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**Flood-Impacted Housing Assistance Program update
North Dakota Housing Finance Agency
Division of the State Industrial Commission
Jolene Kline, Acting Executive Director**

December 11, 2013

Chairman Pollert and members of the Budget Section:

Pursuant to Section 4 of 2013 House Bill 1016, I am to report on the flood-impacted housing assistance funding that is being administered by the North Dakota Housing Finance Agency.

HB 1016 directed the Agency to establish a grant program to provide assistance to residents in flood-impacted areas of the state and \$1.5 million was appropriated for it. As stated in the bill, the purpose of this program is to assist residents in the rehabilitation or replacement of flood-damaged homes, to retain homeowners and other residents in the community, and for transitional expenses to facilitate housing availability for flood-impacted residents.

A request for proposals was issued with a submission deadline of June 14, 2013. A copy of the RFP is attached.

The Minot Housing Authority was the only applicant for these funds. They initially requested the full \$1.5 million to facilitate taking over the Virgil Workman temporary housing group site from the Federal Emergency Management Agency. This funding was expected to cover operational expenses, relocation of residents into permanent housing and disposal costs of the temporary units. Due to a more rapid transition than anticipated, the Housing Authority later amended their request to \$20,000 to be used for security deposits for approximately 11 income-eligible households that were transitioning from FEMA temporary housing units to permanent rental housing as FEMA's housing mission came to an end on Sept. 24.

The disbursement of the requested funds came on Sept. 4.

The Minot Housing Authority is required to report quarterly to the Agency on use of the funds with the first report due on Jan. 20, 2014. The report is to include the total amount expended, the specific use of the funds, a certification that the households assisted meet the U.S. Department of Housing and Urban Development income restrictions, and the change in the number of occupants still residing in temporary housing units.

While we do not have an official report from the Housing Authority, we have been told that all households have been moved out of the FEMA temporary housing units into permanent housing situations. We have also learned that there is a possibility the Housing Authority will not require the full \$20,000 they were awarded. Any unused funds will be returned.

We have recently received requests from two parties to reopen the RFP process and award the remaining \$1.48 million. Both requests involve the potential use of these funds to help in the development of new affordable rental housing in the Minot area.

It is our understanding that the legislative intent for this money was very narrowly focused on helping people relocate from temporary FEMA housing back into the community, although the actual legislation was more generally drawn. Without explicit direction from the Legislative Assembly, we have been hesitant to reopen the RFP.

I am asking for your guidance on the use of the remaining funding.

REQUEST FOR PROPOSALS

Flood-Impacted Housing Assistance Program North Dakota Housing Finance Agency

Introduction

The North Dakota Housing Finance Agency (the Agency) is dedicated to maximizing housing opportunities for all North Dakotans and proactively addressing the housing needs of low and moderate income households.

During the 2013 Legislative Session, the Agency was directed to establish a grant program to provide assistance to residents in flood-impacted areas of the state. This directive was provided in HB 1016 (section 4) and \$1,500,000 was appropriated for it. The purpose of this program is to assist residents in the rehabilitation or replacement of flood-damaged homes, to retain homeowners and other residents in the community, and for transitional expenses to facilitate housing availability for flood-impacted residents.

This RFP details the criteria and selection process that will be followed by the Agency in the award of funds under the program.

Deadline for Submission

Interested parties must submit a written proposal to be considered for this funding. The deadline for submission is June 14, 2013. Your proposal must be received in our office by the close of business on June 14.

General Information

Flood-impacted areas are defined as those counties that received an Individual Assistance designation by the Federal Emergency Management Agency (FEMA) as a result of the 2011 flood event and in which FEMA temporary housing units were deployed. **Eligible applicants** are cities; counties; local housing authorities; or non-profit entities. **Eligible projects** are defined to be transitional expenses to facilitate housing availability for flood-impacted residents; projects designed to retain existing homeowners or residents displaced by a flooding disaster; or projects designed to rehabilitate or replace units destroyed or made uninhabitable by a flood event.

Available Funds

The Legislature has appropriated up to \$1,500,000 for this program.

Evaluation Process

Proposals received by the due date will be reviewed and ranked within an approximate 30 day timeframe. Successful proposals will be issued a conditional commitment of funds. Applicants will be required to reach certain benchmarks including certification to the Agency that housing occupants are eligible to receive housing assistance under U.S. Housing and Urban Development (HUD) guidelines, that a land use agreement is in place for temporary housing units and that a plan has been developed for the disposal of temporary housing units. Upon satisfactory review of these items, a financial award will be issued.

Use of Funds

Funds will be disbursed based upon agreement between the Agency and the applicant but no more frequently than monthly. Recipients may provide routing information for an automatic bank transfer of funds or request disbursement of funds by check. Authorization for disbursement of funds will be based on the scope of work identified in the request for proposals. Changes from the original scope of work must be submitted to the Agency for review and approval prior to executing. Unauthorized changes in scope will result in recapture of funds.

Funds not expended or projected to be expended as of June 30, 2015, will be forfeited and no longer available.

Reporting and Accounting

Projects will be required to submit quarterly reports no later than 20 days past each reporting quarter (March 31, June 30, September 30 and December 31) beginning the quarter after funding award. Inability to submit timely quarterly reports may result in recapture of funds. Quarterly reports will identify, at a minimum, total amount of allocated fund expended for the reporting period; total amount of allocated funds expended for the project to date; the specific use of funds expended during the reporting period; certification that housing occupants are eligible to receive housing assistance under HUD guidelines; changes in the number of occupants in temporary housing units; and any expected changes in timeline of the plan to dispose of temporary housing units.

Copies of all approved project expenses, invoices and proof of payment incurred during each quarter will be submitted to the Agency with each respective quarterly report.

Recapture of Funds

Grant funds may be recaptured in whole or in part if the conditions of the grant award are no longer being met.

Evaluation Criteria

The proposal can be in narrative form with a budget or pro-forma showing projected sources and uses of funds. Proposals will be evaluated by Agency staff on a range of factors including but not limited to:

- Proposed activity must be located in a flood-impacted area.
- Applicant must demonstrate to Agency's satisfaction that the community has an unmet housing need or housing shortage such that continued use of temporary housing units for flood-impacted residents is necessary. Items including, but not necessarily limited to, community housing demand analysis or letters from local community leaders, trade organizations or major employers are examples of ways to demonstrate need or shortage.
- Applicant must be able to demonstrate a positive impact for flood-impacted residents from the proposed activity; i.e. how will proposed activity assist in retaining flood-impacted residents and address their unmet housing needs?
- Proposed activity must be 1) a transitional expense to facilitate housing availability for flood-impacted residents; 2) a project designed to retain existing homeowners or residents displaced by a flooding disaster; or 3) a project designed to rehabilitate or replace units destroyed or made uninhabitable by a flood event. Priority will be given to projects in the order listed above.
- Applicant must demonstrate need for funds to achieve feasibility of the project.
- Proposal must include a scheduled timetable for completion of the activity.
- Proposal must demonstrate applicant's ability to meet HUD certification guidelines throughout the term of the grant and to carry out a temporary housing disposal plan.
- Applicant must provide a resolution of support from the city or county governing body where activity will take place.
- Proposal must identify the number of households that will benefit from the activity. Applicants will be scored and ranked on a per unit cost basis.
- Experience and track history of the applicant's ability to successfully complete the proposed activity.

Submitting a Response to the Request for Proposals

Proposals may be submitted electronically or in hard copy to:

Jolene Kline
North Dakota Housing Finance Agency
PO Box 1535
Bismarck ND 58502-1535
jkline@ndhfa.org

To be eligible for consideration, all proposals must be received in our office by the close of business on June 14, 2013.