executive Board of Directors.

## SCHEDULE

Applications for emergency/urgent and general Economic Development projects will be accepted any time. Please contact SBPC for application requirements. All other applications must abide by the following schedule:

<b>February 21, 2020</b>	Public Hearing	3:00 pm   Minot Public Library 516 2 <sup>nd</sup> Ave SW Minot
<b>April 23, 2020</b>	CDBG Workshop (attendance required to apply)	9:30 am   Brady Martz 24 Central Ave W Minot
<b>August 10, 2020</b>	Pre-applications due *	3:00 pm   SBPC office
<b>September 9, 2020</b>	Presentations & scoring	3:00 pm   Location TBA
<b>September 13, 2020</b>	Invites for full applications	
<b>November 18, 2020</b>	Full applications due *	3:00 pm   SBPC office

*\*Time extensions may be requested in writing to SBPC. Requests must state unusual or unavoidable circumstances for consideration.*

It is anticipated that grants will be awarded, and projects may begin in early 2021. **No projects shall begin without an award and a Release of Funds.**

SBPC will implement the following schedule if a second application round is necessary: Pre-applications due 2/1/2021 at 12:00 pm CST; Presentations & scoring 3/10/2021; Invitation to complete full application 3/12/2021; and full applications due 4/30/2021.

## KEY CONTACT INFORMATION

Public Facilities, Housing, Urgent Need, Slum & Blight projects and general program questions	Emily	<a href="mailto:emily@sourisbasin.org">emily@sourisbasin.org</a>
Economic Development projects	Briselda	<a href="mailto:briselda@sourisbasin.org">briselda@sourisbasin.org</a>

## CONFLICT OF INTEREST

All officers, directors, delegates, council members, committee members and employees of SBPC and its committees shall avoid conflict, whether real or perceived, between individual, professional or business interests and the decision-making capacity of SBPC.

In the event that any officer, director, delegate, council member, committee member or employee has any direct or indirect interest or relationship with any individual or organization proposing to enter into transaction with SBPC or its committees, such person shall give notice and shall thereafter refrain from voting on the transaction in which he or she has an interest and from otherwise exerting influence in any way on SBPC to affect a decision to participate or not participate in such a transaction.

## ELIGIBILITY & REQUIREMENTS

Eligible applicants include incorporated cities and counties located in North Dakota Planning Region 2. Cities and counties may serve as project sponsor to a non-eligible entity.

Pre-applications are available at [www.sourisbasin.org](http://www.sourisbasin.org). Technical assistance is available from SBPC staff. Only those applications that are complete, meet the full requirements, and are determined to be eligible for funding will be presented for review.

The SBPC Executive Board of Directors will evaluate and score all applications, unless otherwise noted, and at its discretion, may offer applicants less than the requested funds.

### Project Requirements

1. Each project must meet a national objective to be eligible.
2. At least one representative (elected official or key employee) of an applying entity **MUST** attend a CDBG Workshop conducted by SBPC no more than 18 months before an entity may apply. \*\*
3. Upon submission of a full application, the project must be ready to begin in 4 months or less.
4. Administrative funds are 15 percent of CDBG funds granted, with a minimum of \$5,000 per project (\$3,000 for slum and blight) and must be paid for with non-CDBG funds. (See exception for Economic Development – Local Foods Projects)
5. Housing and Public Facilities projects estimated at \$50,000 or more must have plans, drawings and specifications by a licensed architect or engineer and shall be paid for with non-CDBG funds. \*\*\*
6. Slum and Blight projects benefiting a for-profit business require a 1:1 leverage match, and may be in the form of a grant, loan, forgivable loan or a combination, and determination will be made on a case-by-case basis.
7. Economic Development Projects
  - a. A bank must be involved in the financing of a project unless in a disaster situation.
  - b. Loans must be secured with fixed assets, personal guarantees or any other reasonable source of available collateral.
  - c. The cost per job shall not exceed \$50,000.
  - d. Must create and/or save permanent jobs.
  - e. 51 percent of jobs created or saved must be held by or made available to LMI persons or provide goods and services to an LMI community.

- f. 1:1 leverage match.
- g. 10 percent equity investment.

*\*\*Emergency and urgent need projects are excused from this requirement.*

*\*\*\*Applicants may request a waiver to use CDBG funds. These requests must be sent in writing with the pre-application and show significant financial hardship to be considered. Additional documents that may be required for consideration include financial reports, bank statements, etc.*

Final applications will be reviewed by SBPC employees for accuracy and submitted to the North Dakota Division of Community Services (DCS) for compliance review and development of grant agreements. Final applications must not deviate from the pre-application in scope, matching funds or implementation schedule.

### Project Activities, Guidelines and Examples

1. Emergency or urgent need projects include activities alleviating an immediate and urgent condition that poses a serious health, welfare or safety threat, resulting in the inability of a community to provide essential and basic services. At a minimum, the threat cannot have occurred or become apparent more than 18 months prior to submission of an application.

No point system will be used for emergency or urgent applications. Funding will be requested from the Governor's Fund. DCS will determine eligibility and appropriateness based on availability of funds and need. Funding will be at the discretion of the Governor's office and DCS. Applicants must provide evidence that it is unable to finance the activity on its own and other sources of funding are not available.

2. Public Facilities are eligible activities, as described in the State PDS, to include:
  - a. city or county infrastructure installation or rehab (e.g. water towers, lagoons, lift stations, trunk infrastructure, streets, etc.) CDBG is not eligible for city or county government use facilities, unless it is a removal of architectural barrier.
  - b. public safety (e.g., fire halls, trucks, ambulances and related equipment)
  - c. removal of architectural barriers (see further description below)
3. Housing eligible activities, as described in the State PDS, to include:
  - a. Single-family housing rehabilitation
  - b. Projects addressing multi-family housing, including rehabilitation, repair, or expansion; or eligible costs for new construction to provide affordable housing.
4. Removal of architectural barriers are special projects conducted in publicly and privately owned, non-residential buildings and facilities to improve the mobility and accessibility of elderly persons and/or persons with disabilities.

Each applicant for removal of architectural barriers will be required to update their Transition Plan if the project applied for is not reflected in their existing Section 504 Self Evaluation/Transition Plan on file.

5. Economic Development projects are funded through the Community Development Loan Fund (CDLF) program and will be treated as an interest-bearing loan.

Applicants shall submit a loan application and SBPC employees will review applications for accuracy. Only those that meet the full requirements and are determined eligible will be presented to the Souris Basin Loan Review Committee (SBLRC).

The SBLRC reviews and evaluates all loan applications and makes recommendations to the SBPC Executive Board of Directors. Upon review and recommendation of funding for an application, applicants will be invited to submit a full CDBG application.

Decisions of the SBLRC will be subjective based upon expertise, employee input, application content, review of the credit memo and risk rating, and DCS guidance.

### **Local Foods Projects**

SBPC has identified projects improving and maintaining access to fresh and healthy foods a priority of economic significance for rural communities for this funding cycle. Economic development projects improving or maintaining access to fresh and healthy foods may be submitted at any time and may be eligible for grant funding between \$10,000 and \$50,000. Determination will be made on a case-by-case basis. These projects should apply using the CDBG Pre-application and reviewed by the Board of Directors. An administrative fee of 10 percent of the total project costs will be charged, not to exceed \$10,000. The administrative fee will be paid through CDBG funds.

6. Planning activities relating to the establishment of or revision to a Capital Improvements Plan, Community Strategic Plan, Comprehensive Plan, Zoning, or other. *Please note the State PDS maximum grant guidelines for planning.*
7. Other activities which do not fit into any other category, but which are eligible for CDBG assistance.

### Project Scoring

LMI projects must benefit at least 51 percent low- and moderate-income persons to be eligible. To determine if your project meets this national objective, please contact SBPC.

<b>Objective Scoring Criteria for LMI projects</b>	<b>Maximum Points</b>
Percentage of LMI benefit: 1 point for every percentage of LMI benefit ***	100
Total population to benefit (based upon most recent census or income survey)	
25 individuals or less	10
26-100 individuals	30
101-500 individuals	50
501+ individuals	70
Matching funds: 1 point for each percentage of non-CDBG funds	50
Public Facilities project	50
Housing project	30
Planning project	20
Other eligible CDBG activity	10

\*\*\**Projects exclusively benefiting low- and moderate-income persons, senior citizens, persons with disabilities or removal of architectural barriers will receive 100% LMI benefit.*

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Slum and blight projects must aid in the prevention or elimination of slums or blight. Activities may address slums or blight on an area basis. To determine if your project meets this national objective, please contact SBPC.

<b>Objective Scoring Criteria for slum and blight projects</b>	<b>Maximum Points</b>
Non-profit benefit (city, county, tribal government, or non-profit entity)	30
Elimination of brownfield or clean-up	20
Matching funds: 1 point for each percentage of non-CDBG funds	50
Public Facilities project	50
Housing project	30
Planning project	20
Other eligible CDBG activity	10

<b>Subjective Scoring Criteria for all projects</b>	<b>Maximum Points</b>
Project appropriateness; effective, long-term solution	30
Past performance, communication and/or responsiveness	10
Commitment to project (matching funds, likeliness of completion, etc.)	20
Readiness, community and regional benefit, public health and safety benefit	40

**ALLOCATIONS, ADJUSTMENTS AND TRANSFERS**

After project scoring is complete, the SBPC Executive Board of Directors will consider the amount of the recommended award for each project according to ranking. The SBPC Executive Board of Directors reserves the right to adjust the amount of each award from the amount requested as it determines appropriate, and to apply conditions to the award. Lower-ranked projects that exceed thresholds are not necessarily entitled to grant awards even if funds remain in the category. The SBPC Executive Board of Directors may retain or transfer the balance of allocated funds to any category for current or future applicants, including emergency, other or economic development projects as.

If, after making its award recommendations, funds remain in one or more categories, the SBPC Executive Board of Directors may:

1. Offer all or part of the remaining allocation to applicants in order of ranking until all or part of the allocation is obligated,
2. Transfer all or part of the unobligated balance of the allocation to another category,
3. Retain the unobligated balance for future awards in the same category or transfer to another category,
4. Award all or part of the remaining allocation to an open project, or
5. Any combination of the above.



**2020**

**REGION III**

**NORTH CENTRAL  
PLANNING COUNCIL**

**PO Box 651**

**Devils Lake, ND 58301**

**Phone: 701-662-8131**

**Fax: 701-662-8132**

**sandyncpc@gondtc.com**

**[www.northcentralplanningcouncil.com](http://www.northcentralplanningcouncil.com)**

**TTY: 800-366-6888**

**ND Relay Voice: 800-366-6889**

**Spanish: 800-435-8590**



**ALTERNATIVE FORMATS FOR DISABLED  
PERSONS ARE AVAILABLE UPON REQUEST**

## ALLOCATION OF FUNDS

The following are based on the actual amount of funds available from the North Dakota Division of Community Services (DCS).

2020 Regional Funds Available	\$259,949
Allocated as follows:	
Housing	\$ --
Public Facilities	\$259,949
Main St. Slum & Blight (Cities)	\$ --

Other Funds Available – Economic Development and Main Street CDLF Slum & Blight projects, based on Region III fund balance. *\*70% must go to LMI projects and 30% to slum/blight*

Eligible projects and activities include those described in the 2020 State Program Distribution Statement. Allocations to one or more categories may be adjusted accordingly without notice and at the sole discretion of the NCPC Executive Board of Directors

### Application Information

Any county or city having questions on the eligibility of a project may contact North Central Planning Council staff.

Pre-application and final application forms may be obtained from:

North Central Planning Council  
417 5<sup>th</sup> St NE  
PO Box 651  
Devils Lake, ND 58301  
Telephone - 662-8131

## IMPLEMENTATION SCHEDULE

### Public Facilities and Housing

April 1, 2020	Pre-Applications available (online and by request).
June 19, 2020	Submission deadline for pre-applications (original and one copy must be postmarked on or before deadline date).
August 20, 2020	Pre-applications will be reviewed, scored and recommended funding amounts determined.

### Emergency Projects

Open	Applications for Emergency Projects will be accepted any time.
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## Economic Development

Open Applications for Economic Development will be accepted at any time. Economic Development Projects, when approved, will be funded out of the State Revolving Loan Fund.

### **GOALS AND REQUIREMENTS**

North Central Planning Council has established goals and requirements for each emphasis area. To be eligible to receive funding, pre-applications and notices of intent must address at least one of the program goals and meet all the requirements of that emphasis area and meet a national objective.

#### **HOUSING**

**Goals**

1. Site preparation for new low-income units.
2. Acquisition and site preparation for multi-family units.
3. Activities that support construction of new single family LMI housing (site work, utility hook ups etc.)
4. Rehabilitation of single family and multi-family units.

**Requirements**

1. \$75,000 grant/loan maximum, \$25,000 minimum.
2. 100% benefit to LMI for single family housing rehab. All others must be at least 51% LMI.
3. No local match required.
4. Engineering/Architectural costs, when present, and CDBG administration are to be paid by grant recipient. Administrative costs will be 15% of total project costs with a minimum of \$5,000 and a maximum of \$11,250. \*\*
5. The project must conform to all “lead base paint” requirements in place at the time of the award.
6. Asbestos testing is a requirement for all construction projects. It is recommended that this be done by the applicant prior to submitting an application as this can significantly change the cost of the project. Asbestos testing prior to the application is not a covered cost of CDBG.

#### **PUBLIC FACILITIES**

**Goals**

1. Upgrade infrastructure (water, sewer, or community facilities).
2. Expand infrastructure where growth takes place.
3. Removal of architectural barriers.

**Requirements**

1. CDBG funds are grant funds.
2. At least 51% benefit to LMI, special assessments or limited clientele.
3. \$100,000 grant maximum, \$20,000 minimum.
4. No match required.
5. Engineering/Architectural costs, when present, and CDBG administration are to be paid by grant recipient. Administrative costs will be 10% of total project costs, with a minimum of \$5,000 and a maximum of \$10,000.\*\*

6. Asbestos testing is a requirement for all construction projects. It is recommended that this be done by the applicant prior to submitting an application as this can significantly change the cost of the project. Asbestos testing prior to the application is not a covered cost of CDBG.

## **ECONOMIC DEVELOPMENT**

- Goals**
1. Job creation (primary sector, retail, tourism)
  2. Value-added manufacturing activities
  3. Diversification
  4. Retention and expansion of existing business
  5. Use of vacant buildings/facilities

- Requirements**
1. Grant and/or loan funds available for publicly owned infrastructure essential to economic development.
  2. \$500,000 maximum, \$50,000 minimum.
  3. 10% owner equity required.
  4. 1:1 match requirement.
  5. Grant funds available at the discretion of the NCPC/CDLF Review Board
  6. Administration of 10%, minimum \$5,000, maximum \$10,000; Economic Development Construction – 15% of CDBG project funds requested, up to a maximum of \$15,000, \$5,000 minimum.

## **SLUM AND BLIGHT – Economic Development**

- Goals**
1. Long Term Community Development
  2. Promote Livable Communities
  3. Address Unmet Community Development Needs
  4. Retention and expansion of existing business
  5. Use of vacant buildings/facilities
  6. Enhance Local Economic Development Efforts.

- Requirements**
1. Loan funds available through the NCPC CDLF for private business owners and non-profits.  
Grant funds available to Cities & Counties through the Annual Regional Allocation.  
Projects are to alleviate slum and blight through streetscapes, façade improvements, code enforcement, renovation of closed/abandoned buildings, energy system improvements/retrofitting, and architectural design features.
  2. Funding will be awarded based on 70% of recipients being LMI Communities and 30% can be non-LMI communities.
  3. City declaration of slum and blighted area must accompany pre-application.
  4. Slum and Blight Inventory must be completed for each building in City declared slum and blighted area.
  5. \$100,000 maximum loan.
  6. 10% owner equity required.
  7. 1:1 match requirement.

8. Administration Economic Development Construction – 15% of CDBG project funds requested, up to a maximum of \$15,000, \$5,000 minimum.
9. See the ND State Public Distribution Statement for full program guidelines. This includes the following forms: Declaration of Slum and Blighted Area, Slum and Blight Inventory. ND State PDS can be found at:  
<https://www.communityservices.nd.gov/communitydevelopment/Programs/CommunityDevelopmentBlockGrant/Mainstreet/>

## **URGENT NEED**

Urgent need and all other application submission requirements will utilize the submission requirements and deadlines established for public facilities and housing projects, depending on project type. Eligible activities in this category are those that demonstrate an immediate threat to health and safety.

## **EMERGENCY PROJECTS**

Eligible activities in this category are those that alleviate a condition that poses a serious health, welfare or safety threat or that may result in a loss of jobs and/or the inability of the community to provide essential services to its jurisdiction area. The project will need to meet the eligibility requirements and have concurrence that the project constitutes an Emergency Project from the North Dakota Division of Community Services (DCS). No funding is set-aside for Emergency Projects. However, funding for an Emergency Project may be allocated at the time of the application from funding unallocated, returned funds, or funds transferred from another emphasis area. Funding decisions including transfer from one allocation to another will be made by the Executive Board at their monthly meeting. CDBG funding for emergency projects can be up to 100% of the total project. Emergency Public Facility match requirements may be waived at the discretion of the Review Committee.

*\*\*Applicants must request a waiver to use CDBG funds. These requests must be sent in writing with the pre-application and show significant financial hardship to be considered. Additional documents that may be required for consideration include financial reports, bank statements, etc.*

## **TRANSFER OF FUNDS**

The transfer of allocations from one funding category to another without public notice can only be completed if one or more of the following conditions are met.

1. The project meets the criteria of Urgent Need as defined in this document.
2. The project meets the criteria of Emergency Project as defined in this document.
3. The funding allocation from any category may, at the discretion of the ranking committee, be transferred to another category if no applications are received in that category.

## **GRANT APPLICATION SUBMISSION REQUIREMENTS**

### **A. Housing and Public Facilities**

1. Applicants have the option of submitting either a pre-application or a full application by June 19, 2020. This is to allow applicants wishing to begin a project as soon as

possible the opportunity to receive a final grant award in a timelier manner. To be in consideration, the minimum requirements of a pre-application must be met; to be considered a full-application, all requirements for a full-application must be met. However, because scoring is based on only information required in the pre-application, full applications will have no advantage in scoring over pre-applications.

2. Applicants who have been invited for a full-application may change the proposal shown in the pre-application, but only if the proposal is within the same emphasis area, is intended to address the same problem identified and the amount of CDBG funds is not more than identified in the pre-application. If any changes affect the score it received in the pre-application, the NCPC-CDBG Board reserves the right to re-score and adjust rankings.
3. Although projects must meet the minimum requirements of the project emphasis area (outlined in that section of this document), a project may exceed these requirements and, in most cases, receive bonus points during the ranking process.
4. Public facilities pre-applications should include a preliminary architect/engineering report as required by state law. If an architect or engineer is not used and a report is not included, the applicant must state the reasons why. All public facility projects exceeding \$200,000 must comply with the North Dakota Program Distribution Statement.
5. Engineering/architectural costs, when present, and CDBG Administration are to be paid by local match.

## **GRANT REVIEW AND SELECTION PROCESS**

### **A. Public Facilities and Housing**

1. The CDBG Review Board will consist of 11 members. The members will include three officers of North Central Planning Council, one North Central Planning Council member from each Indian Reservation and one member of North Central Planning Council from each of our six counties. Prior to Scoring and Ranking, each member of the CDBG Review Board will sign a "Conflict of Interest Disclosure". The disclosure states that if they have a conflict of interest with any application being reviewed, that they do not take part in the ranking or discussion of that application.
2. The CDBG Review Board will be responsible for reviewing, scoring, ranking and making grant award recommendations.
3. Only proposals which meet the full requirements of the pre-application and those determined by Council staff to be eligible will be reviewed.
4. Upon receiving proposals, Council staff will review each for eligibility and completeness. Prior to the CDBG Review Board meeting on August 20, 2020, staff will send to each member a project summary from the submitted pre-application.
5. Staff will prepare summary reviews for each application to be given to Board members at the ranking and scoring meeting.

6. Representative(s) of applicants will be given the opportunity to present their proposal to the Board at the meeting, with up to 10 minutes each for presentations and questions from the committee and staff.
7. After all proposals have been reviewed by the Ranking Committee, the Board Members will score each application with points and formulas described in the scoring and ranking criteria section.
8. After rankings have been determined, the Board will consider the amount requested for each project according to ranking. The Board reserves the right to adjust the amount of each award from the amount requested as it determines appropriate.
9. The Board will establish funding levels for each project in order of ranking, but if not enough funds are available to fund an application, the Board may:
  - a. Offer to the applicant the funds remaining in the allocation, and if it is not accepted, offer the funds to the next eligible applicant in order of ranking until the funds are expended; or,
  - b. Adjust the regional allocation to reflect needs by emphasis area on the timeline permitted by the State Program Distribution Statement.
10. Pre-applicants recommended for funding will be invited to submit final applications. Final applications which staff determines are different to the extent that the pre-application score may be reduced will be re-scored, re-ranked and funding levels altered as the Board deems necessary.
11. If an applicant fails to meet the requirements of the full application within a reasonable period of time (typically 90 days from notification), the CDBG Review Board reserves the right to withdraw its recommendation of funds and recommend to another suitably ranked project.
12. All final applications recommended for funding will be delivered to the Division of Community Services for review as to their compliance with Federal and State requirements and for final Financial Award.
13. The City or County has the responsibility to obtain a lead based paint and asbestos certified contractor and risk assessor. If one is not available, the County or City must relinquish their grant allocation back to CDBG to fund other eligible projects.

## B. Economic Development

1. Funding recommendations under the economic development allocation, to be called the North Central Community Development Loan Fund (NCCDLF) will be made by the North Central Planning Council CDLF Review Board.
2. Prior to submitting a full-application, applicants must submit a Request for Financial Assistance to North Central Planning Council to be reviewed by staff to determine eligibility. If the project is determined eligible for the NCPC-CDLF Program, the

applicant will be notified and an Economic Development Packet will be given, which will contain the information needed to submit a full application.

3. The NCPC-CDLF Review Board will meet as needed to review all final and complete applications. The applicant will be adequately notified of the time and place of the meeting.
4. Prior to consideration by the CDLF Review Board of the final application, staff will review the final application and prepare recommendations regarding denial or approval, terms, conditions and other matters.
5. After discussing the proposal with representative(s) of the applicant as well as consideration of staff recommendations, the CDLF Review Board may:
  - a. approve as proposed,
  - b. approve with modifications or conditions,
  - c. agree to withhold a decision until a later date, or
  - d. deny the request.
6. Applications recommended for approval will be forwarded to the Division of Community Services for review as to their compliance with Federal and State requirements and for final grant award agreements.

### **SCORING AND RANKING CRITERIA**

**A. Public Facilities - Maximum 500 points – The Ranking Committee reserves the option to not fund any projects scoring less than 200 points.**

**1. Project Need - Maximum 100 points**

On the basis of project need, the committee will score each proposal using the following criteria:

- a. High Need: 70-100 points will be applied to proposals that:  
Address an already demonstrated significant problem which clearly affects health and/or safety;

Address a significant problem which in the immediate future is likely to affect health and/or safety; or  
Address a situation in which all or the most critical services otherwise available cannot be provided because of architectural barriers or other physical impediments to the handicapped.

- b. Moderate Need: 40-69 points will be applied to proposals that:

Address a potentially significant problem which could clearly and significantly affect health and/or safety, but the likelihood or immediacy is not clear or apparent;



Address an immediate problem of health and/or safety but where no life-threatening or serious health/safety problems can be anticipated; or

Address a situation in which services to the handicapped can be provided, but not fully or only with major inconvenience and/or additional costs.

- c. Low Need: 0-39 points will be applied to proposals that:

Have not shown that immediate or serious health and/or safety problems exist; or  
The applicant has not shown that services to the handicapped cannot be provided with any more than minor inconvenience and/or costs.

## 2. Local Commitment - Maximum 100 points

On the basis of local commitment each application will be scored on the perceived commitment. The following criteria will be considered:

- a. Strong Commitment: 65 – 100 points will be awarded to projects that demonstrate the applicant is asking for minimum amount of grant funds. This can be shown by demonstrating the following:

Project cannot proceed without the requested funds;

Applicant can show it is without additional existing funds to fully fund a project;

Other potential sources of funding assistance have been explored but no other sources of grants or affordable loans are likely or available to meet the immediate need;

The problem is:

- I. Long standing or existing but the applicant has made all reasonable efforts to obtain local or other financing to address the problem; or
- II. Immediate and unexpected not reasonably foreseen by the applicant.

- b. Moderate Commitment: 35 - 64 points will be awarded to application which show grant funds are needed to proceed with the projects and which meet most, but not all, of the criteria in 2.a. (above).
- c. Low Commitment: 0 - 34 points will be awarded to applications that do not show grant funds are needed to proceed with the project and which other funds are available, or which meet few of the criteria in 2.a. (above).

## 3. Project Appropriateness - Maximum 100 points

On the basis of project appropriateness the project will be scored using the following criteria:

- a. High Appropriateness: 70-100 points will be awarded to proposals that show the applicant has substantially met all the following criteria:

The project would address the best immediate solution to the problem;

The project would address the best long-term solution to the problem;

The project would meet all Federal and State requirements and standards;

The project's cost-effectiveness appears reasonable considering the number of people to benefit and the indicators of community readiness;

Cost estimates appear to be reasonable and are well documented (based on either architect/engineer estimates or multiple vendor quotes as is appropriate); and,

Project is shovel ready and can proceed in a timely manner.

- b. Moderate Appropriateness: 40-69 points will be awarded to proposals which substantially meet most of the above criteria and no major concerns are apparent with those criteria it does not clearly meet.
- c. Low Appropriateness: 0-39 points will be awarded to proposals which meet few of the above criteria, or which meet most criteria, or which meet most criteria but one or more major concerns are apparent which affect the appropriateness.

4. Low and Moderate Benefit - Maximum 100 points

One point for each percent of LMI to benefit will be applied. Projects to assist exclusively low and moderate income persons, senior citizens, handicapped accessibility or removal of architectural barriers will receive 100% LMI benefit. Otherwise LMI benefit will be determined from American Community Survey 5-Year 2015 Low and Moderate Income Summary Data or from approved survey method results.

5. Minority Living in Project Area – Maximum 100 points.

One point for each percent of minority population to benefit will be applied. The minority percentage will be determined from census data or from approved survey method results.

**B. Housing – Maximum 500 Points – The Ranking Committee reserves the option to not fund any projects scoring less than 200 points.**

1. Project Need – Maximum 100 points

On the basis of project need, the committee will score each proposal using the following criteria:

- a. High Need: 70-100 points will be applied to proposals that:

Address an already demonstrated significant problem which clearly affects health and/or safety;

Address a significant problem which in the immediate future is likely to affect health and/or safety;

Address a situation in which architectural barriers or other physical impediments to the handicapped are present in the home; or

Address a potential fair housing problem of segregating minority populations.

- b. Moderate Need: 40-69 points will be applied to proposals that:

Address a potentially significant problem which could clearly and significantly affect health and/or safety, but the likelihood or immediacy is not clear or apparent;

Address an immediate problem of health and/or safety but where no life-threatening or serious health/safety problems can be anticipated; or

Address a situation in which architectural barriers or other physical impediments are present but only as an inconvenience.

- c. Low Need: 0-39 points will be applied to proposals that:

If the applicant has not shown that immediate or serious health and/or safety problems exist.

## 2. Local Commitment – Maximum 100 points

On the basis of local commitment each application will be scored on the perceived commitment. The following criteria will be considered:

- a. Strong Commitment: 65 – 100 points will be awarded to projects that demonstrate the applicant is asking for minimum amount of grant funds. This can be shown by demonstrating the following:

Project cannot proceed without the requested funds;

Applicant can show it is without additional existing funds to fully fund a project;

Other potential sources of funding assistance have been explored but no other sources of grants or affordable loans are likely or available to meet the immediate need;

The problem is:

- I. Long standing or existing but the applicant has made all reasonable efforts to obtain local or other financing to address the problem; or
- II. Immediate and unexpected not reasonably foreseen by the applicant.

- b. Moderate Commitment: 35 - 64 points will be awarded to application which show grant funds are needed to proceed with the projects and which meet most, but not all, of the criteria in 2.a. (above).
- c. Low Commitment: 0 - 34 points will be awarded to applications that do not show grant funds are needed to proceed with the project and which other funds are available, or which meet few of the criteria in 2.a. (above).

3. Project Appropriateness – Maximum 100 points

On the basis of project appropriateness, the committee will score each proposal using the following criteria:

- a. High Appropriateness: 70-100 points will be awarded to proposals that show the applicant has substantially met all the following criteria:

The project would address the best immediate solution to the problem;

The project would address the best long-term solution to the problem;

The project would meet all Federal and State requirements and standards;

The project's cost-effectiveness appears reasonable considering the number of persons to benefit and the indicators of community readiness;

The project will promote fair housing activities that will optimize the integration of minority populations;

Cost estimates appear to be reasonable and are well documented (based on either architect/engineer estimates or multiple vendor quotes as is appropriate); and,

Project is shovel ready and can proceed in a timely manner.

- b. Moderate Appropriateness: 40-69 points will be awarded to proposals which substantially meet most of the above criteria and no major concerns are apparent with those criteria it does not clearly meet.
- c. Low Appropriateness: 0-39 points will be awarded to proposals which meet few of the above criteria, or which meet most criteria, or which meet most criteria but one or more major concerns are apparent which affect the appropriateness.

4. Low and Moderate Benefit – Maximum 100 points

One point for each percent of LMI to benefit will be applied. Projects to assist exclusively low and moderate income persons, senior citizens, handicapped accessibility or removal of architectural barriers will receive 100% LMI benefits. Otherwise LMI benefit will be determined from American Community Survey 5-Year 2015 Low and Moderate Income Summary Data or from approved survey method results.

5. Minority Living in Project Area – Maximum 100 points.

One point for each percent of minority population to benefit will be applied. The minority percentage will be determined from census data or from approved survey method results.

6. Bonus Points – Maximum 50 points

Homeownership – 10 points

- a. 10 points will be given if the project is designed to help homeowners to obtain home financing or will assist with other home ownership activities.

Rehabilitation – 10 points

- a. 10 points will be given if the project is designed to make single family homes and apartments handicapped accessible where needed, or modernizing single family homes owned by the elderly or rehabilitated rural single family and multi-family housing.

Construction – 20 points

- a. Use CDBG funds to help with Infrastructure for Construction of affordable rental housing projects and planned unit developments for low and moderate income households.
- b. Design all State administered housing programs to require compliance with the State building code and State energy code in the use of funds for new construction.

Other – 10 points

- a. Project leverages at least 15-25 percent local or private investment where not in conflict with program regulations.
- b. Project is designed to provide assistance to clients in the welfare-to-work program.

C. Economic Development & Slum/Blight Economic Development (private businesses).

No point system will be utilized for economic development (CDLF) requests; however, decisions will be based on the following:

1. Financial strength
2. Likelihood of success
3. Likelihood of repay ability
4. Need and appropriateness for funds and terms
5. Management strength, expertise and past performance
6. Marketing

7. Degree of likely benefit to the economy and very low and low income persons
8. Alleviation of Slum & Blight

**D. Slum and Blight – Cities & Counties, Maximum 500 points – The Ranking Committee reserves the option to not fund any projects scoring less than 200 points.**

1. Project Need - Maximum 100 points

On the basis of project need, the committee will score each proposal using the following criteria:

a. High Need: 70-100 points will be applied to proposals that:

Address an already demonstrated significant problem which clearly affects health and/or safety;

Address a significant problem which in the immediate future is likely to affect health and/or safety; or

Address a situation in which all or the most critical services otherwise available cannot be provided because of architectural barriers or other physical impediments to the handicapped.

b. Moderate Need: 40-69 points will be applied to proposals that:

Address a potentially significant problem which could clearly and significantly affect health and/or safety, but the likelihood or immediacy is not clear or apparent;

Address an immediate problem of health and/or safety but where no life-threatening or serious health/safety problems can be anticipated; or

Address a situation in which services to the handicapped can be provided, but not fully or only with major inconvenience and/or additional costs.

c. Low Need: 0-39 points will be applied to proposals that:

Have not shown that immediate or serious health and/or safety problems exist; or  
The applicant has not shown that services to the handicapped cannot be provided with any more than minor inconvenience and/or costs.

2. Local Commitment - Maximum 100 points

On the basis of local commitment each application will be scored on the perceived commitment. The following criteria will be considered:

a. Strong Commitment: 65 – 100 points will be awarded to projects that demonstrate the applicant is asking for minimum amount of grant funds. This can be shown by demonstrating the following:

Project cannot proceed without the requested funds;

Applicant can show it is without additional existing funds to fully fund a project;

Other potential sources of funding assistance have been explored but no other sources of grants or affordable loans are likely or available to meet the immediate need;

The problem is:

- I. Long standing or existing but the applicant has made all reasonable efforts to obtain local or other financing to address the problem; or
- II. Immediate and unexpected not reasonably foreseen by the applicant.

- b. Moderate Commitment: 35 - 64 points will be awarded to application which show grant funds are needed to proceed with the projects and which meet most, but not all, of the criteria in 2.a. (above).
- c. Low Commitment: 0 - 34 points will be awarded to applications that do not show grant funds are needed to proceed with the project and which other funds are available, or which meet few of the criteria in 2.a. (above).

3. Project Appropriateness - Maximum 100 points

On the basis of project appropriateness meaning readiness and community/regional benefit, the project will be scored using the following criteria:

- a. High Appropriateness: 70-100 points will be awarded to proposals that show the applicant has substantially met all the following criteria:  
The project would address the best immediate solution to the problem;

The project would address the best long-term solution to the problem;

The project would meet all Federal and State requirements and standards;

The project's cost-effectiveness appears reasonable considering the number of people to benefit and the indicators of community readiness;

Cost estimates appear to be reasonable and are well documented (based on either architect/engineer estimates or multiple vendor quotes as is appropriate); and,

Project is shovel ready and can proceed in a timely manner.

- b. Moderate Appropriateness: 40-69 points will be awarded to proposals which substantially meet most of the above criteria and no major concerns are apparent with those criteria it does not clearly meet.
- c. Low Appropriateness: 0-39 points will be awarded to proposals which meet few of the above criteria, or which meet most criteria, or which meet most criteria but one or more major concerns are apparent which affect the appropriateness.

4. Low and Moderate Benefit - Maximum 100 points

One point for each percent of LMI to benefit will be applied. Projects to assist exclusively low and moderate income persons, senior citizens, handicapped accessibility or removal of architectural barriers will receive 100% LMI benefit. Otherwise LMI benefit will be determined from American Community Survey 5-Year 2015 Low and Moderate Income Summary Data or from approved survey method results.

5. Minority Living in Project Area – Maximum 100 points.

One point for each percent of minority population to benefit will be applied. The minority percentage will be determined from census data or from approved survey method results.



**2020**

**REGION IV**

**RED RIVER**

**REGIONAL COUNCIL**

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**ALTERNATIVE FORMATS FOR DISABLED  
PERSONS ARE AVAILABLE UPON REQUEST**

## ALLOCATION OF FUNDS

The Red River Regional Council (RRRC) is a four-county, voluntary association of governments. The RRRC provides assistance in community, physical, and economic development to cities and counties in Grand Forks, Nelson, Pembina and Walsh counties in northeastern ND. This is ND sub state Planning Region IV. The members of the RRRC include representatives from the four-county region. Membership is designed to provide broad representation of governmental and economic interests.

### 2020 FUNDING ALLOCATION

The funding allocation for 2020 is \$205,407.00. Following is the allocation breakdown:

<b>Total FY 2020 funding</b>	<b>\$205,407.00</b>
<b>Allocation by emphasis area:</b>	
Public Facilities	\$205,407.00
Housing	\$ 0
Planning	\$ 0
Emergency/Other	\$ 0
Economic Development – CDLF and ED Infrastructure	\$ 0

Economic Development proposals that are approved for funding will be funded from revolved CDLF funds.

### IMPLEMENTATION SCHEDULE FOR 2020 PUBLIC FACILITIES, HOUSING AND PLANNING

June 24, 2020	Pre-application deadline
On or about August 20, 2020	CDBG Review Committee meeting (scoring/ranking) of pre-applications and recommendation to Board of Directors
February 19, 2021	Final date for completion of full applications submitted to Division of Community Services (DCS) for approval*

### ECONOMIC DEVELOPMENT APPLICATIONS

Applications for Economic Development funds will be accepted at any time and will be considered if funds are available.

\*At the option of the RRRC, due dates for final applications may be extended. This option may be exercised without public notice at the sole discretion of the Board of Directors if final applications are invited after February 19, 2021 due to availability of additional funds resulting from additional allocations, returned or unobligated funds, or fund transfers. In such cases, the Board of Directors may extend the final application deadline as it determines is appropriate, but

not later than seven days prior to the latest date by which applications and amendments must be received by DCS.

### ACRONYMS

CDBG .....	Community Development Block Grant
CDLF .....	Community Development Loan Fund
DCS.....	ND Department of Commerce - Division of Community Services
ED .....	Economic Development
FTE .....	Full Time Equivalent
PDS .....	Program Distribution Statement
RLF .....	Revolving Loan Fund
RRRC.....	Red River Regional Council
VL and LI.....	Very Low and Low Income

### CDBG FUNDING CATEGORIES

- A. **Housing:** Housing projects as described in the State Program Distribution Statement (PDS) that address single-family and affordable multi-family developments, including rehabilitation, repair, expansion or similar activities proposed that will better assure meeting needs, immediate and long-term viability, and health and safety issues; or conversion or eligible soft costs for new construction of providing affordable housing. Multi-family awards may be made in the form of grants, loans, or a combination.
  
- B. **Public Facilities:** Eligible activities as described in the State PDS to include infrastructure, public safety (e.g., fire halls, trucks, ambulances and related equipment) and removal of architectural barriers.
  
- C. **Emergencies:** Eligible activities needed to alleviate an immediate and urgent condition that poses a serious health, welfare or safety threat, including an event such as fire, flood or tornado resulting in severe damages that may result in a loss of jobs and/or inability of the community to provide essential services to its market area. At a minimum, the threat cannot have occurred or become apparent more than 18 months prior to submission of an application or pre-application, but generally it should not have occurred, or a solution identified, until after the regular public facility pre-application deadline.
  
- D. **Planning:** Eligible activities relating to the establishment of a Capital Improvements Plan, Community Strategic Plan, Comprehensive Plan, Zoning, or other plans.
  
- E. **Other:** Other activities which do not fit into any other category but which are eligible for CDBG assistance. Any proposal within this category must meet one of the national objectives.
  
- F. **Economic Development:** Eligible activities and projects as described in the State PDS. Economic development funds may be in the form of CDLF loans or grants to businesses (or related entities), or as grants and/or loans for economic development infrastructure.

## GRANT APPLICATION SUBMISSION REQUIREMENTS

### A. Public Facilities, Planning, and Housing

1. **Applicants have the option of submitting either a pre-application or full application by June 24, 2020. This is to allow applicants wishing to begin a project as soon as possible the opportunity to receive a final grant award in a timelier manner.** To be considered for scoring, the minimum requirements of a preliminary application must be met. However, because scoring is based only on information required in the pre- application, full applications would have no advantage in scoring over pre-applications.
2. Generally, the only difference between pre-applications and full applications is documentation that all state and federal procedures and policies, such as public hearings, identification of community development needs, displacement policies, etc. have been fulfilled. However, pre-applicants who have been invited for a full application may change the proposal shown in the pre-application, but only if the proposal is within the same emphasis area and is intended to address the same problem identified in the pre- application. If any changes could affect the score it received in the pre-application, the CDBG Committee reserves the right to re-score, adjust rankings and alter award recipients and amounts.
3. Although specific match amounts are not required, at a minimum local match is required to fully cover engineering/architectural costs (if any) and CDBG administration costs. The match requirement may be waived in whole or part by the CDBG Committee if it can be clearly documented there are insufficient resources to pay such costs.

If a jurisdiction has no local funds for grant administration, CDBG funds will be used for grant administration. If the estimated grant administration costs exceed the CDBG-funded costs, the jurisdiction will be required to supplement grant administration funds.

Architectural/engineering costs should be documented in the application, and for purposes of budgeting, the following administration costs should be assumed unless otherwise documented:

- a. For Housing and Public Facility Special Assessment projects, 15% of CDBG project funds, with a minimum of \$5,000.
- b. For Public Facility projects, 10% of CDBG project funds, with a minimum of \$1,000.

Notwithstanding the above, the match amount proposed by the applicant should be determined by what is reasonable considering the resources available to the applicant. Failure to provide an adequate and reasonable match will result in a lower commitment score. Proposals requesting grant assistance for either engineering or administration, or both, will be required to submit additional budget and financial information.

4. Public Facility projects for which costs are estimated at \$25,000 or more require preparation of plans, drawings and specifications by a licensed architect or registered engineer.
5. Housing projects for which costs are estimated at \$100,000 or more require preparation of plans, drawings and specifications by a licensed architect or registered engineer.
6. Public Facilities projects are eligible for CDBG funds to pay for construction costs of the project if the population in the project area is 51% or greater very low and low income (VL and LI). If the population is less than 51% VL and LI, CDBG funds can only be used to pay for special assessments on behalf of VL and LI households.

**B. Economic Development and Economic Development Infrastructure**

1. Economic Development (CDLF) and Economic Development Infrastructure proposals will be considered at any time.
2. Final applications will not be requested or considered until eligibility has been determined by RRRC staff after submission of a pre-application.
3. Administration of 10%, minimum \$5,000, unless otherwise negotiated, will be charged.
4. Minimum requirements for CDLF business loans include:
  - a. At least 51% of the jobs created or retained by the proposed project must be available to very low and low income people;
  - b. Principal(s) must provide at least 10% of the total project in the form of equity; (the ED Committee reserves the right to increase this requirement if it deems necessary);
  - c. CDLF may only participate a maximum of fifty percent of the total project;
  - d. The CDLF target is \$10,000 investment per job to be created or retained (however, the Economic Development Committee retains the flexibility to allow up to \$50,000 per job maximum investment for economic development loans). For public facility improvements undertaken for the benefit of one or more businesses, the facility/ improvement must be less than \$10,000 per permanent full-time equivalent job to be created or retained by those businesses.

**C. Emergency and Other:** Applicants should contact the RRRC staff for guidance and instructions.

## GRANT/LOAN REVIEW AND SELECTION PROCESS

### A. Public Facilities, Planning, and Housing

1. The RRRC's Community Development Committee will be responsible for reviewing, scoring, ranking and making grant award recommendations. For purposes of the PDS, this committee will be referred to as the CDBG Committee. The chair of the CDBG Committee, in cases where a committee member(s) is absent or has a conflict of interest, may name an alternate(s) for the absent or in-conflict member from a pool of RRRC Board members who have served at least one year and demonstrated a record of good attendance. When possible and practical, preference should be given to those potential alternates who have no apparent conflict of interest in any known proposal.
2. Only proposals that meet the full requirements of the pre-application, and those determined by RRRC staff to be eligible, will be considered.
3. Upon receiving proposals, RRRC staff will review each for eligibility and completeness, and prior to the CDBG Committee meeting on or about August 20, 2020, staff will send to each member a copy of the submitted proposals.
4. Staff will prepare summary reviews of each application to be given to committee members at or before their meeting on or about August 20, 2020.
5. Applicant representatives will be given the opportunity to present their proposal to the committee at the meeting, with up to 15 minutes each for presentations and questions from the committee and staff.
6. After all proposals have been heard and reviewed by the committee, committee members will score proposals in each subjective scoring category. Staff will apply appropriate scores for each objective category. Committee scores will be totaled and then averaged to determine ranking.
7. Although no allocation is specified for planning proposals, proposals received, if any, will be heard, scored and ranked, and will be awarded upon approval by the CDBG Committee and approval of transfer of funds from another category.
8. Although no allocation is specified for emergencies, requests may be funded on August 20, 2020 or thereafter upon approval of the committee and approval of transfer of funds from any category.
9. For scoring purposes only on housing proposals, funds spent on related items within six months prior to consideration of the request may be recognized as match.

10. After rankings have been determined, the CDBG Committee will consider the amount of the recommended award to each project according to ranking. The CDBG Committee reserves the right to adjust the amount of each award from the amount requested as it determines appropriate, and to apply conditions to the award, including time deadlines to meet the conditions. Lower-ranked projects are not necessarily entitled to grant awards even if allocated funds remain in the category. The CDBG Committee may retain or transfer the balance of allocated funds to any category for current or future applicants, including for planning proposals, emergency, other or economic development projects as deemed appropriate.
11. If, after making its award recommendations, funds remain in one or more categories, the CDBG Committee may:
  - a. Offer all or part of the remaining allocation to applicants in order of ranking until all or part of the allocation is obligated, or
  - b. Transfer all or part of the unobligated balance of the allocation to another category, or
  - c. Retain the unobligated balance for future awards in the same category or transfer to another category, or
  - d. Award all or part of the remaining allocation to an existing, previously funded (from the previous year) but still open project, or
  - e. Any combination of the above.
12. The CDBG Committee will make its funding recommendation(s) to the RRRRC Board of Directors for consent.
13. Pre-applicants recommended for funding will be invited to submit final applications. Final applications which staff determines are different to the extent that the pre-application score may be reduced will be re-scored, re-ranked and funding levels altered as the CDBG Committee deems necessary.
14. All final applications recommended for funding will be delivered to the ND Department of Commerce Division of Community Services for review, final approval and preparation of grant awards.

## **B. Economic Development – CDLF**

1. Funding recommendations under the Economic Development allocation, to be called the Red River Community Development Loan Fund (CDLF), will be made by the RRRRC Economic Development Committee.

2. Prior to submitting a full application and business plan, applicant must first submit a pre- application, which will be reviewed by staff for eligibility. Proposals that meet eligibility requirements will be invited to submit a full application.
3. The Economic Development Committee will meet approximately bi-monthly to review all final and complete applications and business plans received at least two weeks prior to the meeting. Applications received within two weeks may be considered at the option of the Economic Development Committee, and otherwise will be held over until the next meeting.
4. Prior to consideration by the Economic Development Committee, staff will review the application and business plan and prepare recommendations regarding terms, conditions and other matters.
5. After discussing the proposal with representative(s) of the applicant as well as consideration of staff reviews and recommendations, the Economic Development Committee may:
  - a. Approve as proposed;
  - b. Approve with modifications or conditions;
  - c. Agree to withhold a decision until a later date; or,
  - d. Deny the request.
6. Applications recommended for approval will be presented to the RRRC Board of Directors for consent and if approved, forwarded to the ND Department of Commerce Division of Community Services for review, final approval and preparation of grant awards.
7. Proposals which have been rejected for funding may be resubmitted at any time, and may be reconsidered by the committee if it determines that situational or proposal changes are significant enough that a change in determination is likely.
8. Amendment requests to approved loans or grants include requests for additional financing; change in the terms of the loan; loan deferment; or loan write-off. Loan recipients need to make amendment requests to the City/County. The City/County needs to approve, alter or disapprove, then forward the amendment to the RRRC for concurrence; if approved, the request will be forwarded to DCS. The City/County may ask the RRRC for technical assistance.

### **C. Economic Development Infrastructure**

1. The process for requests for economic development infrastructure projects will be the same as described in B. above (Economic Development-CDLF).



2. Awards for economic development infrastructure may be in the form of grants, loans, or a combination, as is determined to be appropriate.
3. Proposals which have been rejected for funding may be resubmitted at any time, and may be reconsidered by the committee if it determines that situational or proposal changes are significant enough that a change in determination is likely.

#### **D. Emergency and Other**

1. For emergency and other proposals eligible for CDBG assistance, the appropriate application/pre-application form shall be used. Applicants should contact staff for guidance.
2. The committee, or a subcommittee as authorized by the committee or its chair in cases where a full committee meeting is impractical due to the immediacy of an emergency, shall review each proposal and deliver any favorable recommendation to the Division of Community Services for review, final approval and preparation of grant awards.

#### **E. Other Transfers**

1. The RRRC Board of Directors reserves the right, without notification except as may be required by state or federal regulations, to modify or transfer allocations and otherwise modify or amend this statement, including but not limited to clarifications of policy, and deadline or meeting date changes.
2. The RRRC Board of Directors may assign all returned funds from 2019 or prior year grantees to whichever allocation it deems appropriate.
3. Existing grantees requesting additional CDBG funds from either the 2020 allocation or from returned or any unallocated funds may do so through the amendment procedure. Such requests for additional funds from the 2020 allocation may be considered at any time during or after the August 20, 2020 ranking session. Requests for additional funds from 2019 or earlier returned or unallocated funds may be considered at any time.

### **CONFLICT OF INTEREST STATEMENT**

Members of the RRRC's Community Development and Economic Development Committees review pre-applications and full applications and provide funding recommendations to the Board of Directors. To ensure committee members do not have a conflict of interest, the following steps will be taken:

1. Committee Members and RRRC Board Members must identify any personal, professional or financial interest they may have in the application under consideration. Minutes will reflect the disclosure.
2. A CDBG Review Committee member will not score applications for which he/she has a conflict of interest, nor will he/she score applications which compete for the same funds.
3. A member of the Board of Directors with a conflict of interest will abstain from voting on relevant motions, and minutes must reflect the member's desire to abstain.

## **SCORING AND RANKING CRITERIA**

### **PUBLIC FACILITIES PROJECTS – Maximum 700 points**

#### 1. NEED - Maximum 150 points

The CDBG Committee will score each pre-application or full application on the basis of perceived need.

a. High Need: 120 to 150 points will be awarded to applications which:

- address an already demonstrated significant problem which clearly affects health, and/or safety of the community or a targeted VL&LI group within the community;
- address a significant problem which in the immediate future is likely to affect health and/or safety; or
- address a situation in which all or the most critical services otherwise available cannot be provided because of architectural barriers or other physical impediments to persons with handicaps.

b. Moderate Need: 90 to 120 points will be awarded to applications which:

- address a potentially significant problem which could clearly and significantly affect health and/or safety, but the likelihood or immediacy is not clear or apparent;
- address an immediate problem of health and/or safety but where no life-threatening or serious health/safety problems can be anticipated; or
- address a situation in which services to the handicapped can be provided, but not fully, or only with major inconvenience and/or additional costs.

- c. Low Need: 60 to 90 points will be awarded to applications which:
- address a problem which could significantly affect health and/or safety of the community, or a targeted VL&LI group within the community, but the likelihood or immediacy is not clearly documented or apparent.
  - have not shown that services to the disabled cannot be provided with any more than minor inconvenience and/or costs.
  - have not clearly shown that immediate or serious health and/or safety problems exist.

2. COMMITMENT - Maximum 125 points

The CDBG Committee will score each Application on the basis of perceived commitment. 90 to 125 points will be awarded for high commitment, 65 to 89 points for moderate commitment, and 0 to 64 points for low commitment. The following criteria will be considered:

- a. High Commitment: 90 to 125 points will be awarded to projects that demonstrate the applicant is asking for the minimum amount of grant funds and is, therefore, providing the maximum amount of local match funds. This can be shown by documenting all of the following:
- 1) project cannot proceed without the requested funds;
  - 2) applicant can show it is without additional existing funds to fully fund or increase the local match to the project;
  - 3) other potential sources of funding assistance have been explored but no other sources of grants or affordable loans are likely or available to meet the immediate need.
  - 4) the problem is:
    - i. long standing or existing but the applicant has made all reasonable efforts to obtain local or other financing to address the problem; or
    - ii. immediate and unexpected, not reasonably foreseen by the applicant.
- b. Moderate Commitment: 65 to 89 points will be awarded to Applications which show grant funds are needed to proceed with the project and which meet most, but not all, of the criteria in 2.a. (above).

- c. Low Commitment: 0 to 64 points will be awarded to Applications that do not show grant funds are needed to proceed with the project, for which other funds are available, or which meet few of the criteria in 2.a. (above).

3. APPROPRIATENESS - Maximum 125 points

100 to 125 points to projects that meet each of the following criteria;

80 to 99 points to those that meet 6 of 7;

60 to 79 points to those that meet 5 of 7;

40 to 59 points to those that meet 4 of 7;

0 to 39 points to those that meet fewer than 4 of the 7 criteria.

- a. the project would address the best immediate solution to the problem;
- b. the project would provide the best long-term solution to the problem;
- c. the project would meet all federal and state requirements and standards;
- d. the project appears to be cost effective considering the number of people to benefit versus the cost as compared to other projects;
- e. cost estimates appear to be reasonable and are well documented;
- f. project appears ready to proceed in a timely manner, with construction beginning in a 12-month period; and
- g. applicant proposes to utilize an experienced and qualified administrator.

4. PERCENTAGE OF MINORITY LIVING IN PROJECT AREA – (Taken from US Census data located in American Fact Finder) – Maximum 100 points

Communities with above 76% minority population	100 points
Communities with 51% to 75% minority population	75 points
Communities with 26% to 50% minority population	50 points
Communities with below 26% minority population	25 points

5. PERCENTAGE OF VL and LI IN THE PROJECT AREA - Maximum 100 points One point for every percentage point of VL and LI population will be awarded.

6. PROJECT READINESS – Maximum 100 points

Complete plans and proof of other funding committed	100 points
Complete plans and other funding located – not committed	50 points
Complete plans, other funding not located	20 points
Other	0 points

## **HOUSING – Maximum 700 points**

### **1 PROJECT NEED -Maximum 150 Points**

- a. 101-150 points will be applied to proposals that demonstrate the project will address **all** of the following criteria:
  - (1) Thorough documentation is provided for the type of housing or work proposed, utilizing assessments, census, survey, market study, occupancy rates or other reliable and pertinent statistical data; and,
  - (2) Meets both current and long-term benefit in addressing existing and future needs; and,
  - (3) Addresses, directly or indirectly, health and safety issues; and,
  - (4) The project will have significant impact on meeting the needs as documented.
- b. 51-100 points will be awarded to proposals that substantially meet most of the above criteria and no major concerns are apparent with criteria it does not clearly meet.
- c. 0-50 points will be awarded to proposals which meet few of the above criteria, or which significantly fail to meet one or more of the criteria.

### **2 FINANCIAL NEED -Maximum 150 points**

- a. 101-150 points will be applied to projects that can document **all** of the following:
  - (1) The project cannot proceed without CDBG assistance, or failure to receive CDBG funds would significantly reduce the benefit, viability or impact, because the applicant or recipient does not have available the necessary financial resources, nor are future revenue sources likely to become available; and,
  - (2) The amount and the terms proposed or as may be offered, are reasonable and appropriate; and,
  - (3) Other potential sources of assistance have been explored and cannot provide the assistance necessary.
- b. 51-100 points will be awarded to proposals that substantially meet most of the above criteria and no major concerns are apparent with criteria it does not clearly meet.

- c. 0-50 points will be awarded to proposals that meet few of the above criteria, or which meet most criteria but one or more major concerns are apparent which affect the demonstrated financial need.

3 APPROPRIATENESS -Maximum 150 points

- a. 101-150 points will be applied to projects that can document **all** of the following:
  - (1) The proposed project represents a logical and cost-effective strategy for addressing the needs as documented considering the amount of funds being requested, the terms proposed, the number of people who will benefit, and the degree to which they will benefit; and,
  - (2) The applicant can document the sustainability and viability of the project, as can be documented that policies proposed, and/or financial information provided indicate the feasibility of the project and the ability to assure the housing can be and will remain occupied, affordable and properly maintained; and,
  - (3) The project would meet all federal and state requirements and standards, as may apply; and,
  - (4) Cost estimates appear to be reasonable and are well documented (based on either architect/engineer estimates or multiple vendor quotes as is appropriate).
- b. 51-100 points will be awarded to proposals that substantially meet most of the above criteria and no major concerns are apparent with criteria it does not clearly meet.
- c. 0-50 points will be awarded to proposals that meet few of the above criteria, or which meet most criteria, but one or more major concerns are apparent which affect the appropriateness.

4 PERCENTAGE OF MINORITY LIVING IN PROJECT AREA – (Taken from US Census data located in American Fact Finder) – Maximum 100 points

Communities with above 76% minority population	100 points
Communities with 51% to 75% minority population	75 points
Communities with 26% to 50% minority population	50 points
Communities with below 26% minority population	25 points

5 PERCENTAGE OF VL and LI IN THE PROJECT AREA - Maximum 100 points

One point for every percentage point of VL and LI population will be awarded.

6 PROJECT READINESS – Maximum 50 points

Homes identified and other funding committed	50 points
Homes identified and other funding located – not committed	40 points
Homes identified and other funding not located	30 points
Other	0 points

**PLANNING – Maximum 300 Points**

1 PROJECT NEED -Maximum 75 points

Proposal clearly responds to an existing or anticipated need and describes how the planning project will help address the need or problem.

2 IMPACT -Maximum 50 points

Highest scores will be applied to proposals that best meet the following criteria:

- a. Work products are clearly defined.
- b. Work products and results clearly address described need.
- c. Person, entity or consultant who will undertake or lead the planning effort is identified and is qualified and experienced.

3 IMPLEMENTATION -Maximum 50 Points

Highest scores will be applied to those proposals that can show:

- a. The proposed planning program is required or mandated in order to access financial assistance needed to implement a project or program.
- b. The financial assistance is likely to be offered and accessed upon undertaking or concluding the process.
- c. Implementation is likely and will have short- and long-term benefit.

4 COST -Maximum 25 points

Up to 25 points will be applied if the cost is documented and appears reasonable.

5 VL/LI BENEFIT -Maximum 5 points

One point for each rounded 10% VL/LI to benefit above 50 percent will be applied.

6 MATCH -Maximum 25 points

75%+	25 points
50%-74%	20 points
25%-49%	15 points
10%-24%	10 points
5%-9%	5 points
0%-4%	0 points

7 BONUS -Maximum 20 points

- a. 10 points will be awarded if planning activities proposed are related to, and would help address problems identified in 2017 or 2018 unfunded proposals.
- b. One point will be awarded for each year since the applicant was last awarded a (regular program) CDBG grant. (Maximum 10points.)

8 TIMELINESS – Maximum 25Points

Up to 25 points will be applied if the proposed work schedule is realistic and final work products will be available within program parameters as determined by the state.

9 PERCENT MINORITY IN THE COMMUNITY – Maximum 25Points

Communities with 100% minority population	25 points
Communities with 50.1% to 99.9% minority population	20 points
Communities with 25% to 50% minority population	15 points
Communities with 5% to 24.9% minority population	10 points
Communities with below 5% minority population	5 points

**EMERGENCY**

No point system will be utilized for emergency requests; decisions regarding funding will be based on the project need, commitment and appropriateness as well as availability of funds.

**ECONOMIC DEVELOPMENT**

- 1. No point system will be utilized for economic development (CDLF) requests; however, decisions will be based on the following:
  - a. Financial strength and reasonableness;
  - b. Likelihood of success;



- c. Likelihood of ability to repay;
  - d. Need and appropriateness for funds and terms;
  - e. Management strength, expertise and past performance;
  - f. Marketing; and,
  - g. Degree of likely benefit to the economy, VL/LI persons, and/or anticipated impact of addressing national objectives as defined in the state program statement.
2. No point system will be utilized for economic development infrastructure requests; however, decisions will be based on the following:
- a. Degree to which the infrastructure fits into the community's overall economic development strategy.
  - b. Need and appropriateness for funds and terms.
  - c. Degree of likely benefit to the economy, VL/LI persons, and/or anticipated impact of addressing national objectives as defined in the state program statement.

**2020**

**REGION V**

**LAKE AGASSIZ  
REGIONAL COUNCIL**

**417 Main Avenue**

**Fargo, ND 58103**

**Phone: 701-235-1197**

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**[info@lakeagassiz.com](mailto:info@lakeagassiz.com)**

**TTY: 800-366-6888**

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**Spanish/Español: 800-435-8590**



**ALTERNATIVE FORMATS FOR DISABLED  
PERSONS ARE AVAILABLE UPON REQUEST**

## ALLOCATION OF FUNDS

The region served by Lake Agassiz Regional Council is anticipated to be allocated \$296,269 in FY 2020. This amount will be distributed among eligible projects and programs of activities in the following manner:

Public Facilities – Low-to-Moderate Income Benefit	\$125,000
Public Facilities - Urgent Need	\$0
Housing Rehabilitation	\$71,269
Other Housing Activities	\$0
Removal of Architectural Barriers	\$100,000
Elimination of Slum and Blight	\$0
Community Development Loan Fund*	\$0
Planning Activities**	\$0
Main Street***	\$0
Emergency Public Facilities	\$0
Total	<u>\$296,269</u>

\* The Community Development Loan Fund is supplemented by repayments to the region's portion of the State Revolving Loan Fund.

\*\* A Notice of Fund Availability will be sent to cities and counties in the region should funds be available for planning activities beginning July 1, 2020.

\*\*\* Main Street projects will not receive first consideration with the annual allocation of CDBG funds. Instead, revolved dollars from the Community Development Loan Funds will be made available. Please review the Main Street section in this Program Distribution Statement for more details and deadlines.

## EMERGENCY PUBLIC FACILITY APPLICATIONS

In the event of a public facility emergency not addressed with the Urgent Need Set-aside, funding may be obtained by assigning any unallocated public facility funds or funds returned or transferred from other emphasis areas, including economic development, at the discretion of the Lake Agassiz Regional Council Board. The funding recommendation will then be submitted to DCS for concurrence. The board will recommend funds based on documentation of the emergency and evidence that CDBG funds are required to assist in remedying the problem. The public facilities scoring process will be waived for emergency applications.

## ELIGIBLE ACTIVITIES

All activities listed as eligible in the North Dakota Community Development Block Grant Program Distribution Statement are eligible in the Lake Agassiz Regional Council Community Development Block Grant Program Distribution Statement. A copy of the North Dakota Community Development Block Grant Program Distribution Statement may be obtained by contacting the Lake Agassiz Regional Council, 417 Main Avenue, Fargo, ND 58103, telephone (701) 235-1197 or the ND Division of Community Services, Century Center, 1600 East Century Ave., Suite 2, Bismarck, ND 58502-2057, telephone (701) 328-5300.

## **CONFLICT OF INTEREST**

All officers, directors, delegates, council members, committee members and staff members of Lake Agassiz Regional Council and its component committees shall avoid conflict, whether real or perceived, between individual, professional or business interests and the interests and decision-making capacity of the Council.

In the event that any officer, director, delegate, council member, committee member or staff member has any direct or indirect interest or any direct or indirect relationship with any individual or organization which proposes to enter into any transaction with the Council or its component committees, such person shall give notice of such interest or relationship to the Council and shall thereafter refrain from discussing or voting on the transaction in which he or she has an interest and from otherwise exerting influence in any way on the Council or its components to affect a decision to participate or not to participate in such a transaction.

## **TRANSFERS WITHOUT NOTICE**

After scoring and ranking has taken place, transfers of \$20,000 or less may be made among funding categories without public notice and will be limited to two transfers per fiscal year. The DCS will be notified in writing within 10 days of a Board decision to transfer funds. Minutes of the board decision will accompany the notification.

## **IMPLEMENTATION SCHEDULE**

### **Public Facilities, Housing, Elimination of Slum and Blight, Main Street, Removal of Architectural Barriers:**

May 20, 2020	Pre-applications due at Lake Agassiz Regional Council office
June 17, 2020	Scoring and ranking meeting held at Lake Agassiz Regional Council Board where recommendations for funding are made.
June 19, 2020	Written Notice to Communities of Recommendations for Funding
June 19, 2021	Final date for submitting Final Applications to DCS.

### **Community Development Loan Fund:**

Applications are accepted at any time.

### **Planning Activities:**

July 1, 2020 through May 15, 2021	Pre-applications accepted, reviewed, scored, and recommended for funding throughout this period pending availability of funds
June 19, 2021	Final date for submitting Final Applications to DCS.

## SUBMISSION REQUIREMENTS AND SELECTION PROCESS

### Housing Rehabilitation

Housing Rehabilitation activities include the rehabilitation of existing structures occupied (either owned or rented) by low-and-moderate income households.

#### Submission Process - Housing Rehabilitation

1. Obtain and complete in its entirety a CDBG FY 2020 Pre-Application form. This was mailed to all communities and counties in Region V and is also available online at [www.lakeagassiz.com](http://www.lakeagassiz.com). (click on "Community Development Block Grant")
2. **May 20, 2020** – Deadline for pre-applications and all required supplementary information. Pre-applications must be received in LARC offices by 5:00 p.m. Applications submitted via e-mail or fax must be followed by signed original copies.
3. **May 21, 2020 – June 10, 2020** - LARC reviews pre-applications to determine eligibility and does staff scoring.
4. **June 17, 2020** – LARC Board of Directors convenes to review staff scoring, hear project presentations, rank need for each project, and decides which pre-applications may proceed.
5. **June 19, 2020** – LARC staff notifies applicants of the recommendations for funding.
6. **June 19, 2021** – Final date for completion of full applications and submittal to the Division of Community Services.

#### Selection Process - Housing Rehabilitation (550 points maximum)

The Lake Agassiz Regional Council Staff will assign points to housing rehabilitation projects in the following manner (maximum **350** points):

1. Proposed number of households to be assisted with project funds.

More than 15	100 points
10-15	75 points
Under 10	50 points
2. Percentage of housing units in the community built prior to 1979, according to the most recent Census data available at the time of the pre-application.

70% or greater	50 points
60 - 69.9%	40 points
50 - 59.9%	30 points
40 - 49.9%	20 points
< 40%	10 points

3. What activities does the community undertake to encourage housing maintenance and improvement?

City has adopted Building Code	20 points
Community clean-up/fix-up events	20 points
Enforcement of nuisance ordinance	20 points
Existing housing rehabilitation incentives	20 points

4. Are there employment opportunities within the community or within a reasonable commuting radius of the community, which have created a demand for additional and/or upgraded housing as measured by local vacancy rates?

Yes, within the community	50 points
Yes, within commuting distance	25 points
No	0 points

5. Percentage of very low-income households assisted by the project

>50%	50 points
25-50%	25 points
<25%	10 points

6. Percentage of minority households assisted by the project

>25%	10 points
<25%	0 points

7. Will the project be bid out by the end of this calendar year?

Yes	10 points
No	0 points

The LARC Board of Directors will assign up to 200 points for the perceived need of each project in the following manner:

Each housing rehabilitation applicant will be invited to present a 5-10 minute summary of its project including a description of the need for rehabilitation, current local efforts to upgrade housing, growth of the community, if applicable, and a general description of beneficiaries (e.g. low-income households, elderly, female heads of households, etc.). After all presentations have been heard, each board member will assign need points to each project in increments of 40 points, with 200 points the highest score and 40 points the lowest. Projects may be placed anywhere along the scale, and no two applicants may receive the same score. The need points of each project will be added together and averaged to arrive at a final need score.

The score for the need criterion will then be added to the objective score to arrive at a final score.

A tie score will be broken by written ballot of the Board. The Board will be polled, with the Chairman abstaining from the vote. If a tie again results, the Chairman will cast the deciding vote. Projects will be displayed in rank order. Projects must attain a minimum score of **310** points in order to receive funding. Projects that receive the minimum score or higher will be funded in full,

plus applicable administrative costs. Should funds be insufficient to fund any application in full, the board may:

1. Offer the remaining funds in the allocation to the applicant; if the applicant declines the offer, the board will offer the remaining funds to the next eligible applicant in rank order;
2. Transfer unobligated funds from other categories and offer awards as described above;
3. Transfer funds to any other category, including economic development, for immediate or later distribution; or
4. Any combination of the above.

Should there be no set-aside for housing in a particular year, qualified housing applications may be funded in full or in part only if funds are available in other categories after projects in those categories have been ranked and recommended for funding.

Preapplications recommended for funding will be invited to submit full applications. A full application must not deviate in general project scope, proportion of local match, if any, or implementation schedule as described in the pre-application. An applicant that has been invited to submit a full application may choose not to go forward with a full application, in which case the next highest ranked project, if any, will receive an invitation to submit a full application, subject to the size of the funding request and funds available.

Should the board reject a preapplication(s) when funds are clearly available in the Housing Rehabilitation category, it will provide a written explanation to the preapplicant and the DCS.

Several alternatives will be considered by the Board for redistribution of funds turned back from funded projects for reasons such as cost under-runs or the inability to use all allocated funds (such as in special assessment type projects).

1. Prior to June 28, 2020, funds may be:
  - Offered to current year unfunded Housing Rehabilitation applicants in rank order.
  - Transferred to Public Facilities – LMI Benefit Activities and offered to current year applicants in rank order.
  - Transferred to Public Facilities – Urgent Need and offered to current year unfunded applicants in rank order
  - Transferred to Removal of Architectural Barriers and offered to current year unfunded applicants in rank order.
  - Transferred to Other Housing Projects and offered to current year unfunded applicants in rank order.
  - Transferred to Elimination of Slum and Blight and offered to current year unfunded applicants in rank order.

- Transferred to a previously funded project in any category that demonstrates a need for additional funding.
- Held for emergency applications up to May 28, 2021.

Should no applications for Housing Rehabilitation be received the Board may transfer housing set-aside funds to any of the other categories at the June 17, 2020, scoring and ranking meeting.

**Other Housing Activities**

Other housing activities include those housing activities eligible for CDBG funding that would not constitute rehab. Benefit must be realized to low and very low-income households.

**Selection Process – Other Housing Activities (550 points maximum)**

The Lake Agassiz Regional Council Staff will assign points to housing rehabilitation projects in the following manner (maximum **350** points):

1. Proposed number of households to be assisted with project funds.

More than 15	100 points
10-15	75 points
Under 10	50 points

2. Participation in project by other funding sources as a percentage of total project costs.

50% or more	50 points
40 - 49.9%	40 points
30 - 39.9%	30 points
20 - 29.9%	20 points
< 20%	10 points

3. The project will definitively demonstrate the following results:

An increase in the number of housing units available to low and moderate income households 25 points

Enforceable mechanisms to ensure the affordability of housing for low and moderate income households 25 points

An ongoing effort to increase housing opportunities in the jurisdiction 25 points

Active and ongoing participation by the local city Government and/or other development organization 25 points

Active and ongoing participation by other groups, including financial institutions, charitable groups, the local business community, etc. 25 points



4. Are there employment opportunities within the community or within a reasonable commuting radius of the community, which have created a demand for additional and/or upgraded housing as measured by local vacancy rates?
 

Yes, within the community	50 points
Yes, within commuting distance	25 points
No	0 points
  
5. Percentage of funds to benefit minorities
 

>25%	10 points
<25%	0 points
  
6. Will the project be bid by the end of this calendar year?
 

Yes	15 points
No	0 points

The LARC Board of Directors will assign up to 200 points for the perceived need of each project in the following manner:

Each housing activities applicant will be invited to present a 5-10 minute summary of its project including a description of the need for rehabilitation, current local efforts to upgrade housing, growth of the community, if applicable, and a general description of beneficiaries (e.g. low-income households, elderly, female heads of households, etc.). After all presentations have been heard, each board member will assign need points to each project in increments of 40 points, with 200 points the highest score and 40 points the lowest. Projects may be placed anywhere along the scale, and no two applicants may receive the same score. The need points of each project will be added together and averaged to arrive at a final need score.

The score for the need criterion will then be added to the objective score to arrive at a final score.

A tie score will be broken by written ballot of the Board. The Board will be polled, with the Chairman abstaining from the vote. If a tie again results, the Chairman will cast the deciding vote.

Projects will be displayed in rank order. Projects must attain a minimum score of **310** points in order to receive funding. Projects that receive the minimum score or higher will be funded in full, plus applicable administrative costs. Should funds be insufficient to fund any application in full, the board may:

1. Offer the remaining funds in the allocation to the applicant; if the applicant declines the offer, the board will offer the remaining funds to the next eligible applicant in rank order;
2. Transfer unobligated funds from other categories and offer awards as described above;
3. Transfer funds to any other category, including economic development, for immediate or later distribution; or
4. Any combination of the above.

Should there be no set-aside for other housing projects in a particular year, qualified applications may be funded in full or in part only if funds are available in other categories after projects in those categories have been ranked and recommended for funding.

Preapplications recommended for funding will be invited to submit full applications. A full application must not deviate in general project scope, proportion of local match, if any, or implementation schedule as described in the pre-application. An applicant that has been invited to submit a full application may choose not to go forward with a full application, in which case the next highest ranked project, if any, will receive an invitation to submit a full application, subject to the size of the funding request and funds available.

Should the board reject a preapplication(s) when funds are clearly available in the Other Housing Activities category, it will provide a written explanation to the preapplicant and the DCS.

Several alternatives will be considered by the Board for redistribution of funds turned back from funded projects for reasons such as cost under-runs or the inability to use all allocated funds (such as in special assessment type projects).

1. Prior to June 28, 2020, funds may be:
  - Offered to current year unfunded Other Housing Activities applicants in rank order.
  - Transferred to Housing Rehabilitation and offered to current year applicants in rank order.
  - Transferred to Public Facilities – LMI Benefit Activities and offered to current year applicants in rank order.
  - Transferred to Public Facilities – Urgent Need and offered to current year unfunded applicants in rank order
  - Transferred to Removal of Architectural Barriers and offered to current year unfunded applicants in rank order.
  - Transferred to Elimination of Slum and Blight and offered to current year unfunded applicants in rank order.
  - Transferred to a previously funded project in any category that demonstrates a need for additional funding.
  - Held for emergency applications up to May 28, 2021.

Should no applications for Other Housing Activities be received, the Board may transfer housing set-aside funds to any of the other categories at the June 17, 2020 scoring and ranking meeting.

### **Public Facilities –LMI Benefit Activities**

Definition – Projects that benefit low-and-moderate income households, as defined by HUD, through direct payment of special assessments to such households or by the reduction of overall

project costs in a benefiting area that is comprised of a total population that is at least 51% low-and-moderate income.

### Submission Process – LMI Benefit Activities

1. Obtain and complete in its entirety a CDBG FY 2020 Pre-Application form. This was mailed to all communities and counties in Region V and is also available or online at [www.lakeagassiz.com](http://www.lakeagassiz.com). (click on “Community Development Block Grant”)
2. **May 20, 2020** – Due date for pre-applications and all required supplementary information. Pre-applications must be received in LARC offices by 5:00 p.m. Applications submitted via e-mail or fax must be followed by signed original copies.
3. **May 21, 2020 – June 10, 2020** - LARC staff determines eligibility, reviews and scores pre-applications.
4. **June 17, 2020** – LARC Board of Directors convenes to review staff scoring, hear project presentations, rank need for each project and develop funding recommendations.
5. **June 19, 2020** – LARC staff notifies applicants of recommendations for funding.
6. **June 19, 2021** – Final date for completion of full applications and submittal to the Division of Community Services.

### Selection Process – LMI Benefit Activities (800 points maximum)

The Lake Agassiz Regional Council staff will assign points to Public Facilities – LMI Benefit pre-applications in the following manner (Maximum **520** points):

1. Project type (projects cannot include deferred maintenance activities)

<i>Water System Expansion Activities</i>	150 points
(including but not limited to development of or access to new source, new water reservoir construction that increases capacity, water treatment plant expansion)	
<i>Sanitary Sewer System Expansion Activities</i>	150 points
(including but not limited to lagoon cell construction or expansion that increases treatment capacity, lift station rehabilitation or new construction that increases capacity, expansion of sanitary sewer distribution system)	
<i>Sanitary Sewer System Rehabilitation Activities</i>	120 points
(including but not limited to sewer main replacement or relining, lift station rehabilitation or replacement that does not increase capacity, lagoon repair or replacement that does not increase capacity)	
<i>Flood Mitigation and Protection</i>	120 points
(including surface drainage improvement, storm sewer main improvement or expansion, storm sewer lift station rehabilitation or expansion, dike construction)	

<i>Water System Rehabilitation Activities</i>	120 points
(including but not limited to water main replacement, water treatment plant rehabilitation, water reservoir replacement that does not increase capacity)	
<i>Fire Protection Activities</i>	80 points
<i>Community Center Activities</i>	70 points
<i>Other CDBG Eligible Activities</i>	60 points
2. Low-and-moderate income to benefit from the project	
100.0%	100 points
51.0% to 99.9%	90 points
Under 51.0%	Not Eligible
3. Minority benefit of the project	
>25%	20 points
<25%	0 points
4. Project matching funds	
Assign 3 points for each percentage of total project costs paid from local or other sources	125 points max
5. Will the project be bid out by the end of this calendar year?	
Yes	25 points
No	0 points
6. Number of prior unsuccessful pre-applications for this project.	
Two or more	50 points
One	25 points
None	0 points
7. Number of successful CDBG Public Facilities applications for other projects within the past five years:	
None	50 points
One	25 points
Two or more	0 points

The LARC Board of Directors will assign up to 280 points for the perceived need of each project. In determining need for a project, the board may take into account a number of factors including an applicant's water and sewer rates, mill levy, bonded indebtedness and level of reserve funds. The board will assign the need in the following manner:

Each public facilities applicant will be invited to present a 5-10 minute summary of its project including a description of the problem, the severity of the problem, the local capacity to fund the project, current rates (as applicable) and benefit to the community. After all presentations have been heard, each board member will assign need points to each project in increments of 40 points, with 280 points the highest score and 40 points the lowest. Projects may be placed anywhere along the scale, and no two applicants may receive the same score. The need points of each project will be added together and averaged to arrive at a final need score.

The score for the need criterion will then be added to the objective score to arrive at a final score.

A tie score will be broken by written ballot of the Board. The Board will be polled, with the Chairman abstaining from the vote. If a tie again results, the Chairman will cast the deciding vote.

Projects will be displayed in rank order. Projects must attain a minimum score of **450** points in order to receive funding. Projects that receive the minimum score or higher, will be funded in rank order in full, plus applicable administrative costs. Should funds be insufficient to fund any application in full, the board may:

1. Offer the remaining funds in the allocation to the applicant; if the applicant declines the offer, the board will offer the remaining funds to the next eligible applicant in rank order;
2. Transfer unobligated funds from other categories and offer awards as described above;
3. Transfer funds to any other category, including economic development, for immediate or later distribution; or
4. Any combination of the above.

Pre-applications recommended for funding will be invited to submit full applications. Full applications must not deviate in general project scope, proportion of matching funds commitments or planned implementation schedule as identified in the respective pre-applications. An applicant which has been invited to submit a full application may choose not to go forward with a full application, in which case the next highest ranked project, if any, will receive an invitation to submit a full application, subject to the size of the funding request and funds available.

Several alternatives will be considered by the Board for redistribution of funds turned back from funded projects for reasons such as cost under-runs or the inability to use all allocated funds (such as in special assessment type projects).

Prior to June 28, 2020, funds may be:

- Offered to current year unfunded LMI applicants in rank order.
- Transferred to Public Facilities – Urgent Need and offered to current year unfunded applicants in rank order
- Transferred to Removal of Architectural Barriers and offered to current year unfunded applicants in rank order.

- Transferred to Other Housing Projects and offered to current year unfunded applicants in rank order.
- Transferred to Elimination of Slum and Blight and offered to current year unfunded applicants in rank order.
- Transferred to Housing Rehabilitation and offered to current year unfunded applicants in rank order.
- Transferred to a previously funded project in any category that demonstrates a need for additional funding.
- Held for emergency applications up to May 28, 2021.

Should no applications for LMI Benefit be received, the Board may transfer housing set-aside funds to any of the other categories at the June 17, 2020 scoring and ranking meeting.

### **Public Facilities – Urgent Need Activities**

Upon local certification, an activity that is designed to alleviate existing condition(s) which pose a serious and immediate threat to the health or welfare of the community, which are of recent origin or which recently became urgent, which the applicant is unable to finance on its own and for which other sources of financing are not available. A problem is considered to be of recent origin if it developed or became urgent within the 18 months preceding the Urgent Need Certification by the unit of general local government.

### **Submission Process – Urgent Need**

1. Obtain and complete in its entirety a CDBG FY 2020 Pre-Application form. This was mailed to all communities and counties in Region V and is also available online at [www.lakeagassiz.com](http://www.lakeagassiz.com). (click on “Community Development Block Grant”)
2. **May 20, 2020** – Due date for pre-applications and all required supplementary information. Pre-applications must be received in LARC offices by 5:00 p.m. Applications submitted via e-mail or fax must be followed by signed original copies.
3. **May 21, 2020 – June 10, 2020** - LARC staff determines eligibility, reviews and scores pre-applications.
4. **June 17, 2020**– LARC Board of Directors convenes to review staff scoring, hear project presentations, rank need for each project and develop funding recommendations.
5. **June 19, 2020** – LARC staff notifies applicants of recommendations for funding.
6. **June 19, 2021** – Final date for completion of full applications and submittal to the Division of Community Services.

## Selection Process – Urgent Need (550 points maximum)

The Lake Agassiz Regional Council staff will assign points to Public Facilities – Urgent Need pre-applications in the following manner (Maximum 350 points):

1. Project appears to meet the definition of Urgent Need as described above

Clearly meets definition	100 points
May meet definition	50 points
  
2. Proposed project involves a construction activity that will remedy the identified problem.

Project will completely remedy the problem	100 points
Project will partially remedy the problem	50 points
  
3. Project matching funds

Assign 3 points for each percentage of total project cost paid from local or other sources.	125 points max
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4. Percentage of minorities to benefit from the project

>25%	10 points
<25%	0 points
  
5. Will the project be bid out by the end of this calendar year?

Yes	15 points
No	0 points

The LARC Board of Directors will assign up to 200 points for the perceived need of each project. In determining need for a project, the board may take into account a number of factors including an applicant's water and sewer rates, mill levy, bonded indebtedness and level of reserve funds. The board will assign the need in the following manner:

Each Public Facilities – Urgent Need applicant will be invited to present a 5-10 minute summary of its project including a description and discussion of the severity of the problem, including the immediate threat to health and welfare of the community, the local capacity to fund the project and benefit to the community. After all presentations have been heard, each board member will assign need points to each project in increments of 40 points, with 200 points the highest score and 40 points the lowest. Projects may be placed anywhere along the scale, and no two applicants may receive the same score. The need points of each project will be added together and averaged to arrive at a final need score.

The score for the need criterion will then be added to the objective score to arrive at a final score.

A tie score will be broken by written ballot of the Board. The Board will be polled, with the Chairman abstaining from the vote. If a tie again results, the Chairman will cast the deciding vote.

Projects will be displayed in rank order. Projects must attain a minimum score of **295** points in order to receive funding. Projects that receive the minimum score or higher, will be funded in full plus applicable administrative costs. Should funds be insufficient to fund any application in full, the board may:

1. Offer the remaining funds in the allocation to the applicant; if the applicant declines the offer, the board will offer the remaining funds to the next eligible applicant in rank order;
2. Transfer unobligated funds from other categories and offer awards as described above;
3. Transfer funds to any other category, including economic development, for immediate or later distribution; or
4. Any combination of the above.

Should there be no set-aside for Public Facilities-Urgent Need in a particular year, qualified urgent need applications may be funded in full or in part only if funds are available in other categories after projects in those categories have been ranked and recommended for funding.

Pre-applications recommended for funding will be invited to submit full applications. Full applications must not deviate in general project scope, proportion of matching funds or planned implementation schedule as identified in the respective pre-applications. An applicant who has been invited to submit a full application may choose not to go forward with a full application, in which case the next highest ranked project will receive an invitation to submit a full application subject to the size of the request and availability of funds.

Should the board reject a preapplication(s) when funds are clearly available in the Public Facilities – Urgent Need category, it will provide a written explanation to the preapplicant and the DCS. The Board will consider several alternatives for redistribution of funds turned back from funded projects for reasons such as cost under-runs or the inability to use all allocated funds.

Prior to June 28, 2020, funds may be:

- Offered to current year unfunded Urgent Need applicants in rank order.
- Transferred to Public Facilities – LMI Benefit and offered to current year unfunded applicants in rank order.
- Transferred to Removal of Architectural Barriers and offered to current year unfunded applicants in rank order.
- Transferred to Elimination of Slum and Blight and offered to current year unfunded applicants in rank order.
- Transferred to Other Housing Projects and offered to current year unfunded applicants in rank order.
- Transferred to Housing Rehabilitation and offered to current year unfunded applicants in rank order.



- Transferred to a previously funded project in any category that demonstrates a need for additional funding.
- Held for emergency applications up to May 28, 2021.

### **Removal of Architectural Barriers (ROAB)**

An architectural barrier is defined as any architectural feature of a building that limits the access and mobility of disabled persons. Eligible buildings for this program include publicly owned buildings or buildings that are used by the local entity of government for reasons including but not limited to public meetings and voting.

### **Submission Requirements – Architectural Barriers**

1. Obtain and complete in its entirety a CDBG FY 2020 Pre-Application form. This was mailed to all communities and counties in Region V and is also available online at [www.lakeagassiz.com](http://www.lakeagassiz.com). (click on “Community Development Block Grant”)
2. **May 20, 2020** – Due date for pre-applications and all required supplementary information. Pre-applications must be received in LARC offices by 5:00 p.m. Applications submitted via e-mail or fax must be followed by signed original copies.
3. **May 21, 2020 – June 10, 2020** - LARC staff determines eligibility, reviews and scores pre-applications.
4. **June 17, 2020** – LARC Board of Directors convenes to review staff scoring, hear project presentations, rank need for each project and develop funding recommendations.
5. **June 19, 2020** – LARC staff notifies applicants of recommendations for funding.
6. **June 19, 2021** – Final date for completion of full applications and submittal to the Division of Community Services.

### **Selection Process – Architectural Barriers (550 points maximum)**

The Lake Agassiz Regional Council staff will award points in the following manner:  
(Maximum **350** points)

1. Applicant has completed an ADA/504 Transition Plan

Yes	50 points
No	0 points
  
2. The project is a priority need identified in the applicant’s ADA/504 Transition Plan (submitted with the pre-application or on file at LARC).

Yes	50 points
No	25 points
No Transition Plan	0 points

3. Matching Funds:

75% or more of total project costs	125 points
50-74% of total project costs	100 points
25-49% of total project costs	50 points
< 25% of total project costs	25 points

4. The project will affect a public structure that is frequently used by the public (for example, courthouse, city hall, public polling place, library, etc.)

Yes	100 points
No	0 points

5. Percentage of minority to be assisted by the project

>25%	10 points
<25%	0 points

6. Will the project be bid out by the end of this calendar year?

Yes	15 points
No	0 points

The LARC Board of Directors will assign up to 200 points for the perceived need of each project in the following manner:

Each removal of architectural barriers applicant will be invited to present a 5-10 minute summary of its project including a description of the work to be done, the applicant's prior efforts to accomplish ADA compliance and the local capacity to fund the project.

After all presentations have been heard, each board member will assign need points to each project in increments of 40 points, with 200 points the highest score and 40 points the lowest. Projects may be placed anywhere along the scale, and no two applicants may receive the same score. The need points of each project will be added together and averaged to arrive at a final need score.

The score for the need criterion will then be added to the objective score to arrive at a final score.

A tie score will be broken by written ballot. The Board will be polled, with the Chairman abstaining from the vote. If a tie again results, the Chairman will cast the deciding vote.

Projects will be displayed in rank order. Projects must attain a minimum score of **320** points in order to receive funding. Projects that receive the minimum score or higher will be funded in rank order in full, plus applicable administrative costs. Should funds be insufficient to fund any application in full, the board may:

1. Offer the remaining funds in the allocation to the applicant; if the applicant declines the offer, the board will offer the remaining funds to the next eligible applicant in rank order;
2. Transfer unobligated funds from other categories and offer awards as described above;
3. Transfer funds to any other category, including economic development, for immediate or later distribution; or
4. Any combination of the above.

Should there be no set-aside for ROAB in a particular year, qualified ROAB applications may be funded in full or in part only if funds are available in other categories after projects in those categories have been ranked and recommended for funding.

Preapplications recommended for funding will be invited to submit full applications. Full applications must not deviate in general project scope, proportion of local match or implementation schedule, as identified in the pre-application. An applicant who has been invited to submit a full application may choose not to go forward with a full application, in which case the next highest ranked project, if any, will receive an invitation to submit a full application, subject to the size of the funding request and funds available.

Should the board reject a preapplication(s) when funds are clearly available in Removal of Architectural Barriers category, it will provide a written explanation to the preapplicant and the DCS.

The following alternatives will be considered by the Board for redistribution of funds turned back from funded projects for reasons such as cost under-runs or the inability to use all allocated funds.

Prior to June 28, 2020, funds may be:

- Offered to current year unfunded Removal of Architectural Barriers applicants in rank order.
- Transferred to Public Facilities LMI Benefit and offered to current year unfunded applicants in rank order.
- Transferred to Public Facilities – Urgent Need and offered to current year unfunded applicants in rank order.
- Transferred to Elimination of Slum and Blight and offered to current year unfunded applicants in rank order.
- Transferred to Housing Rehabilitation and offered to current year unfunded applicants in rank order.
- Transferred to Other Housing Projects and offered to current year unfunded applicants in rank order.

- Transferred to a previously funded project in any category that demonstrates a need for additional funding.
- Held for emergency applications up to May 28, 2021.

**Elimination of Slums and Blight (ESB)**

The focus of activities under this national objective is a change in the physical environment of a deteriorating area. Qualified activities include prevention or elimination of slums and blight on an area basis, on a spot basis or the project must be in an urban renewal area.

**Submission Requirements – Elimination of Slums and Blight**

1. Obtain and complete in its entirety a CDBG FY 2020 Pre-Application form. This was mailed to all communities and counties in Region V and is also available online at [www.lakeagassiz.com](http://www.lakeagassiz.com). (click on “Community Development Block Grant”)
2. **May 20, 2020** – Due date for pre-applications and all required supplementary information. Pre-applications must be received in LARC offices by 5:00 p.m. Applications submitted via e-mail or fax must be followed by signed original copies.
3. **May 21, 2020 – June 10, 2020** - LARC staff determines eligibility, reviews and scores pre-applications.
4. **June 17, 2020** – LARC Board of Directors convenes to review staff scoring, hear project presentations, rank need for each project and develop funding recommendations.
5. **June 19, 2020** – LARC staff notifies applicants of recommendations for funding.
6. **June 19, 2021** – Final date for completion of full applications and submittal to the Division of Community Services.

**Selection Process – Elimination of Slums and Blight (650 points maximum)**

The Lake Agassiz Regional Council staff will award points in the following manner:  
(Maximum **450** points)

1. Proposed number of structures to be affected by the project.

Three or more	100 points
Two	75 points
One	50 points
2. Matching Funds:

75% or more of total project costs	50 points
50-74% of total project costs	40 points
25-49% of total project costs	25 points
< 25% of total project costs	0 points

3. Type of structure to be affected
 

Commercial Structure	100 points
Residential Structure	50 points
  
4. Proposed solution
 

Restoration	75 points
Removal	50 points
  
5. The planned future use for the space is:
 

Commercial or residential development	100 points
A park or recreation area	75 points
A vacant lot	50 points
  
6. Percentage of minority to benefit from the project
 

>25%	10 points
<25%	0 points
  
7. Will the project be completed by the end of this calendar year?
 

Yes	15 points
No	0 points

The LARC Board of Directors will assign up to 200 points for the perceived need of each project in the following manner:

Each elimination of slum and blight applicant will be invited to present a 5-10 minute summary of its project including a description of the work to be done, the applicant's prior efforts to remedy the deterioration and the local capacity to fund the project.

After all presentations have been heard, each board member will assign need points to each project in increments of 40 points, with 200 points the highest score and 40 points the lowest. Projects may be placed anywhere along the scale, and no two applicants may receive the same score. The need points of each project will be added together and averaged to arrive at a final need score.

The score for the need criterion will then be added to the objective score to arrive at a final score.

A tie score will be broken by written ballot. The Board will be polled, with the Chairman abstaining from the vote. If a tie again results, the Chairman will cast the deciding vote.

Projects will be displayed in rank order. Projects must attain a minimum score of **400** points in order to receive funding. Projects that receive the minimum score or higher will be funded in rank order in full, plus applicable administrative costs. Should funds be insufficient to fund any application in full, the board may:

1. Offer the remaining funds in the allocation to the applicant; if the applicant declines the offer, the board will offer the remaining funds to the next eligible applicant in rank order;
2. Transfer unobligated funds from other categories and offer awards as described above;
3. Transfer funds to any other category, including economic development, for immediate or later distribution; or
4. Any combination of the above.

Should there be no set-aside for ESB in a particular year, qualified ESB applications may be funded in full or in part only if funds are available in other categories after projects in those categories have been ranked and recommended for funding.

Preapplications recommended for funding will be invited to submit full applications. Full applications must not deviate in general project scope, proportion of local match or implementation schedule, as identified in the pre-application. An applicant who has been invited to submit a full application may choose not to go forward with a full application, in which case the next highest ranked project, if any, will receive an invitation to submit a full application, subject to the size of the funding request and funds available.

Should the board reject a preapplication(s) when funds are clearly available in the elimination of slum and blight category, it will provide a written explanation to the preapplicant and the DCS.

The following alternatives will be considered by the Board for redistribution of funds turned back from funded projects for reasons such as cost under-runs or the inability to use all allocated funds.

Prior to June 28, 2020, funds may be:

- Offered to current year unfunded Elimination of Slum and Blight Applicants in rank order.
- Transferred to Public Facilities – LMI Benefit and offered to current year unfunded applicants in rank order.
- Transferred to Public Facilities – Urgent Need and offered to current year unfunded applicants in rank order.
- Transferred to Removal of Architectural Barriers and offered to current year unfunded applicants in rank order.
- Transferred to Housing Rehabilitation and offered to current year unfunded applicants in rank order.
- Transferred to Other Housing Projects and offered to current year unfunded applicants in rank order.

- Transferred to a previously funded project in any category that demonstrates a need for additional funding.
- Held for emergency applications up to May 28, 2021.

Should no applications for Elimination of Slum and Blight be received, the Board may transfer ESB set-aside funds to any of the other categories at the June 17, 2020, scoring and ranking meeting.

### **Community Development Loan Fund (CDLF)**

The Community Development Loan Fund consists of (1) funds set-aside for loans and equity investments in for-profit businesses and (2) funds repaid to DCS from loans and equity investments made in prior fiscal years. These funds are federal funds.

Six types of activities are eligible for funding through the Community Development Loan Fund: 1) direct loans or equity investments in for-profit businesses including loans for fixed assets and inventory; 2) loans to non-profit corporations which operate business enterprises or which serve as an avenue through which assistance is provided to for-profit businesses; 3) loans to for-profit businesses for development of infrastructure owned and maintained by the for-profit entity; 4) grants for the development of municipally owned infrastructure which directly serves new or expanding for-profit businesses; 5) grants to new or expanding for-profit businesses or non-profits; and 6) grants and/or loans to businesses for façade and streetscape improvements, renovation of closed or abandoned buildings, energy system improvements or retrofitting, and preservation of architectural or historical design features. An application may be submitted at any time during the year.

### **Submission Process and Requirements to CDLF for Loans and Equity Investments**

1. An Applicant (the business to be assisted) submits a full application that consists of a complete business plan (*LARC may provide a format*) and supplementary information including, but not limited to historical financial statements of the business, 3 years of business tax returns, as applicable, 3 years of personal tax returns of the principals, financial pro formas, including cash flow statements, income statements and balance sheets, a description of the project, anticipated use of funds, other sources of financing including owner equity and a projection of jobs to be created and/or retained as a result of the project. Applicant must also demonstrate that all other sources of funds are committed to the project, contingent upon CDLF funding.
2. The sponsoring jurisdiction (a city or county) passes a resolution of sponsorship and holds a public hearing on the request for CDLF funds.
3. LARC staff prepares a credit analysis and a recommendation to the LARC Loan Committee<sup>1</sup> based upon the following factors:

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<sup>1</sup> The LARC Loan Committee membership is comprised of one LARC Board Member from each of the Lake Agassiz Region's six counties and any other LARC board members who demonstrate an interest in the work of the Committee. The Committee currently has seven members.<sup>46</sup>

- a. Need for Community Development Loan Fund Program assistance and appropriateness of the proposed use of funds;
  - b. Cash flow and the ability to meet debt service requirements;
  - c. Strength of the balance sheet and profit and loss statement (existing businesses);
  - d. Reasonableness and credibility of pro forma financial statements (existing and new businesses);
  - e. Financial strength of principals;
  - f. Appropriateness of the proposed terms of the Community Development Loan Fund request;
  - g. Management strength and expertise;
  - h. Past performance of the firm or principal(s);
  - i. Other sources or lack of other sources of funding;
  - j. Marketing; and
  - k. Cost per job based on the amount of Community Development Loan Funds requested.
  - l. Community benefit.
4. The LARC Loan Committee reviews the credit analysis and staff recommendation.
  5. The LARC Loan Committee review may result in any of the following actions:
    - a. The committee may approve funding as recommended;
    - b. The committee may approve funding with conditions;
    - c. The committee may ask the business to restructure its financial package for reconsideration; or
    - d. The committee may recommend that the application not be funded and not be allowed to restructure its financial package for further consideration.
  6. Upon approval by the LARC Loan Committee, the application materials, business plan and accompanying documentation, staff review and loan committee recommendation and minutes are submitted to DCS for final approval.



## **Submission Process and Requirements for CDBG Infrastructure Grants to Local Units of Government**

1. LARC staff determines that a proposal for infrastructure improvement will meet the job creation and community benefit objectives of the Community Development Loan Fund and that the project will qualify for grant assistance. Applications may be submitted at any time during the year.
2. Applicant jurisdiction (city or county) completes and submits a full application for a CDLF Infrastructure Grant (*with assistance from LARC staff, if needed*) that includes all of the following items:
  - a. CDBG public facilities application form;
  - b. Preliminary engineering report;
  - c. Staff review;
  - d. Assessment(s) of benefiting company(ies);
  - e. Business plan(s) of benefiting company(ies) including 3 years historical financial statements and pro forma financial projections, as applicable.
  - f. Letter(s) of commitment from benefiting company(ies);
  - g. Job creation and retention form for each benefiting company;
  - h. Hiring plan for each benefiting company;
  - i. Business assessment of beneficiary (Attachment B) for each benefiting company.
3. The sponsoring jurisdiction (a city or county) passes a resolution of sponsorship and holds a public hearing on the request for CDLF funds.
4. LARC staff prepares a written recommendation to the LARC Loan Committee. The Loan Committee makes a funding recommendation based on the information contained in the application, including the job creation and public benefit aspects of the project, the amount of the local share and the staff recommendation.
5. Upon approval by the LARC Loan Committee, the application materials, business plan and accompanying documentation, staff review and loan committee recommendation are submitted to DCS for final approval.

### **Planning Activities**

Definition – Eligible activities relating to the establishment of strategic plans, comprehensive plans, capital improvement plans. Applicants must meet one of the three national objectives:

- Benefit to low and very low income persons
- Elimination of slum and blight
- Urgent need.

## Submission Process – Planning Activities

1. Obtain and complete a CDBG FY 2020 Pre-application form mailed to all communities and counties in the Region and also available from the office of the Lake Agassiz Regional Council, 417 Main Avenue, Fargo, ND 58103, telephone: (701) 235-1197 or online at [www.lakeagassiz.com](http://www.lakeagassiz.com).
2. **July 1, 2020 – May 15, 2021** – Submission period for pre-applications and all required supplementary information, subject to the availability funds. LARC will notify cities and counties on June 1 and from time to time throughout this period of the availability of funds for planning activities.
3. **July 1, 2020 – May 15, 2021** – Subject to the availability of funds, LARC staff determines eligibility, reviews and scores pre-applications. The LARC Board of Directors ranks need and develops funding recommendations.
4. **June 19, 2021** – Final date for completion of full applications and submittal to the Division of Community Services.

## Selection Process (120 points maximum)

1. Applicant provides a well-reasoned basis for the proposed planning activity and an explanation of the anticipated outcome.
 

Yes	25 points
No	10 points
  
2. Matching Funds
 

>75%	25 points
51-74%	15 points
26 – 50%	5 points
25% or under	0 points
  
3. LMI Benefit
 

51% and over	25 points
<51%	20 points (must meet national objective of elimination of slum and blight or urgent need)
  
4. Percentage of minority that could benefit in the planning area
 

>25%	10 points
<25%	0 points
  
5. Will the planning process be completed by the end of this calendar year?
 

Yes	10 points
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No

0 points

6. Proposal clearly describes the steps involved in the planning process, the local resources required, proposed coordinating or steering committee, plan for public involvement, implementation process and procedure for self-evaluation.

Good

25 points

Adequate

15 points

Poor

5 points

Proposals will be ranked according to the point schedule above from which the LARC Board will develop funding recommendations.

### **Main Street**

A set-aside of previously revolved CDLF funds has been dedicated towards fulfilling the State of North Dakota's Main Street Initiative. These funds are available only to benefit privately owned businesses. Cities and counties, however, must still apply on behalf of the business.

Eligible projects with these funds include building rehabilitation for both the exterior and interior. Exterior improvements include street lighting owned by the business, signage, landscaping, parking, painting, awnings, windows, brick and mortar repair, doors, entryways and other pre-approved lot and façade improvements. Interior improvements include making repairs to rectify code enforcement problems, renovating a closed or abandoned building, replacing or retrofitting energy systems, and preservation of historical architectural features. Demolition of structures – in whole or in part – may be eligible if a CDBG eligible project takes its place before project closeout.

At least 70% of the funds dedicated towards Main Street projects in FY 2020 must go towards projects in cities with at least 51% of the households considered low-to-moderate income, according to data HUD has provided to DCS. If an insufficient amount of grant funds can be awarded to projects located in LMI cities whereby the 70% requirement cannot be met, then no project in a non-LMI city can be funded.

### **Submission Process – Main Street**

1. Obtain and complete in its entirety a CDBG FY 2020 Pre-Application form. This was mailed to all communities and counties in Region V and is also available online at [www.lakeagassiz.com](http://www.lakeagassiz.com). (click on "Community Development Block Grant")
2. **May 20, 2020** – Due date for pre-applications and all required supplementary information. Pre-applications must be received in LARC offices by 5:00 p.m. Applications submitted via e-mail or fax must be followed by signed original copies.
3. **May 21, 2020 – June 10, 2020** - LARC staff determines eligibility, reviews and scores pre-applications.
4. **June 17, 2020** – LARC Board of Directors convenes to review staff scoring, hear project presentations, rank need for each project and develop funding recommendations.

5. **June 19, 2020** – LARC staff notifies applicants of recommendations for funding.
6. **June 19, 2021** – Final date for completion of full applications and submittal to the Division of Community Services.

**Selection Process – Main Street**

LARC staff will assign points to Main Street projects in the following manner (maximum of 350 points):

1. Has the city signed on to be a “Main Street Community” with the State of North Dakota?
 

Yes	50 points
No	0 points
  
2. Does the building have historical architectural features or is listed on the state or national register of historic places?
 

Yes	25 points
No	0 points
  
3. Does the building have historical significance to the City or County?
 

Yes	25 points
No	0 points
  
4. Matching Funds:
 

75% or more of total project costs	125 points
50-74% of total project costs	100 points
25-49% of total project costs	50 points
< 25% of total project costs	25 points
  
5. Will the project benefit a business offering basic goods or services deemed critical for the community? Examples include grocery stores, clinics and health care, hardware stores, gas stations, contractors (e.g. electricians, plumbers, building, etc.), and so on.
 

Yes	100 points
No	0 points
  
6. Is the building currently or will be mixed-use?
 

Yes	25 points
No	0 points

The LARC Board of Directors will assign up to 200 points for the perceived need of each project in the following manner:

Each Main Street applicant will be invited to present a 10 minute summary of its project including a description of the work to be done and the local capacity to fund the project.

After all presentations have been heard, each board member will assign need points to each project in increments of 40 points, with 200 points the highest score and 40 points the lowest. Projects may be placed anywhere along the scale, and no two applicants may receive the same score. The need points of each project will be added together and averaged to arrive at a final need score.

The score for the need criterion will then be added to the objective score to arrive at a final score.

A tie score will be broken by written ballot. The Board will be polled, with the Chairman abstaining from the vote. If a tie again results, the Chairman will cast the deciding vote. Projects will be displayed in rank order. Projects must attain a minimum score of **320** points in order to receive funding. Projects that receive the minimum score or higher will be funded in rank order in full, plus applicable administrative costs. Should funds be insufficient to fund any application in full, the board may:

1. Offer the remaining funds in the allocation to the applicant; if the applicant declines the offer, the board will offer the remaining funds to the next eligible applicant in rank order;
2. Transfer unobligated funds from other categories and offer awards as described above;
3. Or any combination of the above

Pre-applications recommended for funding will be invited to submit full applications. Full applications must not deviate in general project scope, proportion of matching funds commitments or planned implementation schedule as identified in the respective pre-applications. An applicant which has been invited to submit a full application may choose not to go forward with a full application, in which case the next highest ranked project, if any, will receive an invitation to submit a full application, subject to the size of the funding request and funds available.

**2020**

**REGION VI**

**SOUTH CENTRAL  
DAKOTA REGIONAL  
COUNCIL**

**429 2<sup>nd</sup> St SW, Suite 208**

**PO Box 903**

**Jamestown, ND 58402-0903**

**Phone: 701-952-8050**

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**ND Relay Voice: 800-366-6889**



**ALTERNATIVE FORMATS FOR DISABLED  
PERSONS ARE AVAILABLE UPON REQUEST**

South Central Dakota Regional Council is a nine-county, voluntary association of governments formed pursuant to the North Dakota Century Code. The Regional Council provides assistance in business and economic development to Barnes, Dickey, Foster, Griggs, LaMoure, Logan, McIntosh, Stutsman and Wells counties in south central North Dakota.

The Board of Director members of the Regional Council include 28 representatives from the nine-county area. **Membership is designed to give broad representation of governmental and economic interest.** The members consist of one mayor and one county commissioner from each of the nine counties. In addition, there are two members representing urban communities with populations over 5,000 – Jamestown and Valley City, along with economic developers, private sector, Soil Conservation District and University delegates.

**Public Facilities/Housing/Planning**

Tuesday, February 18, 2020 Public Needs Hearing will be held at 2 pm at 429 2<sup>nd</sup> St SW in Jamestown, ND.

Friday, May 15, 2020 Deadline for Pre-application submission: on or before 5 p.m. Friday, May 17<sup>th</sup>, 2019.

On or about  
Wednesday, June 10, 2020 Pre-applications will be reviewed, ranked, and recommended grant amounts determined. Applicants may meet with Scoring & Ranking Committee (SRC) to present project information and answer questions.

On or about  
Friday, July 17, 2020 Final applications are due to the Regional Council. The original application must be received in the Regional Council office on or before 5:00 p.m. Friday, July 12, 2018.

**Economic Development/Emergency**

No Deadline Applications for economic development and emergency funds are accepted at any time.

**Main Street**

Monday, December 9, 2020 Public Needs Hearing will be held at 10 a.m. at the Legacy Center – Buffalo Room 419 5<sup>th</sup> St NE in Jamestown, ND

Friday, January 31, 2020 Deadline for Pre-Application submission

On or about Wednesday  
April 22, 2020 Pre-Applications will be reviewed, ranked and recommended CDLF funds determined. Applicants may meet with Scoring & Ranking Committee (SRC) to present project information and Answer questions.

On about Friday,  
May 27, 2020 Final applications are due to the Regional Council.

**ALLOCATION OF FUNDS \*2020 Funds have not been allocated.**

The following amounts have been estimated for the 2020 program year.

<b>2020 Total Amount Anticipated for Distribution</b>	\$265,083.00
<b>Public Facilities</b>	\$ 99,266.58
<b>Housing</b>	\$165,816.42
<b>Planning</b>	\$ 0.00
<b>Economic Development and Emergency</b>	\$ 0.00
<b>Total</b>	<b>\$265,083.00</b>

Economic Development projects will be funded with the State Revolving Loan Fund. Emergency (Urgent Needs) projects are approved by the Governor’s Office. Do not undertake project prior to approval from the state and SCDRC.

**AWARD PROCESS FOR  
PUBLIC FACILITIES/HOUSING/PLANNING SCORING & RANKING**

The South Central Dakota Regional Council will appoint a committee to review, score, and recommend projects for funding at its April 2020 quarterly full Board of Directors meeting. The committee will consist of one representative from each of the member counties. If an appointed member cannot attend the Scoring and Ranking committee meeting, he or she will inform the Regional Council of his or her alternate county representative.

After the SCDRC Scoring & Ranking Committee (SRC) meets on or about June 10, 2020 decisions including transfers from one allocation to another will be made by and at the July 15, 2020 Board of Directors quarterly meeting. However, in the event a timelier decision needs to be made, the Executive Director and the President of the Regional Council Board have been authorized by the Board of Directors to make any necessary decisions. In case of a conflict of interest by the Executive Director and/or President, the decision will be made by three (3) other SRC Members. The Economic Development allocation, to be called the Community Development Loan Fund (CDLF), is under the authority of the Regional Council Loan Funds Committee.

To be eligible for a grant, the activity must benefit a population of 51% or more very low- to low-income (VL & LI) people based on the HUD-approved data per the 2011-2015 American Community Survey or serve a limited clientele population. If your entity has less than 51% VL & LI families, the project may be eligible under special assessment. Please contact the Regional Council for census data at 612-709-2357. This requirement applies to Public Facilities and Planning; Housing is a direct benefit activity. A prospective applicant may conduct, at it’s expense, an “Income Survey” to establish VL/L income population.

**Review process for public facilities, housing and planning:**

1. Regional Council staff will review all Pre-applications for eligibility (as described in the State Action Plan & the Pre-App Instructions) and completeness, posing any questions to applicant as soon as possible.



2. Pre-applications will be submitted to Scoring & Ranking Committee (SRC) members for review prior to the SRC meeting.
3. No project will be allocated more than \$100,000.00 (assumes more funding requests than allocated funds).
4. Applicants are expected to attend the SRC meeting to make a presentation, answer questions, and provide clarification. Each applicant will be allowed approximately 15 minutes for a presentation and questions from SRC members and Regional Council staff.
5. After all presentations are complete; the SRC will discuss the projects and their merits.
6. After the applications have been reviewed and discussed, the SRC members will individually score them utilizing the scoring criteria contained in this document.
7. After the scores have been added and the rankings determined, the SRC will recommend an award amount to each project according to ranking. The SRC reserves the right to adjust the amount awarded to the projects during this process. If there are no projects presented or the projects presented do not use the entire allocation or score above the minimum, the committee can move allocated funds from that activity to another. In the event a project does not move forward, the committee may reallocate that funding.
8. In the event of a scoring tie, the SRC will determine the funding sequence by means of a written ballot.
9. Each applicant will be informed of the proposed disposition of its application. Applicants awarded funding must provide the information, assurances, and documentation necessary to show compliance with State and Federal guidelines. This is accomplished by completing a Full Application.

The Full Application requires information necessary to determine if the project is in compliance with all federal and state requirements. The Division of Community Services (DCS), ND Department of Commerce, will review Full Applications for such compliance and prepare the final financial award. It is possible that a “Scored and Ranked Project” will not be approved for a Final Application. In such an event, the highest ranged project, able to support the increased funding, will be allocated additional funding. This process will continue until the full allocation to Region VI has been awarded. Final allocations are approved by the Executive Board of South Central Dakota Regional Council.

### **Public Facility Grants**

Eligible activities as described in the State Program Distribution Statement include infrastructure, public safety and removal of architectural barriers. Public facility projects which include removal of architectural barriers projects should be designed to benefit a high percentage of very low and low income (VL& LI) persons, including such groups as the elderly and disabled.

A local commitment, including a cash match, is required for public facilities. Some or all of the local match will be used for CDBG grant administration of up to 10 percent of CDBG funds awarded with a minimum of \$5,000 for administration. If a jurisdiction has no local funds for grant administration, the funds will come out of CDBG. The higher the local commitment, the greater the points. See the scoring sections for commitment and matching funds for points awarded.

An engineer/architect report is to be included in the public facility's Pre-application. The engineer/architect report provides information helpful in determining the project's appropriateness and cost effectiveness. An Engineer/Architect is mandated if the building project is over \$200,000.00 per North Dakota Century Code.

## **PUBLIC FACILITIES SCORING AND RANKING CRITERIA**

### **1. COMMITMENT**

The committee will score each application on the basis of perceived commitment. 90 to 125 points will be awarded for high commitment and 65 to 89 points for moderate. The following criteria will be considered:

- a. 90 to 125 points will be awarded to projects that demonstrate the applicant is asking for the minimum amount of grant funds and is, therefore, providing the maximum amount of local match and/or other funds. This can be shown by documenting all of the following:
  - 1) project cannot proceed without the requested funds;
  - 2) applicant can show it is without additional existing funds to fully fund or increase the local match to the project;
  - 3) other potential sources of funding assistance have been explored but no other sources of grants or affordable loans are likely or available to meet the immediate need.
  - 4) the problem is:
    - i. long standing or existing and the applicant has made all reasonable efforts to obtain local or other financing to address the problem; or
    - ii. immediate and unexpected, not reasonably foreseen by the applicant.
- b. 65 to 89 points will be awarded to applications which show grant funds are needed to proceed with the project and which meet most, but not all above criteria.

### **2. APPROPRIATENESS**

- 100 to 125 points to projects that meet each of the following criteria;
- 80 to 99 points to those that meet 5 of 6;
- 60 to 79 points to those that meet 4 of 6;
- 40 to 59 points to those that meet 3 of 6;

- a. the project is the best immediate solution to the problem;
- b. the project provides the best long-term solution to the problem;
- c. the project meets all federal and state requirements and standards;
- d. the project appears to be cost effective considering the number of people to benefit versus the cost (compared to other projects);
- e. cost estimates appear to be reasonable and are well documented;
- f. project appears ready to proceed in a timely manner, with construction beginning & completing within a 12-month period.

**3. PERCENTAGE OF MINORITY LIVING IN PROJECT AREA – (Taken from U S Census data located in America Fact Finder)**

Communities with above 76% minority population	100 points
Communities with 51% to 75% minority population	75 points
Communities with 26% to 50% minority population	50 points
Communities with below 26% minority population	25 points

**4. PERCENTAGE OF VL & LI IN THE PROJECT AREA**

One point will be awarded for every percentage point of VL & LI population served by the project.

**5. VERY LOW AND LOW INCOME AND/OR TARGET GROUPS BENEFIT -**

Two points for each percent above 51 percent VL & LI will be awarded. Projects to assist exclusively VL & LI persons, including senior citizens, removal of architectural barriers projects are eligible. VL & LI benefit will be determined from the HUD approved data or from approved survey method results.

**6. PROJECT TYPE**

Installation of water and/or sewer facilities	150 points
Rehabilitation of slum or blighted buildings	125 points
Fire protection facilities/equipment	115 points
Install flood & drainage facilities	95 points
Street construction/reconstruction	80 points
Community Center (includes Child Care Initiative)	75 points
Removal of architectural barriers	60 points
All other eligible CDBG projects (includes Façade Program)	50 points

**7. TOTAL CDBG COST PER CAPITA COST**

\$0 to \$1,000	100 points
\$1,001 to \$3,000	80 points
\$3,001 to \$6,000	60 points

**8. RECEIPT OF PUBLIC FACILITY CDBG FUNDS IN THE PAST**

No prior funding	100 points
5 years or more prior	80 points
within the past 4 years	60 points
within the past 3 years	40 points
within the past 2 years	20 points
within the past year	0 points

NOTE: Years are to be counted from (and including) the most recent year in which funds were awarded, up to (and including) the funding year immediately prior to the current year.

CDBG funds from any source (including urgent need funds) are to be considered as prior funds received.

**9. PROJECT READINESS**

Complete plans, and proof of other funding committed	100 points
Complete plans, other funding located – not committed	80 points
Complete plans, other funding not located	20 points

**HOUSING**

Eligible projects as described in the State Program Distribution Statement that address affordable single and multi-family developments, including rehabilitation, repair, expansion or similar activities that will better assure meeting of needs, immediate and long-term, viability and health and safety issues; or conversion or new construction providing affordable housing will be considered. Awards may be made in the form of grants, loans, or a combination.

**HOUSING SCORE SHEET**

SRC will assign points to housing activities applications in the following manner:

1. Proposed number of households to be assisted by the project.

10 and over	40 points
7-9	30 points
4-6	20 points
Under 4	10 points

2. Participation in project by other funding sources as a percentage of total project costs.

50.0% and over	40 points
25.0% to 49.9%	20 points
Under 25.0%	0 points

3. Is there a business development project within the community or within a reasonable commuting radius of the community that is contributing to housing demand as measured by local Housing Authority?

- |     |           |
|-----|-----------|
| Yes | 30 points |
| No  | 0 points  |

4. The project will definitively demonstrate the following results:

An increase in the number of housing units available to low and very low income households	20 points
--	-----------

Concrete mechanisms to enhance the affordability of housing for low and very low income households.	20 points
---	-----------

An ongoing effort to increase housing opportunities in the locality	20 points
---	-----------

Active and ongoing participation by city government and/or other development organization(s).	20 points
---	-----------

Active and ongoing participation by other groups, including financial institutions, charitable groups, the local business community, etc.	10 points
---	-----------

5. Percentage of Minority Living in Project Area - (Taken from US Census data located in America Fact Finder)

- |   |           |
|---|-----------|
| Communities with above 76% minority population  | 50 points |
| Communities with 51% to 75% minority population | 30 points |
| Communities with 26% to 50% minority population | 20 points |
| Communities with below 26% minority population  | 10 points |

6. Project Readiness

- |   |            |
|---|------------|
| Complete plans, and proof of other funding committed  | 100 points |
| Complete plans, other funding located – not committed | 80 points  |
| Complete plans, other funding not located             | 20 points  |

7. SRC will assign up to **50 points** for the perceived need of each project in the following manner:

Each applicant for housing projects will be invited to present a 5- to 10-minute summary of the project including a description of the type of project, an explanation of the need for the project, growth of the community, if applicable, other proposed financial participants and a general description of beneficiaries (low and moderate income households, elderly, female head of households, etc.) After all presentations have been heard, each board member will rank the projects in order of perceived need on a 10-point scale, a rank of 10 the highest and 1 the lowest. The point rankings of each project will be added together and averaged to arrive

at a final ranking. Applicants will then be assigned points, the highest ranking applicant receiving 50 points, the next highest 45 points, etc., in increments of five points.

The score for the perceived need criterion will then be added to the objective score to arrive at a final score.

A tie will be broken by secret ballot of the SRC. The SRC will be polled, with the Chairperson abstaining from the vote. If a tie again results, the Chairperson will cast the deciding vote.

## **PLANNING GRANTS**

Eligible activities relating to the establishment of a Capital Improvements Plan, Community Strategic Plan, Comprehensive Plan, Zoning or other plans.

## **PLANNING SCORE SHEET**

### **1. NEED**

Proposal clearly responds to an existing or anticipated need and describes how the planning project will help address the need or problem.

### **2. IMPACT**

Highest scores will be applied to those that best meet the following criteria:

- Work products are clearly defined.
- Work products and results clearly address described need.
- Consultant is qualified and experienced.

### **3. COST**

Up to 50 points will be assigned if the cost is documented and appears reasonable.

### **4. PERCENTAGE OF MINORITY LIVING IN PROJECT AREA – (Taken from U.S. Census data located in America Fact Finder)**

Communities with above 76% minority population	50 points
Communities with 51% to 75% minority population	30 points
Communities with 26% to 50% minority population	20 points
Communities with below 26% minority population	10 points

### **5. VL/LI BENEFIT**

One point will be assigned for each percent of VL/LI above 50 percent who will benefit.

### **6. MATCH**

Assign 2 points for each percentage of total project cost paid from local or other sources.

## **AWARD PROCESS FOR EMERGENCY AND ECONOMIC DEVELOPMENT FUNDING**

### **EMERGENCY FUNDS**

Economic Development projects will be funded with the State Revolving Loan Fund. Emergency projects are approved by the Governor's Office. Do not undertake the project prior to approval.

Funding for emergency grants may come from the Economic Development allocation, however, program income may not be used to fund emergency requests. Eligible activities must meet the national urgent needs objective as stated in the Federal Register. At a minimum, the threat cannot have occurred or become apparent more than 18 months prior to submission of an application or pre-application, but generally it should not have occurred, or a solution identified, until after the regular public facility pre-application deadline. The use of emergency funds due to a failure from lack of a maintenance plan by a community may not be considered urgent need. Projects that are requesting emergency funding will need to convince the Regional Council that failure(s) is not due to a dilapidated system. The Regional Council may also request a higher local commitment in relationship to the age of the system being replaced.

Emergency requests will not be ranked and scored. Decisions regarding funding will be based on the project need, commitment, appropriateness, and availability of funds. Emergency applications will be considered at any time. Final funding decisions are made by the State of North Dakota through the Department of Commerce, Division of Community Services (DCS). Applicants should contact the Regional Council office for guidance in preparing requests/applications for emergency funding.

### **ECONOMIC DEVELOPMENT FUNDS**

The South Central Dakota Regional Council (SCDRC) is served by a Loan Funds Committee for SCDRC Community Development Loan Fund (CDLF) review. The Economic Development allocation, to be called the Community Development Loan Fund (CDLF), is under the authority of the Regional Council's Loan Funds Committee. The Loan Funds Committee consists of one person from each county in Region VI, who is nominated by the county. The Regional Council staff assists the Loan Funds Committee by providing guidance to the business in developing its application, assuring compliance with HUD regulations, and preparing a staff recommendation for the Loan Funds Committee. Applications to the CDLF are taken on an ongoing basis throughout the program year.

Should all available CDLF funds be committed, applicants will be informed of the status of program funding and potential timeline for future funding. Staff will also assist in researching other potential financing sources.

1. Eligible Activities - (Partial listing for a complete list refer to the State Action Plan).
  - a. Direct loans or grants to businesses including loans for fixed assets, equipment, infrastructure, inventory; and guarantees for working capital; or
  - b. Grants for the development of publicly owned infrastructure which directly serves new or expanding for profit businesses; or
  - c. Purchase of preferred stock, limited to 20 percent of the total project.

2. Ineligible Activities - (Partial listing for a complete list refer to the State PDS)

- a. Interest buy downs.

3. Review Committee

The Loan Funds Committee consists of one member from each of the member counties served. The Loan Funds Committee will consider all applications for funding.

4. Application

The application checklist and complete application packet can be obtained from SCDRC. State eligibility requirements will be applied to regional projects. The staff will work with each applicant to assist in the completion of the application. The application must be completed at least fourteen (14) days prior to the upcoming monthly committee meeting at which the applicant would like its application to be considered. The committee meetings are held on the second Tuesday of each month, as needed.

5. Staff Review

The staff will review the application for completeness and program compliance. If necessary, the staff will request additional information or clarification. The staff will prepare a staff recommendation that will be sent to each Loan Funds Committee member with the application packet at least one week prior to its upcoming meeting.

Minimum program requirements include:

- a. At least 51% of the jobs created or retained by the proposed project must be available to low to moderate income people;
- b. Principal(s) must provide at least 10% of the total project in the form of cash or tangible balance sheet equity, and/or other acceptable assets;
- c. A private financing institution must be involved in all ED projects unless it is a disaster situation;
- d. CDLF may only participate to a maximum of 50% of the total project;
- e. CDLF's maximum investment (loans or equity) should be limited to \$50,000 per job created or retained and \$10,000 per job for infrastructure grants.

Upon a determination that the application does not comply with minimum requirements, a letter will be sent to the applicant identifying specifically what can be done to bring the proposal into compliance with the application requirements.

The staff may also begin the environmental review process on each application to expedite the potential drawdown of loan funds.



## 6. Applicant Presentation

Each applicant will present his/her application to the Loan Funds Committee and answer any additional questions from the Loan Funds Committee. Typically, the presentation and question/answer period is limited to 30 minutes.

## 7. Loan Committee Review

The Loan Funds Committee will review the CDLF request based on an analysis of the project. The Loan Funds Committee recommendation may come in the form of any of the following actions:

- a. The Loan Funds Committee may recommend funding as requested; or
- b. The Loan Funds Committee may recommend funding with conditions; or
- c. The Loan Funds Committee may ask the business to restructure its financial package for reconsideration; or
- d. The Loan Funds Committee may request additional information before a recommendation can be made; or
- e. The Loan Funds Committee may recommend that the application not be funded and not be allowed to restructure its financial package for further consideration.

## 8. Application Approval

If the application is approved by the Loan Funds Committee, the staff will organize the following:

- a. Public hearing held by sponsoring applicant jurisdiction;
- b. Completion of community application requirements;
- c. Complete full application and submit to Division of Community Services (DCS).

## 9. Amendment Requests

Amendment requests must be made by the loan recipient to the sponsoring unit of government, for approval, denial, or approval with alterations. The sponsoring unit of government will then forward the amendment to the Regional Council who will forward the request to the DCS.

# **ECONOMIC DEVELOPMENT APPLICATION**

## 1. Pre-Application/Business Plan

- a. The pre-application includes submitting a pre-application and a business plan to the Regional Council which will be accepted any time during the program year. It shall contain all information required by the current State Action Plan.

- b. Regional Council staff will review each pre-application and business plan for compliance with Program Distribution Statement-Economic Development guidelines.
- c. Once the application has been determined complete and in compliance, the Regional Council will complete an in-depth review of it and forward the review to the Loan Funds Committee.

The Regional Council staff, when reviewing the application and business plan will focus primarily on an analysis of the following:

- Need for CDLF assistance and appropriateness of the proposed use of funds;
- Cash flow and the ability to meet current and proposed debt service requirements;
- Strength of the balance sheet, profit and loss statements;
- Financial contribution (equity commitment) and strength of the principals;
- Appropriateness of the proposed terms of CDLF assistance;
- Management strength and expertise;
- Past performance of the firm and/or principals;
- Commitment of other sources or lack of other sources of funding;
- Strengths and weaknesses of the proposed marketing activities;
- Proposed staffing plan, including cost per job based on the amount of CDLF assistance requested.

The results of the Regional Council staff review may consist of any of the following:

- The applicant and/or business may be asked to provide more information.
- The business may be asked to pursue other sources of funding before giving further consideration;
- The business may be asked to restructure the financial package;
- The business may be asked to rework/revise its business plan;
- The Regional Council staff may request a visit to the business locale and/or a meeting with the business;
- The Regional Council staff may decide that the business is not feasible as structured with the negative recommendation provided in writing;

- The Regional Council staff may decide to develop a positive funding recommendation with conditions;
  - The Regional Council staff may recommend that the business not be funded and not be permitted to restructure its proposal, and
  - The Regional Council staff may recommend funding as requested. The above list or potential actions are not all-inclusive and other actions may be taken as the situation may dictate.
- d. At least one week prior to the Loan Funds Committee monthly meeting the pre- application, business plan, and Regional Council staff review and recommendation for funding will be sent to each Loan Funds Committee member.
- e. The Loan Funds Committee, at its monthly meeting, will review the pre- application and business plan, meet with the business owners and/or representatives, and consider the staff recommendation. When reviewing the proposal, the committee will focus on an analysis of the following:
- Need for CDLF assistance and appropriateness of the proposed use of funds;
  - Cash flow and the ability to meet current and proposed debt service requirements;
  - Strength of the balance sheet, profit and loss statements;
  - Financial strength of the principals;
  - Appropriateness of the proposed terms of CDLF assistance;
  - Management strength and expertise;
  - Past performance of the firm and/or principals;
  - Other sources or lack of other sources of funding;
  - Strengths and weaknesses of the proposed marketing activities;
  - Proposed staffing plan, including cost per job based on amount of CDLF assistance requested.

After the meeting with the business and reviewing the proposal the committee will recommend one of the following:

- The applicant and/or business may be asked to provide more information.
- The business may be asked to pursue other sources of funding before giving further consideration;

- The business may be asked to restructure the financial package;
- The business may be asked to rework/revise its business plan;
- The Loan Funds Committee may decide that the business is not feasible as structured with the negative recommendation provided in writing;
- The Loan Funds Committee may decide to develop a positive funding recommendation with conditions;
- The Loan Funds Committee may recommend that the business not be funded and not be permitted to restructure its proposal, and
- The Loan Funds Committee may recommend funding as requested. The Committee may recommend less funding depending on the availability of funds. The above list or potential actions are not all-inclusive and other actions may be taken as the situation may dictate.

## 2. Full Application

- a. Following approval by the Loan Funds Committee, the full application will be generated by the Regional Council staff. It will contain all information in compliance with PDS guidelines. The Regional Council staff will then forward the full application to DCS for a compliance review and preparation of the Financial Award. Two copies of the Financial Award will be forwarded to the grantee. The signed Financial Award must be signed and returned within 60 days of the effective date of the award or the award may be terminated. Upon receipt of the Financial Award and prior to completing all environmental review requirements and receipt of an official Notice of Release of Funds, the grantee may only incur administrative costs. No construction, acquisition, or other costs may be incurred before the Release of Funds date.
- b. The loan documents (i.e., loan agreement, promissory note, security agreement, guarantee, and UCC filings) will be generated by the Regional Council staff. It will be the Regional Council's responsibility to submit these documents to the required persons/agencies for execution and/or recording.

## **OTHER POLICIES**

### **A. Conflict of Interest**

South Central Dakota Regional Council and its Community Development Block Grant committees will avoid conflict of interest situations, whether real or perceived. To avoid even an appearance of conflict of interest, the following policies shall be in effect:

1. Adoption of HUD Conflict of Interest Policy.

The committee shall adopt the HUD Conflict of Interest policy as its own policy.

## 2. Other Policies

Committee members who reside within the applicant's jurisdiction will provide disclosure at the committee meeting and shall refrain from ranking the application.

No employee, agent, consultant, officer or elected official of the state, unit of general local government, designated public agency or sub-recipient shall participate in the scoring or ranking of a project that could be supported by federal grants funds, if a conflict of interest, real or perceived exists. Such a conflict would arise when the employee, agent, consultant, officer or elected official, any member of his/her immediate family, his/her partner or an organization which employs, or is about to employ any of the above has a financial interest or other interest in the project selected for funding.

If it is not clear whether a conflict of interest, real or perceived, may exist, a committee member may abstain from voting/ranking, or may ask the chairman to determine whether abstention is advisable, or the chairman may ask other committee members to determine if abstention should be required.

DCS reserves the right, without notification except as may be required by state or federal regulations, to modify or transfer allocations and otherwise modify or amend this statement, including but not limited to, clarifications of policy, and deadline or meeting date changes."

## ACRONYMS

<b>CDBG</b>	Community Development Block Grant: (U.S. Department of Housing & Urban Development) funds distributed to North Dakota
<b>CDLF</b>	Community Development Loan Fund
<b>DCS</b>	Division of Community Services: A division of the North Dakota Department of Commerce
<b>ED</b>	Economic Development
<b>HUD</b>	US Department of Housing and Urban Development
<b>LMI</b>	Low to Moderate Income: Relates to income status as determined by HUD
<b>PDS</b>	Program Distribution Statement
<b>SRC</b>	Scoring and Ranking Committee
<b>RLF</b>	Revolving Loan Fund
<b>SCDRC</b>	South Central Dakota Regional Council
<b>VL &amp; LI</b>	Very Low and Low Income: Relates to income status of households/persons as determined by HUD

**2020**

**REGION VII**

**LEWIS AND CLARK**  
**REGIONAL**  
**DEVELOPMENT COUNCIL**

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**ALTERNATIVE FORMATS FOR DISABLED  
PERSONS ARE AVAILABLE UPON REQUEST**

## IMPLEMENTATION SCHEDULE

### Public Facilities, Housing, Planning and Main Street

June 4, 2020	Submission deadline for pre-applications (original and one copy required, must be post-marked on or before deadline date).
On or about June 24, 2020	Applications will be reviewed, scored and recommended funding amounts determined.
November 30, 2020	Submission deadline for pre-applications (original and one copy required, must be post-marked on or before deadline date).
January 2, 2021	Last date final applications are due (original only) to Lewis and Clark Regional Development Council.*

### Economic Development (CDLF and ED Infrastructure) and Emergency Applications

Pre-applications and final applications will be accepted at any time and will be considered if funds are available.

\*At the option of the CDBG committee, due dates for final applications may be extended. This option may be exercised at the sole discretion of the committee and with public notice if final applications are invited after June 4, 2020 due to availability of additional funds resulting from additional allocations, returned or unobligated funds, or fund transfers. In such cases the committee may extend the final application deadline as it determines is appropriate, but not later than seven days prior to the latest date by which applications and amendments must be received by DCS.

## ALLOCATION OF FUNDS

Distribution of CDBG funds by Lewis and Clark Regional Development Council will be as follows. If the final allocation changes, allocations to one or more categories may be adjusted accordingly without notice and at the sole discretion of the CDBG Committee.

Housing	\$ 154,620
Public Facilities	\$ 154,621
Planning	\$ 0
Emergency/Other	\$ 0
Economic Development - CDLF & ED Infrastructure	\$ 0
Main Street - CDLF	\$ 750,000
TOTAL	\$1,059,241



## **CDBG Funding Categories**

- A. **Housing:** Housing projects are eligible projects as described in the State Program Distribution Statement that address single family and affordable multi-family developments, including rehabilitation, repair, expansion or similar activities proposed that will better assure meeting of needs, immediate and long-term viability, and health and safety issues; or conversion or eligible soft costs for new construction providing affordable housing. Awards may be made in the form of grants, loans, or a combination.
- B. **Public Facilities:** Eligible activities as described in the State Program Distribution Statement to include infrastructure, public safety (e.g., fire halls, fire trucks, ambulances and related equipment) and removal of architectural barriers.
- C. **Emergencies:** Eligible activities needed to alleviate an immediate and urgent condition that poses a serious health, welfare or safety threat, including an event such as fire, flood or tornado resulting in severe damages that may result in a loss of jobs and/or inability of the community to provide essential services to its market area. At a minimum, the threat cannot have occurred or become apparent more than 18 months prior to submission of an application or pre-application, but generally it should not have occurred, or a solution identified, until after the regular public facility pre-application deadline.
- D. **Planning:** Eligible activities relating to the establishment of a Capital Improvements Plan, Community Strategic Plan, Comprehensive Plan, Zoning or other plans.
- E. **Other:** Is for other activities which do not fit in to any other category but which are eligible for CDBG assistance. Any proposal within this category must meet one of the national objectives.

## **CDLF Funding Categories**

**Economic Development:** Eligible activities and projects as described in the State Program Distribution Statement. Economic development funds may be in the form of CDLF loans or grants to businesses (or related entities), or as grants and/or loans for economic development infrastructure, but a bank must be involved in the project financing of CDLF projects.

**Main Street:** Eligible activities and projects as described in the State Program Distribution Statement and/or the State's Main Street Initiative Program. Funds can be used for community's slum and blighted areas, including downtown façade and streetscape improvements. The intent of the program is to help communities aid in the prevention or elimination of slums and blight in a designated area. Main Street funds will be in the form of grants to cities.

## **GRANT APPLICATION SUBMISSION REQUIREMENTS**

### **A. Public Facilities, Housing and Planning**

1. Applicants have the option of submitting either a pre-application or full application by June 4, 2020. This is to allow applicants wishing to begin a project as soon as possible the opportunity to receive a final grant award in a timely manner. To be considered for

scoring, the minimum requirements of a preliminary application must be met. However, because scoring is based only on information required in the pre-application, full applications would have no advantage in scoring over pre-applications.

2. Generally, the only difference between pre-applications and full applications is documentation that all state and federal procedures and policies, such as public hearings, identification of community development needs, displacement policies, etc. have been fulfilled. However, pre-applicants who have been invited for a full application may change the proposal shown in the pre-application, but only if the proposal is within the same emphasis area and is intended to address the same problem identified in the pre-application. If any changes could affect the score it received in the pre-application, the Lewis and Clark CDBG Committee reserves the right to re-score, adjust rankings and alter award recipients and amounts.
3. Although specific match amounts are not required, at a minimum local match is required to fully cover engineering/architectural costs, if any, and CDBG administration costs. The match requirement may be waived in whole or part by the committee if it can be clearly documented there are insufficient resources to pay such costs. Architectural/ engineering costs should be documented in the application, and for purposes of budgeting. The following administration costs should be assumed unless otherwise documented:
  - a. For Housing and Public Facility Special Assessment projects, 15% of CDBG project funds, with a minimum of \$1,000 and maximum of \$15,000.
  - b. For Public Facility projects, 10% of CDBG project funds, with a minimum of \$1,000 and maximum of \$10,000.

Notwithstanding the above, the match amount proposed by the applicant should be determined by what is reasonable considering the resources available to the applicant. Failure to provide an adequate and reasonable match will result in a lower commitment score. Proposals requesting grant assistance for either engineering or administration, or both, will be required to submit additional budget and financial information.

4. Public Facility projects for which costs are estimated at \$200,000 or more require preparation of plans, drawings and specifications by a licensed architect or registered engineer.
5. Housing projects for which costs are estimated at \$200,000 or more require preparation of plans, drawings and specifications by a licensed architect or registered engineer.

## **B. Economic Development and Economic Development Infrastructure**

1. Economic Development (CDLF) and Economic Development Infrastructure proposals will be considered at any time.
2. Final applications will not be requested or considered until eligibility has been determined by council staff after submission of a pre-application.

3. Administration of 10%, minimum \$1,000, unless otherwise negotiated, will be charged.

**C. Emergency and Other:** Applicants should contact the regional council for guidance and instructions.

**D. Main Street**

1. Applicants must submit a pre-application by June 4, 2020 to be considered for scoring. The minimum requirements of a preliminary application must be met.
2. Pre-applicants who have been invited for a full application may change the proposal shown in the pre-application, but only if the proposal is within the same emphasis area and is intended to address the same problem identified in the pre-application. If any changes could affect the score it received in the pre-application, the Lewis and Clark CDBG Committee reserves the right to re-score, adjust rankings and alter award recipients and amounts.
3. Municipalities may apply for a grant, not to exceed \$100,000. A one-to-one match amount is required by the recipient. This match amount may come from their own funds or funds from the ultimate user. Architectural/ engineering costs along with contractor estimates for work to be completed should be documented in the application. Administration of 10% of the grant amount, minimum \$1,000, unless otherwise negotiated, will be charged.
4. These Main Street projects for which costs are estimated at \$200,000 or more require preparation of plans, drawings and specifications by a licensed architect or registered engineer.

## **GRANT REVIEW AND SELECTION PROCESS**

**A. Public Facilities, Housing, Planning and Main Street**

1. A committee composed of voting Council members serving on the Lewis and Clark **CAPITAL** Fund Board will be responsible for reviewing, scoring, ranking and making grant award recommendations. The chairman of the CDBG committee, in cases where a committee member(s) is absent or has a conflict of interest, may name an alternate(s) for the absent or in-conflict member from a pool of Council board members who have served at least one year and demonstrated a record of good attendance. When possible and practical, preference should be given to those potential alternates who have no apparent conflict of interest in any known proposal.
2. Only proposals that meet the full requirements of the pre-application, and those determined by Council staff to be eligible, will be considered.
3. Upon receiving proposals, Council staff will review each for eligibility and completeness, and prior to the CDBG committee meeting on or about June 24, 2020, staff will send to each member a copy of the submitted proposals.
4. Staff will prepare summary reviews of each application to be given to committee members at or before their meeting on or about June 24, 2020.

5. Applicant representatives will be given the opportunity to present their proposal to the committee at the meeting, with up to 15 minutes each for presentations and questions from the committee and staff.
6. After all proposals have been heard and reviewed by the committee, committee members will score proposals in each subjective scoring category. Staff will apply appropriate scores for each objective category. Committee scores will then be totaled, with the highest and lowest individual scores in each category for each project eliminated and the remaining scores averaged to determine ranking.
7. To be considered for, but not necessarily entitled to funding, public facilities proposals must receive a score of at least 700 points, planning at least 350 points, housing at least 1,050 points and main street 400 points. The threshold requirements may be waived upon unanimous vote of a quorum of the CDBG Committee.
8. Although no allocation is specified for housing and planning proposals, proposals received, if any, will be heard, scored and ranked, but will be considered for funding only by unanimous vote of a quorum of CDBG Committee members and if:
  - a. The minimum required threshold scores are reached, and,
  - b. Funds from allocations for Housing amendment set-asides or Public Facilities categories remain after award recommendations have been made.
9. Although no allocation is specified for emergencies, requests may be funded on June 24, 2020 or thereafter upon approval of the committee and approval of transfer of funds from any category.
10. For scoring purposes only on housing proposals, funds spent on related items within six months prior to consideration of the request may be recognized as match.
11. After rankings have been determined, the committee will consider the amount of the recommended award to each project according to ranking. The committee reserves the right to adjust the amount of each award from the amount requested as it determines appropriate, and to apply conditions to the award, including time deadlines to meet the conditions. Lower-ranked projects that exceed thresholds are not necessarily entitled to grant awards even if allocated funds remain in the category. The committee may retain or transfer the balance of allocated funds to any category for current or future applicants, including for emergency, other or economic development projects as deemed appropriate.
12. If, after making its award recommendations, funds remain in one or more categories, the CDBG committee may:
  - a. Offer all or part of the remaining allocation to applicants in order of ranking until all or part of the allocation is obligated, or
  - b. Transfer all or part of the unobligated balance of the allocation to another category,  
or

- c. Retain the unobligated balance for future awards in the same category or transfer to another category, or
  - d. Award all or part of the remaining allocation to an existing, previously funded (from the previous year) but still open project, or
  - e. Any combination of the above.
13. Pre-applicants recommended for funding will be invited to submit final applications. Final applications which staff determines are different to the extent that the pre-application score may be reduced will be re-scored, re-ranked and funding levels altered as the committee deems necessary.
  14. All final applications recommended for funding will be delivered to the Division of Community Services for review, final approval and preparation of grant awards.

**B. Economic Development—CDLF**

1. Funding recommendations under the Economic Development allocation, to be called the Lewis and Clark Community Development Loan Fund (CDLF), will be made by the Lewis and Clark **CAPITAL** Fund Board.
2. Prior to submitting a full application and business plan, applicant must first submit a pre-application, which will be reviewed by staff for eligibility. Proposals that meet eligibility requirements will be invited to submit a full application.
3. The **CAPITAL** Fund Board will meet monthly to review all final and complete applications and business plans received at least two weeks prior to the meeting. Applications received within two weeks may be considered at the option of the **CAPITAL** Fund Board, and otherwise will be held over until the next monthly meeting.
4. Prior to consideration by the **CAPITAL** Fund Board, staff will review the application and business plan and prepare recommendations regarding terms, conditions and other matters.
5. After discussing the proposal with representative(s) of the applicant as well as consideration of staff reviews and recommendations, the **CAPITAL** Fund Board may:
  - a. Approve as proposed;
  - b. Approve with modifications or conditions;
  - c. Agree to withhold a decision until a later date; or,
  - d. Deny the request.
6. Applications recommended for approval will be forwarded to the Division of Community Services for review, final approval and preparation of grant awards.

7. Proposals which have been rejected for funding may be resubmitted at any time, and may be reconsidered by the committee if it determines that situational or proposal changes are significant enough that a change in determination is likely.

### **C. Economic Development Infrastructure**

1. The process for requests for economic development infrastructure projects will be the same as described in B. above (Economic Development-CDLF).
2. Awards for economic development infrastructure may be in the form of grants, loans, or a combination, as is determined to be appropriate.
3. Proposals which have been rejected for funding may be resubmitted at any time, and may be reconsidered by the committee if it determines that situational or proposal changes are significant enough that a change in determination is likely.

### **D. Emergency and Other**

1. For emergency and other proposals eligible for CDBG assistance, the appropriate application/pre-application form shall be used. Applicants should contact staff for guidance.
2. The committee, or a subcommittee as authorized by the committee or its chair in cases where a full committee meeting is impractical due to the immediacy of an emergency, shall review each proposal and deliver any favorable recommendation to the Division of Community Services for review, final approval and preparation of grant awards.

### **E. Main Street**

1. A committee composed of voting Council members serving on the Lewis and Clark **CAPITAL** Fund Board will be responsible for reviewing, scoring, ranking and making grant award recommendations. The chairman of the CDBG committee, in cases where a committee member(s) is absent or has a conflict of interest, may name an alternate(s) for the absent or in-conflict member from a pool of Council board members who have served at least one year and demonstrated a record of good attendance. When possible and practical, preference should be given to those potential alternates who have no apparent conflict of interest in any known proposal.
2. Only proposals that meet the full requirements of the pre-application, and those determined by Council staff to be eligible, will be considered.
3. Upon receiving proposals, Council staff will review each for eligibility and completeness, and prior to the CDBG committee meeting on or about June 24, 2020, staff will send to each member a copy of the submitted proposals.
4. Staff will prepare summary reviews of each application to be given to committee members at or before their meeting on or about June 24, 2020.

5. After all proposals have been reviewed by the committee, committee members will score proposals in each subjective scoring category. Staff will apply appropriate scores for each objective category. Committee scores will then be totaled, with the highest and lowest individual scores in each category for each project eliminated and the remaining scores averaged to determine ranking.
6. To be considered for, but not necessarily entitled to funding, main street proposals must receive a score of at least 400 points. The threshold requirements may be waived upon unanimous vote of a quorum of the CDBG Committee.
7. Pre-applicants recommended for funding will be invited to submit final applications. Final applications which staff determines are different to the extent that the pre-application score may be reduced will be re-scored, re-ranked and funding levels altered as the committee deems necessary.
8. All final applications recommended for funding will be delivered to the Division of Community Services for review, final approval and preparation of grant awards.

#### **F. Other Transfers**

1. The committee reserves the right, without notification except as may be required by state or federal regulations, to modify or transfer allocations and otherwise modify or amend this statement, including but not limited to clarifications of policy, and deadline or meeting date changes.
2. The committee may assign all returned funds from 2019 grantees and grantees prior to 2018 to whichever allocation it deems appropriate.
3. Existing grantees requesting additional CDBG funds from either the 2019 allocation or from returned or any unallocated funds may do so through the amendment procedure. Such requests for additional funds from the 2019 allocation may be considered at any time during or after the June 24, 2020 ranking session. Requests for additional funds from 2019 or earlier returned or unallocated funds may be considered at any time.

### **SCORING AND RANKING CRITERIA**

#### **A. Public Facilities – Maximum 700 Points**

1. Project Need – Maximum 150 Points

On the basis of project need, the committee will score each proposal from 0-150 points, applying 101-150 for proposals showing high need, 51-100 for moderate need and 0-50 for low need using the following criteria:

- a. 101-150 points will be applied to proposals that demonstrate the project will address **all** of the following criteria:
  - (1) The health and/or safety risk is significant; and,

- (2) The risk is immediate, either existing or it is clearly and definitively documented to pose an impending threat to the health and/or safety of residents; or,
  - (3) For proposals addressing handicapped accessibility or removal of architectural barriers, most or all critical and necessary services otherwise available are not and cannot be provided.
- b. 51-100 points will be applied if:
- (1) The health and/or safety problem is either significant or immediate, but not both; or,
  - (2) Accessibility problems pose a major inconvenience, but services and access are still available.
- c. 0-50 points will be applied if:
- (1) The health and/or safety problem is neither significant nor immediate; or,
  - (2) Accessibility problems pose a minor inconvenience, or restrict access only to secondary services.
- d. Within the high-medium-low ranges, the committee will score projects according to:
- (1) Relative degree of seriousness of the health and/or safety threat;
  - (2) Relative immediacy of the problem;
  - (3) Relative problems posed by accessibility limitations; and,
  - (4) Documentation of federal or state violations or unmet standards.

2. Financial Need – Maximum 75 points

On the basis of financial need, the committee will score each proposal 0-75 points, applying 51-75 points for proposals showing high need, 26-50 points for proposals showing moderate need, and 0-25 points for proposals showing low need using the following criteria:

- a. 51-75 points will be applied to projects that can document **all** the following:
- (1) The project cannot proceed without CDBG assistance because the applicant does not have available the necessary financial resources, future revenues are inadequate or cannot accommodate timelines necessary to undertake the project, borrowing capacity is inadequate, or cost would place an undue financial burden on the applicant and/or its citizens; and,
  - (2) Other potential sources of assistance have been explored and cannot provide the assistance necessary.



- b. 26-50 points will be applied if:
  - (1) The project can proceed but would likely place a significant financial burden upon the applicant and its citizens; and,
  - (2) Other potential sources of assistance have been explored and cannot provide the assistance necessary.
- c. 0-25 points will be applied if:
  - (1) The project can proceed with available or accessible financial resources and without significant financial burden; or,
  - (2) No efforts can be documented that other sources of assistance have been explored or accepted.
- d. Within the high-medium-low ranges, the committee will consider in its scoring:
  - (1) The relative need for the funds;
  - (2) Whether other federal or state funds will be leveraged by the CDBG funds that would otherwise be lost if funding is not awarded;
  - (3) Documentation of need, including demonstrated efforts to secure funding assistance from other sources.

3. Local Commitment – Maximum 75 points

On the basis of local commitment, the committee will score each proposal 0-75 points, applying 51-75 points for proposals showing high commitment, 26-50 points for proposals showing moderate commitment, and 0-25 points for proposals showing low commitment using the following criteria:

- a. 51-75 points will be applied to projects that can document **all** of the following:
  - (1) No more match other than what is being committed to the project is available; and,
  - (2) The applicant is not now confronting a problem or need simply because of deferred maintenance or non-action that it should have reasonably undertaken, or, if that is the case, can demonstrate it has taken actions necessary to correct the situation; and,
  - (3) Past activities undertaken by the applicant indicates strong commitment to providing adequate and safe community infrastructure, public works and services; and,
  - (4) The applicant demonstrates commitment to providing adequate infrastructure and safety through tax levies, fees and utilization of borrowing capacity that are reasonable and appropriate considering the community size and demographics

- b. 26-50 points will be awarded to proposals that substantially meet most of the above criteria and no major concerns are apparent with those criteria it does not clearly meet.
- c. 0-25 points will be awarded to proposals that meet few of the above criteria, or which meet most criteria but one or more major concerns are apparent which affect the appropriateness.
- d. Within the high-medium-low ranges, the committee will consider in its scoring:
  - (1) The relative degree of commitment shown by the applicant;
  - (2) Documentation that the proposal has strong community support.

4. Project Appropriateness – Maximum 300 points

On the basis of project appropriateness, the committee will score each proposal 0-300 points, applying 201-300 points for proposals showing high appropriateness, 101-200 for moderate appropriateness, and 0-100 for low appropriateness using the following criteria:

- a. 201-300 points will be awarded to proposals that show the applicant has substantially met **all** the following criteria:
  - (1) The solution proposed, and funding requested, is logical and cost-effective considering the cost of the project related to the immediacy of the problem, the seriousness of the problem being addressed, the degree to which impacted residents will be benefited, and the number of people to benefit; and,
  - (2) The project would address the best immediate solution to the problem; and,
  - (3) The project would address the best long-term solution to the problem; and,
  - (4) The project would meet all federal and state requirements and standards, as may apply; and,
  - (5) Cost estimates appear reasonable and are well documented (based on either architect/engineer estimates or multiple vendor quotes as is appropriate); and,
  - (6) Project appears ready to proceed in a timely manner.
- b. 101-200 points will be awarded to proposals that substantially meet most of the above criteria and no major concerns are apparent with those criteria it does not clearly meet.
- c. 0-100 points will be awarded to proposals that meet few of the above criteria, or which meet most criteria but one or more major concerns are apparent which affect the appropriateness.

5. Planning – Maximum 15 Points

15 points will be applied if the applicant has a complete 504 Transition Plan submitted to the State. No (0) points will be applied if the applicant does not have a completed plan.

6. Very Low/Low Income Benefit (VL/LI) – Maximum 5 points

One point for each percent rounded 10% VL/LI to benefit above 50% will be applied. Projects to assist exclusively VL/LI persons, senior citizens, handicapped accessibility or removal of architectural barriers projects, will receive 100% VL/LI benefit. Otherwise VL/LI benefit will be determined from census data or from approved survey method results.

7. Bonus – Maximum 30 points

- a. One point will be applied for each year since a (regular program) CDBG grant was last awarded for a project within the same emphasis area, which was sited within the same political jurisdiction and owned or controlled by the same recipient, and which included primary benefit to the same population. (Maximum 15 points.)
- b. One point will be applied for each year since any (regular program) CDBG grant-assisted project, with the exception of CDLF, planning and emergencies, was last awarded for activities within the jurisdiction of the proposed grant recipient. (Maximum 15 points.)

8. Percent of Minority Living in Project Area – Maximum 50 points

- a. Communities with 100% minority population 50 Points
- b. Communities with 50.1% to 99.9% minority population 40 Points
- c. Communities with 25% to 50% minority population 30 Points
- d. Communities with 5% to 24% minority population 20 Points
- e. Communities with below 5% minority population 10 Points

**B. Housing Projects – Maximum 1,050 Points**

1. Project Need – Maximum 150 Points

- a. 101-150 points will be applied to proposals that demonstrate the project will address **all** of the following criteria:
  - (1) Thorough documentation is provided for the type of housing or work proposed, utilizing assessments, census, survey, market study, occupancy rates or other reliable and pertinent statistical data; and,
  - (2) Meets both current and long-term benefit in addressing existing and future needs; and,
  - (3) Addresses, directly or indirectly, health and safety issues; and,

- (4) The project will have significant impact on meeting the needs as documented.
  - b. 51-100 points will be awarded to proposals that substantially meet most of the above criteria and no major concerns are apparent with criteria it does not clearly meet.
  - c. 0-50 points will be awarded to proposals which meet few of the above criteria, or which significantly fail to meet one or more of the criteria.
2. Financial Need – Maximum 150 points
- a. 101-150 points will be applied to projects that can document **all** of the following:
    - (1) The project cannot proceed without CDBG assistance, or failure to receive CDBG funds would significantly reduce the benefit, viability or impact, because the applicant or recipient does not have available the necessary financial resources, nor are future revenue sources likely to become available; and,
    - (2) The amount and type of funds requested (loan, grant or a combination) and the terms proposed or as may be offered, are reasonable and appropriate; and,
    - (3) Other potential sources of assistance have been explored and cannot provide the assistance necessary.
  - b. 51-100 points will be awarded to proposals that substantially meet most of the above criteria and no major concerns are apparent with criteria it does not clearly meet.
  - c. 0-50 points will be awarded to proposals that meet few of the above criteria, or which meet most criteria but one or more major concerns are apparent which affect the demonstrated financial need.
3. Appropriateness – Maximum 150 points
- a. 101-150 points will be applied to projects that can document **all** of the following:
    - (1) The proposed project represents a logical and cost-effective strategy for addressing the needs as documented considering the amount of funds being requested, the terms proposed, the number of people who will benefit, and the degree to which they will benefit; and,
    - (2) The applicant can document the sustainability and viability of the project, as can be documented by the likelihood of repayability if loans are proposed, and through past performance and credit rating, strength and credibility of pro forma financial statements and cash flows, value of security, and financial strength and commitment of the principals or borrowers; or whether debt service and loans are or are not involved, that policies proposed and/or financial information provided indicate the feasibility of the project and the ability to assure the housing can be and will remain occupied, affordable and properly maintained; and,
    - (3) The project would meet all federal and state requirements and standards, as may apply; and,

- (4) Cost estimates appear to be reasonable and are well documented (based on either architect/engineer estimates or multiple vendor quotes as is appropriate).
  - b. 51-100 points will be awarded to proposals that substantially meet most of the above criteria and no major concerns are apparent with criteria it does not clearly meet.
  - c. 0-50 points will be awarded to proposals that meet few of the above criteria, or which meet most criteria but one or more major concerns are apparent which affect the appropriateness.
4. Leveraged and Matching Funds – Maximum 100 points

Up to 100 points will be applied based upon the amount and percentage of matching funds and if funding will leverage other funds that might otherwise be lost if CDBG funds are not awarded. Maximum points will be awarded if the match and leverage amount is significant and both certain and dependent upon CDBG funding. Lower scores will be applied based on lesser amounts of leverage and degree of certainty and dependence upon the CDBG funding.

5. Timeliness – Maximum 100 points

Up to 100 points will be applied to projects that can show the following has been met or it can be reasonably assured will soon be met:

- (1) The applicant/recipient has appropriate site control; and,
- (2) The applicant/recipient has all necessary licenses and permits; and,
- (3) Proper zoning is in place; and,
- (4) Other financing needed is available; and,
- (5) Project plans, specifications and cost estimates are complete, and,
- (6) If existing, HQS certifications are current, and if built before 1978, lead-based paint inspections have been completed and, if lead paint is identified as existing, proper methods are proposed in addressing the issue and costs are determined; and,
- (7) All other data, information, commitments, plans, and other are complete and in place.

6. Low-Income Benefit – Maximum 100 Points

Up to 100 points will be applied to projects showing the greatest benefit to low- and very-low income persons and households, including benefit and access to handicapped persons. The highest number of points will be applied if handicapped-accessible units are available and, based upon past, current and/or future occupancy by low-income

persons, as shown by historical data, subsidy policies or funding regulations, a high level of low-income occupancy can be assured.

7. Community Development Impact – Maximum 100 Points

Up to 100 points will be applied to proposals that will have favorable impact upon the community's economic and community development efforts. In considering the number of points to be applied, the committee will weigh several factors, including the following:

- a. The degree of impact the project will have on the community's community development efforts, including housing and economic development.
- b. Whether it is a part of a larger or comprehensive program or project.
- c. Its relationship to a business or housing opportunity or need, such as business retention, expansion or attraction.
- d. Puts to its best use current, vacant or abandoned buildings, space or property.
- e. Relates to other housing projects or efforts that are recently completed, underway or proposed.
- f. The quality of the proposed project.
- g. Consistency with a priority identified in a Community Strategic Plan, Urban Renewal Plan, Development Plan or other related plan or strategy.

8. Services Capacity – Maximum 50 points

Up to 50 points will be applied if the applicant and/or recipient can document it has the capacity to provide other essential services to its residents benefiting from the project. Depending upon the nature of the project, this may include in-house social programs, health services, transportation, meals, personal services and other, and/or may include community services that would serve beneficiaries, such as medical, public transportation, youth and senior citizen services and programs, availability of Meals on Wheels, and handicapped accessibility at public buildings.

9. Infrastructure Capacity – Maximum 25 points

Up to 25 points will be applied if the applicant can document all primary health and safety infrastructure serving, or to serve the proposed housing units, including water, sewer, solid waste disposal and fire protection services, are of high quality, readily available, and without problems or deficiencies.

10. Innovation – Maximum 25 Points

Up to 25 points may be applied to projects that propose an innovative approach to providing affordable housing.

11. Management Capacity – Maximum 25 points

Up to 25 points will be applied if the applicant and/or recipient can show strong management, marketing and administrative skills and experience, or provision of counseling and technical assistance, as the project may require, that should assure project success.

12. Community Support – Maximum 25 Points

Up to 25 points may be applied to projects that can demonstrate strong support for the proposal. This, at a minimum, should include letters of support from public or private individuals or entities, and may also include consideration of past community efforts and successes in providing affordable housing, and the level of financial, technical assistance or other community support or partnerships that are being provided for the project.

13. Percent of Minority Living in Project Area – Maximum 50 Points

- |  |           |
|--|-----------|
| a. Communities with 100% minority population           | 50 Points |
| b. Communities with 50.1% to 99.9% minority population | 40 Points |
| c. Communities with 25% to 50% minority population     | 30 Points |
| d. Communities with 5% to 24.9% minority population    | 20 Points |
| e. Communities with below 5% minority population       | 10 points |

**C. Planning – Maximum 300 Points**

1. Need – Maximum 75 points

Proposal clearly responds to an existing or anticipated need and describes how the planning project will help address the need or problem.

2. Impact – Maximum 50 points

Highest scores will be applied to proposals that best meet the following criteria:

- Work products are clearly defined.
- Work products and results clearly address described need.
- Person, entity or consultant who will undertake or lead the planning effort is identified and is qualified and experienced.

3. Implementation – Maximum 50 Points

Highest scores will be applied to those proposals that can show:

- The proposed planning program is required or mandated in order to access financial assistance needed to implement a project or program.
- The financial assistance is likely to be offered and accessed upon undertaking or concluding the process.

c. Implementation is likely and will have short- and long-term benefit.

4. Cost – Maximum 25 points

Up to 25 points will be applied if the cost is documented and appears reasonable.

5. VL/LI Benefit – Maximum 5 points

One point for each rounded 10% VL/LI to benefit above 50 percent will be applied.

6. Match – Maximum 25 points

75% - +	25 points
50% - 74%	20 points
25% - 49%	15 points
10% - 24%	10 points
5% - 9%	5 points
0% - 4%	0 points

7. Bonus – Maximum 20 points

a. 10 points will be awarded if planning activities proposed are related to, and would help address problems identified in 2015 or 2016 unfunded proposals.

b. One point will be awarded for each year since the applicant was last awarded a (regular program) CDBG grant. (Maximum 10 points.)

8. Timeliness – Maximum 25 Points

Up to 25 points will be applied if the proposed work schedule is realistic and final work products will be available within program parameters as determined by the state.

9. Percent of Minority Living in Project Area – Maximum 25 Points

a. Communities with 100% minority population	25 points
b. Communities with 50.1% to 99.9% minority population	20 points
c. Communities with 25% to 50% minority population	15 points
d. Communities with 5% to 24.9% minority population	10 points
e. Communities with below 5% minority population	5 points

**D. Emergency**

No point system will be utilized for emergency requests; decisions regarding funding will be based on the project need, commitment and appropriateness as well as availability of funds.

**E. Economic Development**

1. No point system will be utilized for economic development (CDLF) requests; however, decisions will be based on the following:



- a. Financial strength and reasonableness;
  - b. Likelihood of success;
  - c. Likelihood of repayability;
  - d. Need and appropriateness for funds and terms;
  - e. Management strength, expertise and past performance;
  - f. Marketing; and,
  - g. Degree of likely benefit to the economy, VL/LI persons, and/or anticipated impact of addressing national objectives as defined in the state program statement.
2. No point system will be utilized for economic development infrastructure requests; however, decisions will be based on the following:
- a. Degree to which the infrastructure fits into the community's overall economic development strategy.
  - b. Need and appropriateness for funds and terms.
  - c. Degree of likely benefit to the economy, VL/LI persons, and/or anticipated impact of addressing national objectives as defined in the state program statement.

**F. Main Street - Maximum 400 Points**

1. Has the city signed on to be a “Main Street Community” with the State of North Dakota?
- |     |           |
|-----|-----------|
| Yes | 50 points |
| No  | 0 points  |
2. Does the building have historical architectural features or is listed on the state or national register of historic places?
- |     |           |
|-----|-----------|
| Yes | 25 points |
| No  | 0 points  |
3. Does the building have historical significance to the City or County?
- |     |           |
|-----|-----------|
| Yes | 25 points |
| No  | 0 points  |
4. Matching Funds:
- |                                    |            |
|------------------------------------|------------|
| 80% or more of total project costs | 125 points |
| 70-79% of total project costs      | 100 points |
| 60-69% of total project costs      | 50 points  |
| 50-59% of total project costs      | 25 points  |

5. Will the project benefit a business offering basic goods or services deemed critical for the community? Examples include grocery stores, clinics and health care, hardware stores, Gas stations, contractors (e.g. electricians, plumbers, building, etc.), and so on.

Yes 100 points  
No 0 points

6. Is the building currently or will be mixed-use?

Yes 25 points  
No 0 points

7. According to the HUD LMI population numbers, is the city at least 51% LMI?

Yes 50 points  
No 0 points

### ACRONYMS

**CDBG** Community Development Block Grant: US Department of Housing and Urban Development (HUD) funds distributed to North Dakota.

**CDLF** Community Development Loan Fund: CDBG funds utilized for economic development projects and activities.

**DCS** Division of Community Services: A division of the North Dakota Department of Commerce.

**ED** Economic Development.

**HQS** Housing Quality Standards: Minimum physical conditions of residential homes as required by HUD.

**VL/LI** Very Low and Low Income: Relates to income status of households/persons as determined by HUD.

**2020**

**REGION VIII**

**ROOSEVELT-CUSTER  
REGIONAL COUNCIL**

**(Community Development Block Grant  
Program Distribution Statement attachment)**

**387 15<sup>TH</sup> St. West #247**

**Dickinson, ND 58601**

**Phone: 701-483-1241**

**rcrc@ndsupenet.com**

**TTY: 800-366-6888**

**ND Relay Voice: 800-366-6889**

**Spanish: 800-435-8590**



**ALTERNATIVE FORMATS FOR DISABLED  
PERSONS ARE AVAILABLE UPON REQUEST**

## APPLICATION DEADLINES

### Public Facilities, Planning and Housing

**September 1, 2020** Pre-applications due at Roosevelt-Custer Regional Council.

**September 22, 2020** Presentation to Roosevelt-Custer Regional Council Review Committee and pre-application scoring by Review Committee.

**November 17, 2020** Final Applications due at Roosevelt-Custer Regional Council.

## DISTRIBUTION OF FUNDS

### FUNDING AMOUNTS AND CATEGORIES

The estimated statewide allocation of the 2020 Community Development Block Grant (CDBG) funds is found in the 2020 State Program Distribution Statement [www.communityservices.nd.gov/communitydevelopment/Programs/CommunityDevelopmentBlockGrantCDBG/](http://www.communityservices.nd.gov/communitydevelopment/Programs/CommunityDevelopmentBlockGrantCDBG/). Funds available to Region VIII are estimated to be \$217,092.00 Those funds will be allocated under the following categories:

Economic Development (see page 7)	0%	\$	0.00
Public Facilities & Planning	50%	\$	108,546.00
Housing	50%	\$	108,546.00
Emergency Public Facility		\$0	\$ 0.00
Total Funding	100%	\$	217,092.00

### ECONOMIC DEVELOPMENT

Economic development projects must meet the eligibility criteria as described in the 2020 State Program Distribution Statement. Additionally, regional information is included in this statement.

### PUBLIC FACILITIES & HOUSING

Projects must meet the eligibility criteria as described in the 2020 State Program Distribution Statement.

[www.communityservices.nd.gov/communitydevelopment/Programs/CommunityDevelopmentBlockGrantCDBG/](http://www.communityservices.nd.gov/communitydevelopment/Programs/CommunityDevelopmentBlockGrantCDBG/).

Regional information is attached to this program statement. The Roosevelt-Custer Regional Council Executive Board elected to **allocate the 2020 Regional CDBG funds to housing and public facilities at 50% each. Any funds remaining in either category after scoring and ranking can be transferred to the other.**

### PUBLIC FACILITIES CATEGORIES

Public Facilities categories include: Water and Sewer, fire protection, ambulances, community centers, storm sewers, flood or drainage facilities, removal of architectural barriers and planning.

The Department of Commerce, Division of Community Services requires that “**all public improvement projects with costs exceeding \$200,000 that are funded under the CDBG Public Facilities program shall procure plans, drawings and specifications for the work from a licensed architect or registered professional engineer.**” These architect/engineering plans must be included in the pre-application to be eligible for 2020 funding.

It is **strongly recommended** applicants seek professional assistance (architectural or engineering expertise) for construction projects under \$200,000 when estimating project costs.

## **HOUSING CATEGORIES**

Housing projects include:

1. Housing rehabilitation of existing low-income single-family and multi-family housing.
2. New housing construction is prohibited. However, CDBG funds can be used in support of new housing construction such as property acquisition, site clearance in preparation for housing and site improvements (install water lines, sewer lines and utility lines) on publicly-owned properties or privately-owned properties, if an easement on the property is obtained before carrying out the improvements. Also, the construction or reconstruction of publicly owned streets, bridges and alleys is eligible as a public facilities and improvements activity when it relates to new housing construction. If you are considering a project in support of new housing, please contact the Regional Council office for additional information to determine project eligibility prior to engaging in any activity (including property acquisition) in support of new housing construction. **All infrastructure projects in support of new housing construction exceeding \$200,000 that are funded under the CDBG Housing program shall procure plans, drawings, and specifications for the work from a licensed architect or registered professional engineer.**
3. All multi-family rehabilitation housing projects will need to submit with their preapplication the Housing Quality Standards for each unit.

It is recommended to have the housing units tested for lead-based paint prior to submitting the pre-application.

## **EMERGENCY PUBLIC FACILITY**

Emergency projects shall be determined as those having an immediate threat to the safety of the residents of the area as defined by the request for assistance. The project will need to meet eligibility requirements and have concurrence that the project constitutes an emergency from the North Dakota Division of Community Services (DCS). No funding is set-aside for emergencies in this program statement. However, funding for an emergency public facility project may be allocated at the time of the emergency from funding not currently allocated, returned funds, or funds transferred from other emphasis areas. No transfer of funds will be necessary if the funding is from a public facility category. The public facility pre-application scoring and review process will be waived for emergency applications. Emergency public facility decisions will be made by the R-CRC Executive Board. In addition, emergency CDBG funds may also be accepted or applied for from other regional or state allocations and or set-asides.

## PLANNING

City and county planning projects are eligible and will be scored under the public facility criteria.

## AMERICANS WITH DISABILITIES ACT (ADA)

It is a federal requirement that all cities and counties receiving funds through the CDBG Program must provide a copy of their Section 504 Self-Evaluation and Transition Plan prior to project closeout. All projects involving Removal of Architectural Barriers (example: handicap accessible bathrooms) must have a transition plan included with the application. **In addition, this plan and a completed thirteen (13) point checklist must be included in the pre-application for funding. (Checklist found on pages 47-68 of the 504-self-evaluation guide. See website below.)**

The Transition Plan Outline can be found in Section III of the Section 504/ADA Technical Assistance Handbook. The Transition Plan identifies the following items:

1. Physical barriers in the building.
2. Changes that can be made without changing the structure of the building to make program and services accessible.
3. Structural changes required to make the building handicapped accessible.

The Section 504/ADA Technical Assistance Handbook can be found at:

[www.communityservices.nd.gov/communitydevelopment/Resources/ADA504SelfEvaluationGuide](http://www.communityservices.nd.gov/communitydevelopment/Resources/ADA504SelfEvaluationGuide)

## STATEMENT OF “CONFLICT OF INTEREST” POLICIES

The Roosevelt-Custer Regional Council, its affiliates and components and all officers, directors, delegates, council and committee members scrupulously shall avoid any conflict between their own respective individual, professional or business interests and the interests of the Council, in any and all actions taken by them on behalf of the Council in their respective capacities.

In the event that any officer, director, delegate, council, or committee member of the Regional Council shall have any direct or indirect interest in, or relationship with, any individual or organization which proposes to enter into any transaction with the Council, including, but not limited to, transactions involving:

1. The sale, purchase, lease or rental of any property or other asset;
2. Employment or rendition of services, personal or otherwise;
3. The award of any grant, contract or subcontract;
4. The investment or deposit of any funds of the Council.

Such person shall give notice of such interest or relationship and shall thereafter refrain from discussing or voting (but not to include testimony in a public forum) on the particular transaction in

which he has an interest, or otherwise attempting to exert any influence on the Council or its components to affect a decision to participate or not participate in such transaction.

In addition, a recipient may not use CDBG funds to replace other funds for which they are responsible for, such as paying off existing debt.

## **ADMINISTRATION COSTS**

Project administration costs will generally be paid with local matching funds.

Applicants are asked to provide the minimum matching funds to the project as follows:

1. Housing projects: 15% of the project not to exceed \$15,000
2. Public Facilities:
  - a. Equipment Purchases: 5% of the project.
  - b. All other Projects: 15% of the project.

Consult the Regional Council for guidance of the anticipated administration cost since some projects may require additional administrative actions to meet grant guidelines.

## **FUND TRANSFERS, RETURNED FUNDS AND RE-ALLOCATIONS**

Uncommitted and unused funds in any category may be reallocated if the balance in one category is needed for a project in the other category. The Executive Committee approval for the 2020 CDBG funding allocation took place on March 12, 2020.

In the event the funds allocated or transferred in any category exceed the applications on hand, the Executive Committee may call for additional applications through a second funding cycle. The implementation schedule for the second funding competition is to be included in the public notice.

Any funds returned during or after the end of the calendar year in which it was awarded, may be reallocated by the Executive Committee of the R-CRC. An Executive Committee decision will be based on timeliness and perceived need and will be done through a motion and with the majority approval of the Executive Committee members. The Executive Committee may commit these funds to (1) any open project, (2) any new eligible economic development project or (3) to the next ranked public facility or housing project in the most recent funding competition. These actions may require a transfer of funds between categories. Any transfer of funds from one category to another must follow the transfer of funds procedure as outlined above and in the State Action Plan.

## **SUBMISSION OF APPLICATIONS**

Completed pre-applications and full applications should be forwarded to:

**ROOSEVELT-CUSTER REGIONAL COUNCIL**

387 15<sup>th</sup> St West #247

DICKINSON, ND 58601

[rcrc@ndsupernet.com](mailto:rcrc@ndsupernet.com)



**ECONOMIC DEVELOPMENT  
COMMUNITY DEVELOPMENT LOAN FUND**

**IMPLEMENTATION SCHEDULE**

Applications for funding from the State Community Development Loan Fund (CDLF) will be accepted by the Roosevelt-Custer Regional Council at any time throughout the program year.

**DISTRIBUTION OF FUNDS**

Funding for the State CDLF program is available from program income. Program income comes from CDLF loans that have been made previously and repaid. Economic development projects being proposed to Roosevelt-Custer Regional Council's CDLF program must meet the eligibility criteria as described in the current State Action Plan.

The State of North Dakota, through the Department of Commerce's Division of Community Services, has made Main Street Program grants available from current Community Development Loan Funds (CDLF). Roosevelt-Custer Regional Council has made its allocation of CDLF funds available for such grants according to, and in compliance with the NORTH DAKOTA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM DISTRIBUTION STATEMENT.

Roosevelt-Custer Regional Council's Loan Review Committee, using prudent lending practices, will review all projects. Final approval will be given by Roosevelt-Custer Regional Council's Executive Committee based on the recommendation received from the Loan Review Committee.

**APPLICATION PROCEDURES**

Loan applicants will be required to submit a pre-application or meet in person with Roosevelt-Custer Regional Council for a preliminary determination of project eligibility.

If eligible, applicants will be invited to submit a full application, which will consist of the purpose of request, a business plan, commitment of other project funds, financial projections, job creation documentation and other pertinent information as deemed necessary by Roosevelt-Custer Regional Council. Roosevelt-Custer Regional Council will provide necessary forms and business plan outlines for these applications. Applicants will be requested to assist Roosevelt-Custer Regional Council in completing the formal application which shall consist of application cover sheet, various assurances and certifications, sponsorship, etc.

*For purposes of clarification, applicant shall mean the business or person requesting assistance and sponsor shall mean the city or county, which will ultimately become the applicant to the state Division of Community Services.*

**APPLICATION REVIEW AND DECISION-MAKING PROCESS**

Applicants must submit a pre-application or contact Roosevelt-Custer Regional Council so that a preliminary determination of eligibility can be made. The 24 CFR part 570, Title I, the State Action Plan, and the Roosevelt-Custer Regional Council's program distribution statement to determine eligibility.

If eligible, the applicant will obtain a resolution of sponsorship from the appropriate local governmental entity. Once sponsorship is obtained, the applicant will be directed to develop a full application, which shall be in a format described in the State's Action Plan. Official application packets will be provided by Roosevelt-Custer Regional Council.

Full applications will be reviewed by the Loan Review Committee. Economic development projects will not be scored on a point system. The Loan Review Committee's decision to recommend funding will be based on the merits of the project as described in the applicant's business plan. The following will be the primary criteria used to determine the merits of a project:

1. Financial strength of the principals and the business.
2. Likelihood of success.
3. Need and appropriateness for funds and terms.
4. Management strength, expertise, and past experience.
5. Marketing strength.
6. Documented source of equity and collateral.
7. Proposed staffing plan (job creation).
8. Character of the borrower.
9. Other criteria:
  - a. **Appropriate:** CDLF assistance is "appropriate" to carry out the economic development project. The following elements will be assessed to make a determination of appropriate:
    - 1) Reasonableness of proposed costs.
    - 2) Commitment of other sources of funding.
    - 3) No substitution of CDLF funds for private sources of funds.
    - 4) Proposed CDLF financing terms.
    - 5) Assessing level of public benefit.
  - b. **Displacement:** CDLF assistance must minimize business and job displacement.
  - c. **Outcomes:** The economic development project consists of activities that do one or more of the following:
    - 1) Create or retain jobs for very low to low income persons.
    - 2) Prevents or eliminates slum and blight.
    - 3) Creates or retains businesses owned by community residents.
    - 4) Assists businesses that provide affordable goods and services needed by very low to low income persons.
    - 5) Provides technical assistance to promote any of the activities under items 1-5 above.

- d. **National Objectives:** CDLF assisted activities meets one of the national objectives listed in the state Action Plan.
  - 1) Activities benefiting very low and low-income persons.
  - 2) Activities which aid in prevention of slum and bight.
  - 3) Activities designed to meet a community development need having particular urgency.
  
- e. **Financial Participation:** Each project under review must demonstrate a working relationship with another financial source that has committed or is willing to commit funding to the project equal to at least 50% of the total project cost.

The completed application along with the staff's notations and proposed amount and terms will be reviewed by Roosevelt-Custer Regional Council's Loan Review Committee. This committee may be made up of the following individuals: a) Roosevelt-Custer Regional Council's chair or designee, b) a representative of a retail/service sector business, c) a representative of a financial institution, d) a representative of a primary sector business, and e) a certified public accountant.

The Loan Review Committee will meet on an as-needed basis. Based on the Loan Review Committee's recommendation, the Executive Committee's decision will represent the final decision on the regional level.

Applicants will have an opportunity to personally present their project to the Loan Review Committee.

The Loan Review Committee may:

1. Recommend approval of the project as proposed.
2. Recommend approval with modifications or conditions.
3. Delay any decision for further information or the availability of funds.
4. Recommend denial of the application.

Applications for funding will be forwarded to the Division of Community Services for review as to compliance with state and federal requirements.

A notification of acceptance will be sent by the Division of Community Services followed by the official award document. Expenditure of funds can begin only after the environmental review has been completed and the State issues a "release of funds" letter.

## **APPLICATION FORMS AND FORMAT**

The format for a business plan/application shall be such that it meets and addresses the items described in the State of North Dakota's Action Plan.

Forms meeting the state requirements for a business plan, will be available by contacting Roosevelt-Custer Regional Council, 387 15<sup>th</sup> St West #247 Dickinson, North Dakota or by calling 701-483-1241.

## **PUBLIC FACILITIES & HOUSING PROJECTS**

### **IMPLEMENTATION SCHEDULE**

The award of funds for Housing and Public Facilities projects is a two-step process. First, a pre-application must be submitted to participate in the regional competition as outlined below. If the pre-application is recommended for the region's available funding, the successful applicant completes the second step; preparation and submission of a full application for review by the North Dakota Division of Community Services (DCS). The Roosevelt-Custer Regional Council will assist successful applicants in preparing the necessary documentation for the full application. If the applicant plans to bond for the match funds, evidence of bonding will be required by the DCS in the full application.

**Pre-applications are due by the close of business on Tuesday, September 1, 2020.** One copy with original signatures must be received on or before due date.

**Project interviews will be held on Tuesday, September 22, 2020** and all pre-applications will be reviewed, scored and funding levels determined.

### **GRANT APPLICATION PROCEDURES**

1. Applicants will be required to complete the pre-application form and provide the necessary attachments. The pre-application is to be submitted to the Roosevelt-Custer Regional Council according to the dates given in this document.
2. Pre-applications will be reviewed by the R-CRC for eligibility. Applicants will be contacted if further information is needed.
3. Pre-applications will be scored according to the appropriate score sheet and the methods described in the following section entitled "Application Review Process."
4. Applicants may contact the Roosevelt-Custer Regional Council for guidance in completing their pre-application.

### **PRE-APPLICATION REVIEW PROCESS**

**Review Board.** Pre-applications are scored by the Roosevelt-Custer Regional Council's Community Development Block Grant Review Board. The Review Board is comprised of one representative from each of the eight counties within Region VIII. These representatives are appointed by the Executive Committee of the Roosevelt-Custer Regional Council and will serve in that capacity for the duration of the 2020 CDBG Program year.

To avoid a real or perceived conflict of interest, Review Board Members may not be members of boards, councils or commissions that are submitting or sponsoring applications. Review Board Members may not submit a bid, participate in, or contract with a successful applicant or beneficiary in the procurement processes of successful projects. If there are no Roosevelt-Custer Regional Council board members from a particular county without this conflict or unable to serve on the board, a mayor without a conflict of interest from the county will be appointed by the Executive Committee. If there are no mayors available to participate, a general appointment will be made by the Roosevelt-Custer Regional Council Executive Committee. This appointee should also be without direct conflict of interest and, if possible, reside in the county in question.

**Scoring Process.** The Review Board reserves the right to adjust awarded funds to ensure adequate funds are available for project implementation. Funding levels will be determined by motion and majority approval of Review Board members.

**Public Facilities and Housing.** Public Facility & Housing projects will be ranked and awarded with available funds beginning with the highest-ranking project and distributed down the list until all the CDBG funds are committed. In the event of a tie, the Review Board will consider the history of CDBG funding to the applicants. If a successful applicant does not accept the funds, withdraws their application, or more funds become available during the calendar year, the next applicant in ranking order will be offered those funds (see also “Fund Transfers, Returned Funds, and Reallocations”).”

**Project Interviews.** Applicants will be given the opportunity to address the Review Board at the project interviews on the date stated in the Implementation Schedule. Applicants should be prepared to give a brief overview of their proposed project. Interviews are scheduled for approximately 10 to 15 minutes per applicant.

If the applicant is acting as a sponsor for a beneficiary such as a fire district, representatives of the beneficiary organization and/or the applicant (city or county) may attend. Applicants for public facility improvements should be able to supply general information on the current fees, rates, or levies for the public facility in question.

Applicants for projects (other than special assessment projects) which are providing less than a 50% local match should be prepared to justify the lesser local contribution and show financial documentation which supports why the applicant is unable to finance an equal share of the project.

## **SCORING CRITERIA**

**Public facility** pre-applications will be scored using the following criteria:

Percentage of local match

A. Percentage of local match

Score two (2) points for each percentage of total project costs paid out of Local Funds or Other Funds. Does not include CDBG or administration funds requested to be paid by CDBG funds. (Matching funds/Total project costs)

B. Ratio of CDBG dollars requested per very low to low-income (VL-LI) persons to benefit

\$250 and below	100 points
\$251 – 500	80 points
\$501 - 1,000	60 points
\$1,001 - 1,500	40 points
\$1,501 - 2,000	20 points
\$2,001 and over	0 points

C.	Project Type	
	Water and/or Sewer	100 points
	Removal of Architectural Barriers	100 points
	Fire Protection or Ambulance	80 points
	Community Centers	80 points
	Install Storm Sewers, Flood or Drainage Facilities	70 points
	All Other Eligible Projects; Planning Project	70 points
D.	Applicant's prior receipt of CDBG funds	
	Applicants that have not received CDBG Public Facilities or Housing funding within the past five (5) years.	
	Need to indicate type of CDBG project and year.	25 points
E.	Project Readiness	
	Applicant is to indicate the stage of progress the proposed project is at:	
	Complete plans and proof of other funding committed	20 points
	Complete plans and other funding located but not committed	10 points
	Complete plans and other funding not located	5 points
	No plans and no other funding located	0 points
F.	Percentage of Minority Living in the Project Area:	
	Indicate the racial/ethnic makeup of the sponsoring community or county based on information found in American Fact Finder at <a href="http://factfinder2.census.gov">http://factfinder2.census.gov</a>	
	Communities above 51% minority population	20 points
	Communities with 25% to 50% minority population	15 points
	Communities with 10% to 24% minority population	10 points
	Communities below 10% minority population	0 points

After the project interviews, each member of the Review Board will score the proposed projects based on perceived need for the project and the need for CDBG funding. To do this, each member of the Review Board will have 200 points to distribute among all the applications for perceived need. Individual scores are then totaled for each project and added to their existing score. A Review Board member may not give more than 50 points to any one project application

<b>CDBG 2020 SCORE SHEET – REGION VIII PUBLIC FACILITIES</b>	
Name of Applicant	
A. Percentage of Local funds _____% X 2	=_____Points
B. CDBG Cost per VL/LI persons = \$_____ cost/person	=_____Points
C. Project Type	=_____Points
D. Previous CDBG Awards	=_____Points
E. Project readiness (ready to go to bid)	=_____Points
F. Project population serving a minority	=_____Points
G. Total Points A+B+C+D+E+F	=_____Points
H. Region VIII Review Board Points for Perceived Need (up to 50 points each)	=_____Points
<b>Total Score</b>	=_____Points

Public facility and housing project pre-applications will be accepted for projects which are eligible activities as stated in Section II of the State Program Public Distribution Statement. Housing projects must directly improve the existing housing stock in the project area and CDBG funds can be used for direct benefit of very-low to low-income households. In addition, Region VIII will provide emphasis to the targets below:

Design housing grant programs to emphasize (a) making single-family homes and low-income apartments handicapped accessible where needed, (b) modernizing single-family homes owned by the elderly; and (c) rehabilitating rural single-family and multi-family housing.

Design all state administered housing programs to require compliance with the State Building Code and State Energy Code in the use of funds for new construction.

**2020 HOUSING REHABILITATION SCORE SHEET**

<b>APPLICANT</b>		<b>TOTALS</b>	
<b>1. Very-low and Low-income (VL-LI) Population:</b> Applicants will receive two points for each percentage point of VL-LI persons in the project area. VL-LI will be calculated using the 2006 – 2010 HUD American Community Survey data or independent survey data.		2 points per unit	
<b>2. Percent of very low-income household pre-applications received to total pre-applications received:</b> 85-100% 64-84% 50-64% 25-49% 0-24%		50 points 25 points 10 points 5 points 0 points	
<b>3. Direct benefit households:</b> One point will be awarded for each household member who is: (a) elderly (b) a minority (c) handicapped (d) female head of household (e) a child under the age of 18 years		_____ Points _____ Points _____ Points _____ Points _____ Points	
<b>4. Percentage of all local funds/total funds involved in project:</b> 50.0+ 40.0-49.9 30.0-39.9 20.0-29.9 15.0-19.9		25 points 20 points 15 points 10 points 5 points	
<b>5. Housing units that have been pre-tested for lead base paint. Only applies to units built prior to 1978.</b>		25 points	
<b>6. Engineer/architect estimates:</b> Housing rehabilitation estimates are submitted by a licensed engineer or architect.		25 points	
<b>7. Previous Application:</b> Applicants who have not received CDBG housing funding within the past five years.		10 points	
<b>8. Project Readiness</b> Indicate the stage of progress the proposed project is at: Complete plans and proof of other funding committed Complete plans and other funding located but not committed Complete plans and other funding not located No plans and no other funding located		20 points 10 points 5 points 0 points	
<b>9. Percentage of racial/ethnic Living in the Project Area:</b> Communities above 51% minority population Communities with 25% to 50% minority population Communities with 10% to 24% minority population Communities below 10% minority population		20 points 15 points 10 points 0 points	
<b>10. Perceived Need:</b> Each CDBG Review Board member may award each applicant up to 50 points based on perceived need of each applicant’s project.		50 points	
<b>Total Points</b>			



**PROJECTS SUBMITTED IN SUPPORT OF NEW HOUSING WILL BE SCORED AS FOLLOWS**

<p align="center"><b>PROJECTS IN SUPPORT OF NEW HOUSING CONSTRUCTION POINT SCORING SYSTEM</b></p>	<p align="center"><b>POINTS</b></p>
<p><b>A. PROJECT NEED:</b> Proposal demonstrates the need for the project and that it has been well documented with the type of housing proposed, utilizing census, survey, market study or other reliable statistical data. Also, meets both the current and long-term benefits in addressing existing and future needs. (up to 50 points)</p>	
<p><b>B. MANAGEMENT:</b> Applicant or recipient can show strong management, marketing and administrative skills, technical assistance as the project may require, that should assure project success. (up to 25 points)</p>	
<p><b>C. LEVERAGE OF FUNDS:</b> Projects using <b>CDBG</b> funds for:                  25% or less of the total project costs will score 50 points                  26-50% of the total project costs will receive 25 points                  51-75% of the total project costs will receive 10 points                  75% or more of the total project costs will receive 0 points</p>	
<p><b>D. APPROPRIATENESS:</b> The applicant can document the sustainability and viability of the project, as can be documented by the likelihood of repayment if loans are proposed, and through past performance and credit rating, strength and credibility of pro forma financial statements and cash flows, value of security, and financial strength and commitment of the principals or borrowers; or whether debt service and loans are or are not involved, that policies proposed and/or financial information provided indicate the feasibility of the project and the ability to assure the housing can be and will remain occupied, affordable and properly maintained. (up to 50 points)</p>	
<p><b>E. INFRASTRUCTURE CAPACITY:</b> Applicant has supporting documentation from city/county officials stating they have adequate primary health and safety infrastructure to serve the proposed housing units—water, sewer, solid waste disposal and fire protection services and are of high quality, accessible, readily available, and without problems or deficiencies. (up to 25 points)</p>	
<p><b>F. OTHER SERVICE CAPACITY:</b> The applicant and/or recipient can document it has the capacity to provide other essential services to its residents benefiting from the project. Depending upon the nature of the project, this may include in-house social programs, health services, transportation, meals, personal services and other, and/or may include community services that would serve beneficiaries, such as medical, public transportation, youth and senior citizen services and programs, availability of Meals on Wheels, and handicapped accessibility at public buildings. (up to 25 points)</p>	
<p><b>G. TIMELINESS:</b> Applicant must demonstrate that other financing needed is available and project plans, specifications and cost estimates are complete. The applicant has verification that proper zoning is or will be in place, all necessary licenses and permits, and an environmental study was conducted to address transportation issues, hazardous materials, flood zones and noise factors. (up to 50 Points)</p>	
<p><b>H. COMMUNITY SUPPORT:</b> Applicant can demonstrate strong local support for the proposal. At a minimum should include letters of support from public or private individuals or entities, and may also include consideration of past community efforts and successes in providing affordable housing, and the level of financial, technical assistance or other community support or partnerships that are being provided for the project. (up to 25 points)</p>	

<p><b>I. INCOME CATEGORY UNITS WILL SERVE</b></p> <p>30% and Below HUD INCOME LIMITS (50 points)  31%-50% HUD INCOME LIMITS (25 points)  51%-80% HUD INCOME LIMITS (10 points)</p> <p><i>At least 51% of the units in a multi-family project must meet the program income criteria to be eligible for funds. (i.e., A multi-family unit having 15 units must have at least 8 of the units meet the income requirements.</i></p>	
<p><b>J. Project Readiness</b></p> <p>Indicate the stage of progress the proposed project is at:</p> <p>Complete plans and proof of other funding committed 20 points  Complete plans and other funding located but not committed 10 points  Complete plans and other funding not located 5 points  No plans and no other funding located 0 points</p>	
<p><b>K. Percentage of racial/ethnic Living in the Project Area:</b></p> <p>Communities above 51% minority population 20 points  Communities with 25% to 50% minority population 15 points  Communities with 10% to 24% minority population 10 points  Communities below 10% minority population 0 points</p>	
<b>SUB-TOTAL POINTS</b>	
<b>REVIEW BOARD POINTS-perceived need (up to 50 points each)</b>	
<b>TOTAL POINTS</b>	

**NOTE: \*VL/LI Populations**

CDBG allows that certain populations can be presumed to be VL-LI. These populations include the elderly, abused children, battered spouses, homeless persons, handicapped persons, etc. This means that projects that will provide a direct benefit to these populations do not need to show census data or survey data of at least 51% VL-LI to be considered an eligible project.

However, this presumption creates an obvious dilemma in the scoring process concerning the VL-LI score. Should the VL-LI percentage used for scoring this project be based on (a) census data or surveys, or (b) at least 51% or even (c) 100% for the presumed VL-LI population?

In many cases even though the benefit population is presumed to be VL-LI, the population that would normally pay for the project without CDBG assistance is not. For example, a removal of architectural barrier project at a courthouse benefits person with disabilities, a population presumed by CDBG to be at least 51% VL-LI. However, the persons who would normally pay for renovations at the courthouse, the county's entire population, may be less or more than 51% VL-LI.

In response to this question, all applications that have population presumed to be VL-LI will be scored on the VL-LI percentage of the project area rather than assign a VL-LI percentage to the presumed population.

## Acronym Listing

ADA	Americans with Disabilities Act
CDBG	Community Development Block Grant
CDLF	Community Development Loan Fund
CFR	Congressional Federal Record
DCS	Division of Community Services - A division of the ND Department of Commerce
LRC	Loan Review Committee
R-CRC	Roosevelt-Custer Regional Council
VL-LI	Very Low and Low Income

**E. ESG PROGRAM DISTRIBUTION STATEMENT**

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# 2020

## EMERGENCY SOLUTIONS GRANTS PROGRAM DISTRIBUTION STATEMENT

Prepared By

Division of Community Services  
1600 East Century Avenue, Suite 2  
PO Box 2057  
Bismarck, ND 58502-2057  
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ALTERNATIVE FORMATS FOR DISABLED  
PERSONS ARE AVAILABLE UPON REQUEST

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## ATTACHMENTS

At-Risk of Homelessness Definition - Attachment A

Homelessness Definition – Attachment B

## **PROGRAM OVERVIEW**

This document provides a brief overview of the ESG Program and the **process to apply for funds from the FY 2020 ESG** allocation. Applicants should review the ESG Interim Rule found at 24 CFR Parts 91 and 576 for complete program information. To the extent that anything contained in this document does not meet the requirements of the final ESG Program rule, to be published at a later date, such final rule or regulation will take precedence over this document.

## **2020 FUNDING LEVELS**

For FY 2020, an approximate amount of \$485,414.00 in federal and state funding will be available, up to 60% or \$291,248.40 for street outreach and shelter operation activities, and \$194,165.60 for homeless prevention, rapid re-housing activities or participation in the Homeless Management Information System (HMIS). Requests for funds from the FY 2020 ESG allocation are limited at \$50,000. Successful applicants may receive less ESG funds than requested based on the Selection Criteria on page 10 and 11.

## **ELIGIBLE APPLICANTS**

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

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

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

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

Applicants will be required to utilize the HMIS and the State-wide Continuum of Care's centralized or coordinated assessment system. Domestic violence service providers must

establish and operate a comparable database that collects client level data over time and can generate unduplicated aggregate reports based on the data.  
Applicants must be active members of the North Dakota Coalition for Homeless People and their local homeless coalition.

## **STATUTORY DEFINITIONS**

Emergency Solutions Grant statutory definitions can be found at [24 CFR Part 576.2](#)



## PROGRAM COMPONENTS AND ELIGIBLE ACTIVITIES

Emergency Solutions Grants will be utilized to provide services to homeless and those at risk of becoming homeless in the following eligible activities. Applicants should refer to 24 CFR Part 576.100 – 576.109 for further clarification on the following eligible activities:

- Street Outreach;
  - Emergency Shelter;
  - Homelessness Prevention;
  - Rapid Re-housing Assistance; and
  - Homeless Management Information System.
1. **Street Outreach (24 CFR Part 576.101)** – Funds may be used for costs of providing essential services to reach out to unsheltered homeless; connect them with emergency shelter, housing, or critical services; and provide urgent non-facility-based care to unsheltered homeless who are unwilling or unable to access emergency shelter, housing or an appropriate health facility. Eligible activities include the following:
    - a. Engagement Activities;
    - b. Case Management;
    - c. Emergency Health Services;
    - d. Emergency Mental Health Services;
    - e. Transportation; and
    - f. Services for Special Populations.
  2. **Emergency Shelter Component (24 CFR Part 576.102)** – Funds may be used for costs of providing essential services to individuals and households in emergency shelters, renovating buildings to be used as emergency shelters, and operating emergency shelters. Eligible activities include the following:
    - a. Essential Services – Essential services provided to individuals and households who are in emergency shelters can include case management, child care, education services, employment assistance and job training, outpatient health services, legal services, life skills training, mental health services, substance abuse treatment services, transportation, and services for special populations.
    - b. Renovation Activities – Eligible costs include labor, materials, tools and other costs for renovation (including major rehabilitation or conversion of a building into an emergency shelter). The emergency shelter must be owned by a government entity or private nonprofit organization.

- c. Shelter Operations – Eligible costs are the costs of maintenance (including minor or routine repairs), insurance, utilities, rent, food, furnishing/appliances, and supplies necessary for the operation of the emergency shelter.
3. **Homelessness Prevention Component (24 CFR Part 576.103)** – Funds may be used to provide relocation and stabilization assistance and rental assistance to prevent an individual or household from becoming homeless. Applicants can assist individuals and households who meet the following qualifications under homelessness prevention:
    - a. Individuals or households who have an income below 30% of Area Median Income (AMI) as determined by HUD, with adjustments for smaller and larger household size. An individual or family’s annual income must be compared to area income limits posted on the ESG webpage found at:  
[www.communityservices.nd.gov/communitydevelopment/Programs/EmergencySolutionsGrantsESG/](http://www.communityservices.nd.gov/communitydevelopment/Programs/EmergencySolutionsGrantsESG/)
    - b. Individuals or households who qualify as a homeless or at-risk of becoming homeless as specified in 24 CFR Part 576.103 and 576.2. See Attachments A and B.
  4. **Rapid Re-Housing Assistance Component (24 CFR Part 576.104)** – ESG funds may be used to provide relocation and stabilization assistance and rental assistance to help a homeless individual or household move as quickly as possible into permanent housing and achieve stability in that housing. Rapid Re-Housing Assistance may be provided to individuals and households lacking a fixed, regular and adequate nighttime residence or any individual or family who is fleeing or attempting to flee domestic violence, assault or other life threatening conditions that relate to violence.

**Housing Relocation and Stabilization Services (24 CFR Part 104)** – Homelessness prevention and rapid re-housing are eligible ESG activities that focus on serving different individuals or households. Homelessness prevention and rapid re-housing provide assistance in accordance with the housing relocation and stabilization services requirements in 24 CFR Part 576.105, the short-term and medium-term rental assistance requirements in 24 CFR Part 576.106 and the written standards and procedures under 24 CFR Part 576.400, which states that ESG funds may be used for payment of the following under both homelessness prevention and rapid re-housing components:

- Rental application fees.
- Security deposits equal to no more than 2 month’s rent.
- Last month’s rent. If necessary to obtain housing for a program participant, the last month’s rent may be paid from ESG funds to the owner of that housing at the time the owner is paid the security deposit and the first month’s rent. This assistance must not exceed one month’s rent and must be included in calculating the program.
- Standard utility deposits.
- Utility payment - ESG funds may pay up to 24 months of utility payments per program participant, per service, including up to 6 months of utility payments in arrears per service. Total utility payment assistance to a program participant cannot exceed 24 months during any 3 year period.

- Moving costs - truck rental or hiring a moving company. Assistance may also include payment of temporary storage fees for up to 3 months. Payment of temporary storage fees in arrears is not eligible.
- Service costs - Housing search and placement, housing stability case management, mediation activities, legal services necessary to resolve housing issues, and credit repair/counseling services.

**Short-Term and Medium-Term Rental Assistance (24 CFR Part 576.106)** - ESG funds may provide a program participant with up to 24 months of rental assistance during any 3 year period. Applicants may establish their own caps, conditions and time limits for rental assistance as long as they do not exceed the following parameters:

- Rental assistance.
  - Short-term – up to 3 months of rental assistance.
  - Medium-term – MORE than 3 months but not more than 24 months.
  - Tenant-based or project-based.
- Rental Arrear Payments – Payment of rental arrears consists of a one-time payment for up to six months of rent in arrears, including any late fees on those arrears.
- Rental assistance cannot be provided to a program participant who is receiving tenant-based or project-based rental assistance through other public sources or receiving replacement housing payments under the Uniform Relocation Act.
- Rental assistance cannot be provided for a unit unless the rent for that unit **does not** exceed the Fair Market Rent established by HUD, as provided under 24 CFR Part 888; and complies with HUD’s standard of rent reasonableness, as established under 24 CFR 982.507.
- Applicant must enter into a Rental Assistance Agreement with the landlord for each unit receiving ESG rental assistance. Such agreement must meet the requirements of 24 CFR 576.106(e).
- Each program participant receiving ESG rental assistance must have a legally binding written lease for the rental unit.
- Use with other subsidies. Except for a one-time payment of rental arrears on the tenant’s portion of the rental payment, rental assistance cannot be provided to a program participant who is receiving tenant-based rental assistance, or living in a housing unit receiving project-based rental assistance or operating assistance, through other public sources. Rental assistance may not be provided to a program participant who has been provided with replacement housing payments under the URA during the period of time covered by the URA payments.

**Evaluation and documentation of client eligibility for assistance is required to be re-assessed at least every three months for program participants receiving homelessness prevention assistance, and not less than once annually for program participants receiving rapid re-housing assistance to ensure that they continue to meet the eligibility criteria, review program and appropriateness standards, and to re-evaluate the need for continued ESG assistance.**

5. **HMIS Component (24 CFR 576.107)** – ESG funds may be used to pay the costs of participating in the Homeless Management Information System (HMIS). Costs include: hardware, software licenses or equipment; obtaining technical support; staff time for completing data entry and analysis; monitoring and reviewing data quality; HUD approved training; reporting; and coordinating and integrating the system. If applicant is a domestic violence service provider it may use ESG funds to establish and operate a comparable database that collects client level data over time and generates unduplicated aggregate reports based on the data.

## **MATCHING FUNDS**

Each Applicant must match its Emergency Solutions Grant amounts with an equal amount of funds received from sources other than this program. Matching funds may be obtained from any source, including any Federal source other than the ESG Program, as well as state, local and private sources. However, the applicant must ensure the laws governing any funds to be used as matching contributions do not prohibit those funds from being used to match ESG funds. Applicants may request a waiver of their match. Other criteria for matching funds follow:

1. The matching funds must be provided AFTER the date that DCS signs the financial award.
2. Matching funds used to match a previous ESG grant may not be used to match a subsequent ESG financial award.
3. Matching funds that have been or will be counted as satisfying a match requirement of another Federal grant or award may not count as satisfying the match requirement of this program.
4. To count as match, cash distributions must be expended and noncash contributions must be made within the term of the ESG financial award.

Eligible Types of Matching Contributions: The matching requirement may be met by one or both of the following:

1. Cash Contributions
2. Non-Cash Contributions – The value of any real property, equipment, goods or services, as well as the purchase value of any donated building.

## **PROGRAM REQUIREMENTS**

1. Applicants must coordinate and integrate, to the maximum extent practicable, ESG funded activities with other programs targeted to homeless people. Services must be coordinated to provide a strategic, community-wide system to prevent and end homelessness for the area. Examples of targeted homeless services are: CoC programs; PATH programs; HUD-VASH; Programs for Runaway and Homeless Youth, Emergency Food and Shelter Programs and Healthcare for the Homeless, etc.
2. System and Program Coordination with Mainstream Resources – The applicant must coordinate and integrate, to the maximum extent practicable, ESG funded activities with mainstream housing, health, social services, employment, education, and youth programs for which individuals and households at risk of homelessness and homeless individuals and households may be eligible.
3. Centralized or Coordinated Assessment System – Once the Continuum of Care has developed a centralized assessment system or a coordinated assessment system in accordance with requirements to be established by HUD, each ESG-funded program or project within the Continuum of Care's area must use that assessment system. The recipient and subrecipient must work with the Continuum of Care to ensure the screening, assessment and referral of program participants are consistent with the written standards required by paragraph (e) of this section. A victim service provider may choose not to use the Continuum of Care's centralized or coordinated assessment system.
4. Written Standards and Procedures – Applicants shall adopt and consistently apply DCS's written standards for providing ESG. See DCS Website.
5. Participation in Homeless Management Information System (HMIS) – Applicants are required to collect and enter data into the HMIS system for all individuals and households served with ESG funds. Domestic violence service providers are exempt from participating in the HMIS system, but must establish and operate a comparable database that collects client level data overtime and can generate unduplicated aggregate reports on the data.
6. Homeless participation –
  - a. Unless the recipient is a State, the recipient must provide for the participation of not less than one homeless individual or formerly homeless individual on the board of directors or other equivalent policy-making entity of the recipient, to the extent that the entity considers and makes policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant (ESG).
  - b. If the recipient is unable to meet requirement under paragraph (a), it must instead develop and implement a plan to consult with homeless or formerly homeless individuals in considering and making policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant (ESG). The plan must be included in the annual action plan required under 24 CFR 91.220.

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

## 7. Faith-based activities

- a. Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to receive ESG funds. Neither the Federal Government nor a State or local government receiving funds under ESG shall discriminate against an organization on the basis of the organization's religious character or affiliation.
- b. Organizations that are directly funded under the ESG program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization as part of the programs or services funded under ESG. If an organization conducts these activities, the activities must be offered separately, in time or location, from the programs or services funded under ESG, and participation must be voluntary for program participants.
- c. Any religious organization that receives ESG funds retains its independence from Federal, State, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that the religious organization does not use direct ESG funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities to provide ESG-funded services, without removing religious art, icons, scriptures, or other religious symbols. In addition, an ESG-funded religious organization retains its authority over its internal governance, and the organization may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.
- d. An organization that receives ESG funds shall not, in providing ESG assistance, discriminate against a program participant or prospective program participant on the basis of religion or religious belief.
- e. ESG funds may not be used for the rehabilitation of structures to the extent that those structures are used for inherently religious activities. ESG funds may be used for the rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under the ESG program. Where a structure is used for both eligible and inherently religious activities, ESG funds may not exceed the cost of those portions of the rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to ESG funds. Sanctuaries, chapels, or other rooms that an ESG-funded religious congregation uses as its principal place of worship, however, are ineligible for funded improvements under the program. Disposition of real property after the term of the grant, or any change in use of the property during the term

of the grant, is subject to government-wide regulations governing real property disposition (*see* 24 CFR parts 84 and 85).

- f. If the recipient or a subrecipient that is a local government voluntarily contributes its own funds to supplement federally funded activities, the recipient or subrecipient has the option to segregate the Federal funds or commingle them. However, if the funds are commingled, this section applies to all of the commingled funds.
8. Evaluation of Program Participants – Applicants must conduct an initial evaluation to determine eligibility of each individual or household’s eligibility for ESG assistance and the type of assistance necessary to regain stability in permanent housing. These evaluations must be conducted in accordance with the centralized assessment system and DCS’s written standards.
9. Case Management – Each program participant receiving **homelessness prevention or rapid re-housing assistance** must be required to meet regularly, not less than once per month, with a case manager (except where prohibited by Victims Against Women Act (VAWA) and the Family Violence Prevention and Services Act (FVPSA)) and develop an individualized plan to assist the program participant to retain permanent housing after the ESG assistance ends, taking into account all relevant considerations, such as the program participant’s current or expected income and expenses; other public or private assistance for which the program participant will be eligible and likely to receive; and the relative affordability of available housing in the area. Consistent with 24 CFR Part 576.401(e), housing stability case management can last no more than 30 days while the program participant seeks permanent housing and no more than 24 months once in permanent housing.
10. Rent Reasonableness – Applicants must ensure that ESG funds used for rental assistance do not exceed the actual rental cost, which must be in compliance with HUD’s standard of “rent reasonableness” and not to exceed the Fair Market Rent. Rent reasonableness means that the total rent charge, including utilities, for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units. A complete listing of Fair Market Rents, by area, is found at: <http://www.communityservices.nd.gov/uploads/10/2017fmrs.pdf>
11. Program Accessibility – Applicants must operate each existing program or activity receiving federal financial assistance so that the program or activity, when viewing in its entirety is readily accessible for persons with disabilities.
12. Housing Standards for Emergency Shelters – Any building for which ESG funds are used for conversion, rehabilitation or renovation, must meet state or local government safety and sanitation standards as applicable. Shelters must be also accessible in accordance with Section 504 of the Rehabilitation Act and implementing regulations at 24 CFR Part 8; Fair Housing Act and implementing regulations at 24 CFR Part 100 and Title II of the Americans with Disabilities Act and 28 CFR Part 35; where applicable.

13. Housing Standards for Permanent Housing – Applicants cannot use ESG funds to help a program participant remain or move into housing that does not meet the minimum habitability standards. Applicants must certify that the unit has passed habitability standards BEFORE any ESG funds may be released. (Habitability Standards Inspection Form)  
In addition, both emergency shelters and permanent housing must meet additional housing standards per 24 CFR Part 576.403, which includes the following:
- Building must be structurally sound.
  - Except where a shelter is intended for day use only, the program participant must be provided with an acceptable place to sleep and adequate space and security for themselves and their belongings.
  - Each room or space must have a natural or mechanical means of ventilation.
  - Water supply must be free of contamination.
  - Individuals and households must have access to sanitary facilities that are in proper operating condition.
  - Must have necessary heating/cooling facilities in proper operating condition.
  - Must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety and sufficient electrical sources to permit the safe use of electrical appliances.
  - Food preparation areas must contain suitable space and equipment to store, prepare and serve food in a safe and sanitary manner.
  - Housing must be maintained in a sanitary condition.
  - Working smoke detectors must be located near sleeping areas, located on each occupied level of the unit, and there must be a second means of exiting the building in the event of fire or other emergency. Shelters must have a fire alarm system designed for hearing impaired residents.
14. Lead-Based Paint Requirements – Lead-Based Paint Poisoning Prevention Act applies to all shelters assisted under ESG program and all housing occupied by program participants. All applicants are required to conduct a Lead-Based Paint inspection on all units receiving assistance under the rapid re-housing AND homelessness prevention components if the unit is built before 1978 and a child under age of six or a pregnant woman resides in the unit.
15. Confidentiality – All applicants must develop and implement procedures to ensure the confidentiality of records pertaining to any individual or household provided with ESG assistance.
16. Termination of Housing Assistance (576.402) – Applicants may terminate assistance to a program participant who violates program requirements. Applicants may also resume assistance to a program participant whose assistance was previously terminated. In



terminating assistance to a program participant, applicants must provide a formal process that recognizes the rights of individuals receiving assistance to due process of law. This process, at a minimum, must:

- a. Recognize individual rights;
  - b. Allow termination in only the most severe case;
  - c. Provide a written notice to the program participant, with clear statement of reasons for termination;
  - d. Provide a review of the decision, in which the program participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and
  - e. Provide a prompt written notice of the final decision to the program participant.
17. Recordkeeping – All applicants must keep any records and make any reports (including those pertaining to race, ethnicity, gender, and disability status data) that HUD may require within the timeframe specified.
18. Sanctions – If DCS determines that an applicant is not complying with the requirements of the ESG Plan or other applicable federal or state laws, DCS will take appropriate actions, which may include:
- a. Issue a warning letter that further failure to comply with such requirements will result in a more serious sanction;
  - b. Direct the applicant to cease incurring costs with grant funds;
  - c. Require that some or all of the grant amounts be repaid to DCS; or
  - d. Reduce (de-obligate) the level of funds the applicant would otherwise be entitled to receive; or
  - e. Elect to make the applicant ineligible for future DCS funding.

Any ESG funds that become available to DCS as a result of a sanction or voluntary return by the applicant, will be made available (as soon as practicable) to other eligible applicants for use within the ESG Program.

19. Conflicts of Interest – The availability of any type or amount of ESG assistance may not be conditioned on an individual's or household's acceptance or occupancy of emergency shelter or housing owned by the applicant, or a parent or subsidiary of the applicant. No applicant may, with respect to individuals or households occupying housing owned by the applicant, or any parent or subsidiary of the applicant, carry out the initial evaluation

required under 24 CFR Part 576.401 or administer homelessness prevention assistance under 24 CFR Part 576.103.

For procurement of goods and services, the applicant must comply with the codes of conduct and conflict of interest requirements under 24 CFR Part 95.36 (for governments) and 24 CFR Part 84.42 (for private nonprofit organizations).

20. Monitoring - DCS is responsible for monitoring all ESG activities to ensure program requirements established by HUD and DCS are met. Monitoring will consist of site visits to applicant's place of business, review of all reimbursement requests, and review of HMIS information. DCS will conduct site visits at least once every two years. DCS will also provide support and technical assistance, as needed.

Additional monitoring of applicants may be conducted by HUD's office of Community Planning and Development; HUD's Office of Special Needs Assistance Program, or any other applicable federal agency. These agencies will be monitoring the ESG program nationwide to determine compliance with federal program requirements.

## **SELECTION CRITERIA**

Applications which show a concerted effort to coordinate services with other agencies and other funding sources to best serve the individuals and households will be given priority. Total points allotted equal up to 100 points.

Due to the demand for the funds ESG will be awarded based upon the following:

1. Demonstrated the need for the funding. (30)
2. Plan for distribution of the funds in an effective, efficient and timely manner. (15)
3. Collaboration efforts with other targeted homeless services and mainstream resources. (20)
4. Active participation in and providing services consistent with the needs identified by the North Dakota Continuum of Care, HMIS and Coordinated Assessment. (20)
5. The applicant's plan to involve, to the maximum extent practicable, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under the grant, and in providing services for occupants of these facilities. Also included is how the Housing First model is used within the agency. (15)

When making final selections, the DCS review committee may make a grant award for less than the amount applied for or for fewer than all of the activities identified in the application, based on the demand for grant amounts, the extent to which the respective activities address the needs of the individuals and households, and the reasonableness of the costs proposed. The DCS review committee reserves the right to award ESG funds to any applicant or deny ESG

funds for any applicant if it determines, in its sole discretion, the project is unacceptable based on, but not limited to the following:

1. Information regarding the fact that a particular market is saturated with emergency units and/or services,
2. The applicant has not demonstrated capacity to administer the ESG Program, or
3. The applicant's (including any related party's) insufficient prior administration of DCS programs, including ESG, which may have resulted in monitoring findings.

### **GRANT ADMINISTRATION**

Upon project selection, an award letter and financial agreement will be forwarded to each applicant detailing a description of the activities funded, and award conditions. Execution of the financial agreement is to be completed by a representative of the applicant and the DCS.

Grant funds will be considered obligated once the grant agreement has been signed by the applicant. A grant agreement will be sent under separate cover detailing the applicant's requirements and responsibilities, including those required for the environmental review. The applicant will be required to sign and return the grant agreement to DCS.

The grant agreement will indicate the activities and the corresponding approved funding amounts by category. An approved Request for Amendment is needed from DCS to vary from the funding amounts and categories as specified in the executed grant agreement.

Grant agreements will be for a term not to exceed 12 months. Applicants must expend DCS funds for eligible activities within the grant period.

### **METHOD OF PAYMENT**

Payment of ESG funds will be completed as a reimbursement. Requests for payment must be received by DCS at least quarterly or more frequently as needed. Requests must be submitted in a format approved by DCS, and must include a detailed breakdown of expenses incurred and ESG funds requested. Copies of all expenses and documentation of payment must be submitted for verification purposes. Lack of documentation or explanation may result in a delay in payment.



# At Risk of Homelessness

<b>CRITERIA FOR DEFINING AT RISK OF HOMELESSNESS</b>	<b>Category 1</b>	Individuals and Families	An individual or family who: <ul style="list-style-type: none"> <li>(i) Has an annual income below <u>30%</u> of median family income for the area; <u>AND</u></li> <li>(ii) Does not have sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or another place defined in Category 1 of the "homeless" definition; <u>AND</u></li> <li>(iii) Meets one of the following conditions:                         <ul style="list-style-type: none"> <li>(A) Has moved because of economic reasons 2 or more times during the 60 days immediately preceding the application for assistance; <u>OR</u></li> <li>(B) Is living in the home of another because of economic hardship; <u>OR</u></li> <li>(C) Has been notified that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance; <u>OR</u></li> <li>(D) Lives in a hotel or motel and the cost is not paid for by charitable organizations or by Federal, State, or local government programs for low-income individuals; <u>OR</u></li> <li>(E) Lives in an SRO or efficiency apartment unit in which there reside more than 2 persons or lives in a larger housing unit in which there reside more than one and a half persons per room; <u>OR</u></li> <li>(F) Is exiting a publicly funded institution or system of care; <u>OR</u></li> <li>(G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved Con Plan</li> </ul> </li> </ul>
	<b>Category 2</b>	Unaccompanied Children and Youth	A child or youth who does not qualify as homeless under the homeless definition, but qualifies as homeless under another Federal statute
	<b>Category 3</b>	Families with Children and Youth	An unaccompanied youth who does not qualify as homeless under the homeless definition, but qualifies as homeless under section 725(2) of the McKinney-Vento Homeless Assistance Act, and the parent(s) or guardian(s) or that child or youth if living with him or her.



# Homeless Definition

<b>CRITERIA FOR DEFINING HOMELESS</b>	<b>Category 1</b>	Literally Homeless	(1) Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning: <ul style="list-style-type: none"> <li>(i) Has a primary nighttime residence that is a public or private place not meant for human habitation;</li> <li>(ii) Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government programs); <u>or</u></li> <li>(iii) Is exiting an institution where (s)he has resided for 90 days or less <u>and</u> who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution</li> </ul>
	<b>Category 2</b>	Imminent Risk of Homelessness	(2) Individual or family who will imminently lose their primary nighttime residence, provided that: <ul style="list-style-type: none"> <li>(i) Residence will be lost within 14 days of the date of application for homeless assistance;</li> <li>(ii) No subsequent residence has been identified; <u>and</u></li> <li>(iii) The individual or family lacks the resources or support networks needed to obtain other permanent housing</li> </ul>
	<b>Category 3</b>	Homeless under other Federal statutes	(3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who: <ul style="list-style-type: none"> <li>(i) Are defined as homeless under the other listed federal statutes;</li> <li>(ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing during the 60 days prior to the homeless assistance application;</li> <li>(iii) Have experienced persistent instability as measured by two moves or more during in the preceding 60 days; <u>and</u></li> <li>(iv) Can be expected to continue in such status for an extended period of time due to special needs or barriers</li> </ul>
	<b>Category 4</b>	Fleeing/ Attempting to Flee DV	(4) Any individual or family who: <ul style="list-style-type: none"> <li>(i) Is fleeing, or is attempting to flee, domestic violence;</li> <li>(ii) Has no other residence; <u>and</u></li> <li>(iii) Lacks the resources or support networks to obtain other permanent housing</li> </ul>