

SENATE BILL NO. 2127

Introduced by

Senators Kreun, Bekkedahl, Hogan

Representatives D. Anderson, Boschee, O'Brien

1 A BILL for an Act to amend and reenact section 54-17-40 of the North Dakota Century Code,
2 relating to the housing incentive fund; and to provide an appropriation.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 54-17-40 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **54-17-40. Housing incentive fund - Continuing appropriation - Report to budget**
7 **section.**

8 1. The housing incentive fund is created as a special revolving fund at the Bank of North
9 Dakota. The housing finance agency may direct disbursements from the fund and a
10 continuing appropriation from the fund is provided for that purpose.

11 2. a. After a public hearing, the housing finance agency shall create an annual
12 allocation plan for the distribution of the fund as authorized under subsection 3.
13 At least ~~fifteen~~ten percent of the fund must be used to assist developing
14 communities to address an unmet housing need or alleviate a housing shortage.
15 At least ten percent of the fund must be made available to prevent homelessness
16 as authorized by subdivision d of subsection 3.

17 b. The annual allocation plan must give priority to provide housing for individuals
18 and families of low or moderate income. For purposes of this priority, eligible
19 income limits are determined as a percentage of median family income as
20 published in the most recent federal register notice. Under this priority, the annual
21 allocation plan must give preference to projects that benefit households with the
22 lowest income and to projects that have rent restrictions at or below department
23 of housing and urban development published federal fair market rents or
24 department of housing and urban development section 8 payment standards.

- 1 3. The housing finance agency shall adopt guidelines for the fund so as to address
2 unmet housing needs in this state. Assistance from the fund may be used solely for:
 - 3 a. New construction, rehabilitation, preservation, or acquisition of a multifamily
4 housing project;
 - 5 b. Gap assistance, matching funds, and accessibility improvements;
 - 6 c. Assistance that does not exceed the amount necessary to qualify for a loan using
7 underwriting standards acceptable for secondary market financing or to make the
8 project feasible; and
 - 9 d. Rental assistance, emergency assistance, barrier mitigation, or targeted
10 supportive services designated to prevent homelessness.
- 11 4. Eligible recipients include units of local, state, and tribal government; local and tribal
12 housing authorities; community action agencies; regional planning councils; and
13 nonprofit organizations and for-profit developers of multifamily housing. Individuals
14 may not receive direct assistance from the fund.
- 15 5. Except for subdivision d of subsection 3, assistance is subject to repayment or
16 recapture under the guidelines adopted by the housing finance agency. Any
17 assistance that is repaid or recaptured must be deposited in the fund and is
18 appropriated on a continuing basis for the purposes of this section.
- 19 6. The agency may collect a reasonable administrative fee from the fund, project
20 developers, applicants, or grant recipients. The origination fee assessed to grant
21 recipients may not exceed five percent of the project award.
- 22 7. Upon request, the housing finance agency shall report to the industrial commission
23 regarding the activities of the housing incentive fund.
- 24 8. At least once per biennium, the housing finance agency shall provide a report to the
25 budget section of the legislative management regarding the activities of the housing
26 incentive fund.

27 **SECTION 2. APPROPRIATION.** There is appropriated out of any moneys in the general
28 fund in the state treasury, not otherwise appropriated, the sum of \$50,000,000, or so much of
29 the sum as may be necessary, to the housing finance agency for the purpose of providing
30 grants to the housing incentive fund, for the biennium beginning July 1, 2021, and ending
31 June 30, 2023.