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**Housing Incentive Fund update**  
**North Dakota Housing Finance Agency**  
**Division of the State Industrial Commission**  
**Jolene Kline, Acting Executive Director**

**September 25, 2013**

Chairman Pollert and members of the Budget Section:

The Housing Incentive Fund (HIF) was reauthorized during the 63<sup>rd</sup> Legislative Assembly in House Bill 1029. As part of that reauthorization, the North Dakota Housing Finance Agency (NDHFA) is to report to this body on progress being made to address the housing needs of essential service workers in the oil-impacted areas of the state.

As you will recall, the fund is capitalized by \$20 million in tax credits and a \$15.4 million general fund appropriation for a total fund size of \$35.4 million.

Since enactment of HB 1029 earlier this year, NDHFA held the first allocation round at the end of June. We received 26 applications for \$36.3 million – nearly \$1 million more than funds available for the biennium. Eighteen projects were awarded conditional commitments of funds worth approximately \$20.4 million. Those projects will create 494 housing units, 168 of which will be set aside for essential service workers. Please find attached the listing of the projects receiving conditional commitments to date.

Essential service workers are defined as individuals employed by a city, county, school district, medical or long-term care facility, the state of North Dakota, or others as determined by NDHFA who fulfill an essential public service. Also attached are the results of a survey of political subdivisions in the state indicating the number of units that are owned or master leased and an estimate of future need.

While none of the projects funded to date reduce the number of existing publicly-owned housing units, the allocations will help prevent the need for public entities themselves to create more housing for their employees which was the overarching goal of the essential service worker priority. We have been and will continue to work to educate local elected officials, law enforcement and school leaders about the Housing Incentive Fund and the essential service worker priority.

A second allocation round is in process and applications are due by September 30. We fully expect sufficient applications to exhaust the remaining \$15 million.

On the capitalization side, HIF has received \$5.8 million in contributions (as of Sept. 16) which leaves \$14.2 million to raise before December 31, 2014. Our past experience has been that the majority of contributions are received at the end of the year and we are very optimistic that we will be able to move the projects along as quickly as possible.

HIF has proven to be a popular program both as a state tax credit and, most importantly, in developing new affordable housing options. We appreciate the vision the Governor and Legislative Assembly have shown in keeping this valuable program working. The overwhelming demand for HIF funds demonstrates the ongoing pent up need for affordable housing units, not just for essential service workers, but also for low- and moderate income families, disabled individuals and seniors. While HIF will not fully solve the housing challenges in North Dakota, it continues to have a significantly positive effect.

## Housing Incentive Fund II Project Awards (2013-15)

<i>Project Name</i>	<i>Location</i>	<i>Applicant / Developer</i>	<i>Tenant Type</i>	<i>Project Activity</i>	<i>Total Units</i>	<i>Essential Service Worker Units</i>	<i>Total Development Cost</i>	<i>HIF Funds Requested</i>	<i>HIF Funds Committed</i>
<b>June 28, 2013 Application Round:</b>									
Collins Place	Mandan	Dakota Commercial & Development	Family/Senior	New Construction	29	0	\$3,885,000	\$1,100,000	\$1,100,000
McKenzie Ranger District Station Apts	Watford City	Joseph M and Margaret Ann Girard Family Trust	Workforce	Adaptive Reuse	9	9	\$2,426,615	\$900,000	\$725,000
Rolling Ridge Estates	Minot	SW Design Build	Workforce/Family	New Construction	48	24	\$7,500,000	\$2,250,000	\$2,250,000
WSC Housing-Phase II	Williston	Dakota Commercial & Development	Workforce/Family	New Construction	74	43	\$10,000,000	\$3,000,000	\$3,000,000
Independence Pointe	Bismarck	Independence Pointe, LP	Disabled	New Construction	24	0	\$3,800,563	\$600,000	\$425,000
Loretto Bay 7	Beach	Loretto Bay 7	Workforce/Family	New Construction	12	6	\$1,400,000	\$350,000	\$350,000
Agassiz Circle Phase II	Devils Lake	Agassiz Properties, LLLP	Family	New Construction	8	0	\$1,287,599	\$385,269	\$385,269
McKenzie Healthcare Systems Employee Housing	Watford City	McKenzie County Healthcare Systems	Workforce/Family	New Construction	24	18	\$3,600,000	\$1,200,000	\$1,200,000
North Sky I	Fargo	Beyond Shelter, Inc.	Senior	New Construction	24	0	\$2,855,460	\$1,142,184	\$1,142,184
Sullivan Apartments	Dickinson	Sullivan Properties	Family/Disabled	New Construction	30	0	\$4,794,132	\$1,416,837	\$1,416,837
North 19th Street 4-Plex	Bismarck	Community Homes of Bismarck, Inc	Disabled	New Construction	5	0	\$1,205,610	\$400,000	\$361,683
Wolf Run Village	Watford City	Wolf Run Village, Inc	Workforce/Family	New Construction	42	18	\$6,721,699	\$1,553,647	\$1,483,231
Heritage Hills	Dickinson	Heritage Hills I LLLP	Senior	New Construction	42	0	\$8,194,643	\$300,000	\$200,000
Lignite Housing Project	Lignite	Lignite Investments, LLC	Workforce/Family	New Construction	28	9	\$4,564,060	\$1,389,735	\$1,265,000
Turtle Lake Community Housing	Turtle Lake	Turtle Lake Housing Authority	Family	New Construction	8	0	\$1,503,126	\$450,938	\$450,938
Dunn Center Apartments	Dunn Center	LSS Housing, Inc.	Workforce/Family	New Construction	18	6	\$2,324,200	\$700,000	\$700,000
Courtside Village	Hettinger	LSS Housing, Inc.	Workforce/Family	New Construction	24	12	\$3,062,500	\$1,000,000	\$932,400
Renaissance on Main	Williston	Renaissance Station LLC	Workforce/Family	New Construction	45	23	\$10,014,069	\$3,000,000	\$3,000,000
<b>Totals for June 28, 2013 Funding Round:</b>					494	168	\$79,139,276	\$21,138,610	\$20,387,542

**Government Housing Survey Results - Indications of Need**

Community	Organization	Units Currently		Future Additional Need	Notes	Respondent Comments	Extra Info
		Owned	Master Leased				
Edmore	Edmore Public School District #2	6	0	2		With the new staff coming in to the school, we are still short 1 housing unit at this point, possibly 2. This means we will need to purchase additional housing opportunities for these staff members.	
Sioux County	Sioux County	0	0	7		We probably could use a few units but where would you build them? As Sioux County is on the Standing Rock Reservation, we do not have any county owned land and using tribal land is not possible. We have 7 social service workers that do not live in Sioux County because there is no place for them to rent or even buy.	
Makoti	City of Makoti	0	0	1	Future need not quantified by respondent.	The City has no local police. Housing cost is one of the primary reasons that there are no officers in the area. The City relies on Ward County for police protection. Other area towns are also without local police protection.	
South Heart	South Heart Public School	1	0	0			
LaMoure	LaMoure Public School	0	0	1	Future need not quantified by respondent.	We have a severe affordable housing shortage for our "new" employees. The only housing at the current time is a small apartment complex. We hired an employee with a family of 4. They are still trying to find housing and have stayed in a small apartment complex since last summer. This trend will continue not only in our employment at school, but with a multitude of businesses in town that hire new employees.	
Tioga	Tioga Public School District #15	9	3	3	6 FEMA trailers on school district land; 3 single-wides on leased land; 1 to 3 apartment leases at any given time.	Tioga schools is similar to many other municipalities in the sense that we direct resources to house staff out of necessity only. While we have not the funds, expertise, desire or time to do so, everyone must have a place to live. Current market rates for 1000 sq ft range from \$1500 to \$3000 +. Last fall a private group offered to place three teachers in a 12x60 mobile unit for \$2000 each per month! As it is not reasonable to expect teachers, particularly new into the profession to afford this, we must subsidize. We have been fortunate to attract excellent candidates but base salaries have needed to increase significantly and housing is always an issue.	
Mountrail County	Mountrail County	1	0	3	Owens one three-bedroom house for Sheriff's Dept employees. Currently 2 employee occupants.	Housing is extremely short in Mountrail County. Further, if you do find a rental, the average person cannot afford the rent. I have heard of renters paying \$1200-\$3000 and even more in some cases for a one-bedroom rental. I wish there was a way to control rental prices. More housing is definitely needed, but affordable housing is needed just as much if not more. I cannot say how many housing units are needed but if I were to guess, at least three would be nice in order to have a unit in each of our three larger cities.	
Hope/Page	Hope and Page Public Schools	0	0	4			
Strasburg	Strasburg Public Schools	0	0	1	Future need not quantified by respondent.	I am renting a home but am being evicted by the new owners. There is nothing in the town to rent so I am looking at purchasing an older home in town in order to find a place to live. Housing is in VERY short supply in our town and it worries me for new employees who may want to work for us but cannot find housing.	
Solen	Solen Public School District #3	0	0	1	Future need not quantified by respondent. 3 of 34 staff members live within 30 miles. Have lost teacher candidates due to no housing.	Only 3 of our 34 certified staff members live in the district. All of the rest commute from 30 miles or more away. We have lost teacher candidates because there is no housing in our area.	
Cass County	Central Cass School District	1	0	0	The district owns 421 N 8th St. Casselton to house employee.		
Ray	Nesson Public School District #2	9	0	0	9 units housing 17 employees.	Our 9 units will house 17 people for our district next year at minimum. It is a heavy burden of time, money, and resources to the district. Priority given to our essential government employees would be amazing. However, I believe that Ray would then need to build another apt complex as the one they have now is full. We have a 4-plex in the process of being built.	2BR SF homes; 2BR MH; 4 Plex being built
Parshall	Parshall School District #3	13	0	2		We will be planning to build more units as two of the units are so old they are becoming a burden to the district budget. However, as teachers retire, housing does not open up. We are planning to continue building for the foreseeable future.	
Mohall/Lansford/Sherwood	MHS Schools	4	0	1	Future need not quantified by respondent.	This is the only way we can get affordable housing for our employees.	
Sawyer	Sawyer Public School District #16	0	0	6		It would be beneficial for our school district to provide employee housing in the future, either in the form of single or multi person dwellings.	
Mandaree	Mandaree School District #36	30	0	9		Mandaree School needs additional housing in order to hire the teachers needed to lower the student/teacher ratio. Mandaree School has not made Adequate Yearly Progress in a number of years. We desperately need teachers to implement tiered and individualized instruction. We cannot hire more teachers because housing is not available.	2BR Duplex; 2BR FEMA Trailers; 2BR SF; 3BR SF; 3BR MH; 3BR Double Wide MH

Community	Organization	Units Currently		Future Additional Need	Notes	Respondent Comments	Extra Info
		Owned	Master Leased				
Leeds	Leeds School District	1	0	1	Future need not quantified by respondent.	Each year we have difficulty finding adequate housing for new teachers.	
Trenton	Eight Mile School District #6	6	0	6	Currently owns 2 FEMA trailers, 2 houses, and 2 studio apartments.	We will need at least 4 trailers for next year and two more the following year.	
Minto	Minto School District	0	0	1	Future needs not quantified by respondent.	The city of Minto has very few options for housing for incoming teachers. Housing is an issue in Minto - our teachers end up living out of the community in Grand Forks.	
Bottineau	City of Bottineau	0	0	1	Future needs not quantified by respondent.	We do have a housing crunch in Bottineau. There are a couple of developments in the works for residential and multifamily (privately owned) dwellings.	
McKenzie County	McKenzie County	8	0	10	Owns 8 single-wides for sheriff dept and social services.	In addition to the mobile homes, we have invested in a community apartment complex which should be completed this coming fall. McKenzie County has secured 10 apartments (3 one bedroom and 7 two bedroom). The complex will house city, county, and school employees.	
Barnes County	Barnes County North School District #007	3	0	0	Owns two mobile homes in Rogers and a house in Wimbledon.	The units at the Rogers site are up for sale by the district, because the entire property will no longer be used by the school district. The unit in Wimbledon will remain with the district and be used as housing for administrative staff. Additional housing will not be needed.	
Underwood	City of Underwood	0	0	4			
Selfridge	Selfridge Public School District	0	0	5		We need housing for our staff. There is no housing available on Standing Rock Indian Reservation. We are asked to increase our scores and achievement levels for our students. At the same time, there is no adequate housing for our staff. We only have two of our teachers that reside in our school district. A vast majority of them commute from Bismarck or Mandan. This is not a stable or positive situation to attract or keep high quality staff. Adequate housing is being provided for the oil field areas. Why can't this be provided for our students on Standing Rock. Our need is just as dire as Western North Dakota. (Future of our Students).	
McKenzie County	McKenzie County Public School District #1	16	0	0		All 16 units will be occupied by teachers hired this year and for 2013-2014. Additional units may be needed for 2014-2015 depending on growth and teacher hiring needs.	8 Apts in construction
Slope County	Slope County	0	0	1	Future needs not quantified by respondent.	At this time we have been able to hire employees from the area that already have housing. If that situation changes and we need to hire someone from further away, we will have to purchase some type of housing unit as there is nothing available for rent in the area.	
Dunn County	Dunn County	1	0	1	Future needs not quantified by respondent. Currently owns a 2012 single-wide in New Hradec.	Anticipate need for additional housing as law enforcement force grows to meet the needs of the county. The Deputy pays monthly rent to the county.	
New England	New England Public School	0	0	1	Future need not quantified by respondent.	If the oil development continues to move south, we may need housing for teachers in the future. The district may have up to five teachers retiring within the next four years and housing may be an issue to new hires.	
McHenry County	McHenry County	0	0	1	Future need not quantified by respondent.	Affordable housing is difficult to find. Maybe need housing units at some point, but unknown how many.	
Hebron	Hebron School	0	0	1	Future need not quantified by respondent.		
Burke County	Burke County	0	0	1	Future need not quantified by respondent. Presently subsidizing rent for 3 sheriff's deputies.	At the present time we are subsidizing housing for 3 sheriff's deputies by paying a portion of their rent to the property owners.	
Mercer County	Mercer County	3	0	1	Future need not quantified by respondent.	The county purchased a home in Golden Valley to station a deputy there. We are in the process of buying two FEMA trailers for other county employees. We are charging \$400 per month to live in the home.	2 FEMA trailers being purchased.
Killdeer	Killdeer Public School	4	0	12		Killdeer School is in the process of acquiring city lots to build 3 duplex units to assist with our housing needs. This will not meet our needs, but is all we can currently afford based on our budget. We have bonded and obtained a grant to move this project forward. I believe we need to double this to have at least 6 duplex units to handle our teacher/staff housing needs.	4BR SF is not currently occupied; Duplex being constructed
Minnewaukan	Minnewaukan School	3	0	0		The town has building lots for sale. It is doubtful if the school will invest in more housing. There is a big need for more housing in the area.	
Minnewaukan	City of Minnewaukan	0	0	1	Future need not quantified by respondent. Respondent identified the same 3 homes owned by the Minnewaukan School District on their survey.	The City has no houses for rent at this time and will be in a need to find ways to get more housing developments started soon. If funding is available it would be easier for us to build something in the future.	
Golden Valley County	Golden Valley County	0	0	1		Our Sheriff's Department has a large turnover of deputies and we always have a problem with housing when a new one is hired.	

Community	Organization	Units Currently		Future Additional Need	Notes	Respondent Comments	Extra Info
		Owned	Master Leased				
Dunn Center	City of Dunn Center	1	0	0		One of our apartment is rented out to the City's Zoning Enforcement, but this individual works for someone else on a full time basis.	
Scranton	Scranton Public School	0	1	1	Future need not quantified by respondent.	Housing for new school employees is very difficult to find. It is a definite concern for the school district as well as prospective employees. They will not sign a contract prior to finding suitable housing.	
Williams County	Williams County	31	0	0	Owns 18 unit Multi-Use Building in Williston, 8-unit Aafedt Apartments in Williston, 4 trailers in Cimмерon Trailer Court, and 1 trailer in Ray.		
Ward County	Ward County Sheriff's Office	0	2	2	Has master lease on 2 units at Cobblestone (LEPP project).	We have a partnership with Abel Builders. There are two apartments; one is rented by a deputy and the other is rented by a Minot police officer.	
Killdeer	Killdeer Area Ambulance Service	2	0	0	Two single family homes.	At this time we are thinking we may have enough housing in place with the addition of a new ambulance hall which will also provide sleeping quarters for locums. This project will be started by June 1 of 2013 and holds a completion date of 2/1/14. When locums come to fill in, they will be able to use this facility. This new building will have three sleeping rooms and a medium size kitchen relaxation area, for up to five people.	
Elgin/New Leipzig	Elgin/New Leipzig Public School District #49 and Roosevelt Public School District #18	2	0	1	Future need not quantified by respondent. Currently owns one home in Elgin and another in Carson (Roosevelt School Dist.).	The number of housing units is very limited in both communities. Help for the cost for upkeep of the houses would also be welcomed. We do not yet know how much the Bakken activities will affect our districts.	
Richardton/Taylor	Richardton-Taylor Public School	1	0	2	Currently owns one home, rented at a low rate to beginning teachers only.	With the uncertainty of retirements, it's difficult to know or guess how many, if any, rental/lease units we may need. Living in Dickinson is an option if they can find affordable housing.	
Hazen	Hazen School	0	0	1	Future need not quantified by respondent.	We do not have housing for our new teachers. I am trying to hire local people so they don't need to find housing but that will not work for all our positions in the Hazen School.	
Williston	ND Game and Fish Dept	5	0	5		We have 5 FTE living in FEMA park model trailers on our office grounds in Williston. We also have one employee who is paying \$2000/mo for apartment rent and we are paying him a monthly rental allowance. Staff cannot stay living in the office parking lot. Sufficient affordable housing is needed. We have our name on the list for affordable apartments with the Williston College Foundation. Estimated completion July 2013. A lease has not yet been signed. State DOT and Highway Patrol are also on the list with the College Foundation housing.	
Bowbells	Bowbells Public School	3	0	0	Three single family homes owned by the school district.		
McKenzie County	McKenzie County Economic Development	11	0	0	Respondent stated "19" units in control of the entity, however 8 of them are for teachers and those units are accounted for in the McK County School District response above. 9 units are county "law enforcement, social services, essential county personnel" and 2 units are "Watford City law enforcement".		
Cando	North Star Public School District #10	0	0	1	Future need not quantified by respondent.	The North Star School Board has discussed the idea of purchasing some housing to have on hand for teachers or other employees coming to the district.	
Munich	Munich Public School	2	0	0	Munich Public School Apartments 707 Main St (1 building with 2 apartments).		
Renville County	Renville County	0	0	2		Possibly will need housing for law enforcement and road department employees.	
Fort Totten	Four Winds Elementary School	0	0	1	Future need not quantified by respondent.	The school was built in 1983 with a housing unit, but due to flooding, the local community needed the housing to survive. Our staff drives long distances to work! We need housing!	
Stanley	City of Stanley	12	0	0	4 units owned by city and 8 units owned by school		
Killdeer	City of Killdeer	1	1	4	The city purchased one home for law enforcement, and is leasing one home from a private owner which also houses law enforcement.	We will need at least 3 to 4 additional places for additional employees.	
Highway Patrol	ND State Highway Patrol	0	0	5		The only financial assistance we have provided is rent allowance reimbursements. We also are hoping to take advantage of the LEPP when those units become available.	
Dunseith	Dunseith Public Schools	8	0	0	2 4-plexes (312 1st St SW, and 13 2nd St SW)		

Community	Organization	Units Currently		Future Additional Need	Notes	Respondent Comments	Extra Info
		Owned	Master Leased				
Garrison	Garrison Public Schools	0	0	3		Rental units are greatly needed in Garrison - people are willing to rent to teachers, there just aren't any apt. or homes available.	
Ward County	Ward County	0	0	1	Future need not quantified by respondent.	We have many individuals who had quit a position or decline an offer of a position because they could not find a place to live or find more affordable housing.	
Powers Lake	Powers Lake School District #27	2	0	0	207 and 209 Peterson St		
Powers Lake	City of Powers Lake	1	0	1		The city would need to purchase additional housing for another police officer in the community. The city currently only employs one policeman and is in need of an additional officer.	
Burke County	Burke Central School	4	0	4	Currently owns 1 single wide and 3 FEMA trailers.	The FEMA trailers are a temporary fix. We will need more permanent housing for 4 teachers for the 2013-2014 school year.	
Alexander	Alexander Public School	4	0	2		The board anticipates buying an additional two units to be in place this fall.	Manufactured double-wide homes.
Transportation	ND DOT	0	17	15		NDDOT provides a rent supplement for our employees in western ND. We anticipate we will need to provide rent supplement to about 13-18 additional employees this next biennium. The issue for our employees if finding any rental unit and if they can find one, it is between \$2000 and \$2800 per month. Our agency needs, at a minimum, more rental units at a reasonable price. It would also be great if our employees could purchase affordable housing in the future.	
Beach	Beach School District # 3	0	0	3		Need to look at providing some type of housing, as recent as last fall had an instructor commuting until she finally found a rental.	
White Shield	White Shield School	10	0	0			
New Town	New Town PD	3		6		All employees of the police department are in temporary FEMA trailers with nothing left for needed employees. We have a city lot that is being developed and we could build houses this year if funding becomes available.	Units owned are FEMA trailers.
Williams County	Williams County Sheriff's Office	30		0		We are using rent maximumx set through LEPP as our base rent amounts, with utility allowances for law enforcement, so those rents are reasonable.	Presently housing 11 patrol deputies and 2 corrections officers. Any present and near future need will be absorbed by the newly completed units.
Dunn County	Dunn County Sheriff's Department	0		5	Killdeer 2; Dunn Ctr 1; Halliday 1; Manning 1;	Any assistance would be appreciated. We have 2 deputies living at Target Logistics Man Camp, we have several deputies living together in Killdeer in a house, and we have 2 deputy families (Deputies, their wives and kids) living in a 2 bedroom apartment in Dunn Center. Rent in the area (if a unit is available) s anywhere between \$800 and \$2000 per month if not more. We are currently slotted for 12 deputies, however, there is no housing available so we have been holding off on hiring anyone due to the housing shortage which in turn has been detrimental to the quality of service provided to our County.	
Beulah	Beulah PD	0		3			
Medora	Medora PD	2		0			
Mountrail County	Mountrail County Sheriff's Dept	1		10	Stanley		Owns a 3-bedroom house.
Watford City	Watford City PD	0		13		A housing project has been started, not yet complete.	
McKenzie County	McKenzie County Sheriff's Office	4		8	Watford City	We need affordable housing for deputies, dispatchers, and correctional officers ASAP.	Owns 4 trailer houses.
McKenzie County	McKenzie County Sheriff's Office	0		18	Cartwright 2; Alexander 4; Arnegard 4; Watford City 6; Grassy Butte 2; Keene 2	The county has some housing but I think they are getting out of that business.	
Minot	Minot PD	0		8	Minot	We currently have one officer living in an apartment which is subsidized by the NDHFA program in Minot. Based on a survey of my staff I believe that we could use an additional 8 units. Many of our officers expressed the need for options other than apartments such as assistance with house payments or house rental options for officers who have several children or pets that don't really work out well in apartments.	
<b>Totals:</b>		<b>259</b>	<b>24</b>	<b>215</b>			