Housing Development: Planning & Financing

creating homes to attract and retain
State of Housing
Where is everybody?
Population Change by County 2010-2018

- Green: Growth of 10.0% or more
- Light Brown: Growth of 2.0 to 9.9%
- Beige: Steady (change of -1.9 to 1.9%)
- Dark Brown: Decline of 2.0% or more
Homeownership Rate by County 2013-2017

- Less than 70.0%
- 70.0 to 79.9%
- 80.0% or more
Homeownership Rate by Age of Head of Household, 2017

- Age 24 years or younger
- Age 25-34
- Age 35-44
- Age 45-54
- Age 55-64
- Age 65-74
- Age 75-84
- Age 85 or older
- North Dakota (all)
Renters vs. Homeowners 2014-2029

Year | Renters | Homeowners
2014 | 112,104 | 208,546
2019 | 124,827 | 229,421
2024 | 131,827 | 241,183
2029 | 137,768 | 251,947

Percentage Changes:
- 2014 to 2019: 10%
- 2019 to 2024: 5.1%
- 2024 to 2029: 4.5%
Median Household Income by Type, 2017

- Married couple with children
- Married couple without children
- Single* male with children
- Single* female with children
- Other male-headed families
- Other female-headed families
- Nonfamily households
- North Dakota (all)

Income Levels:
- $- $20,000 $40,000 $60,000 $80,000 $100,000 $120,000
Households Paying 30% or More, 2017

- Less than $20,000: 80%
- $20,000 to $34,999: 40%
- $35,000 to $49,999: 20%
- $50,000 to $74,000: 10%
- $75,000 or more: 10%
- North Dakota (all): 20%
Does your community have housing options?
Every Community, Every County Is Unique
Grant program for rural communities to conduct housing needs market analysis/survey.

- Communities with populations 35,000 or less.
- Maximum grant will be 50 percent of the survey cost not to exceed $5,000.
Construction Loan Guarantee Program

- Provides construction guarantees to lenders for contractors who build or rehabilitate single-family homes on a speculative basis.
- Max guarantee: 50% of net loss or $93,500.
- Max Loan-to-value: 85%.
- No more than $500,000 in guarantees outstanding in any one community or to any one contractor.
- Maximum sales price of home must not exceed FHA Mortgage Limits.
Program developed in 2017 to increase the capacity of a qualified Community Land Trust.

- Low-interest line of credit.
- Loan proceed eligible uses include acquisition, rehabilitation, or demolition and new construction of single-family housing.
NDHFA Homeownership Programs

• Reduced first-time mortgage interest rates
• Down payment and closing cost assistance
• Major home improvement reduced-interest rate loans
• Affordable interest rate and market rate loans including down payment and closing cost assistance for buyers and previous home owners
Rural Loan Programs

Rural Development
- Low-Interest, short-term loan.
- Loan proceeds can be used for pre-development soft costs, land acquisition, site development and other costs associated with producing difficult to develop housing in rural areas.
- Communities with population of less than 35,000.
- Maximum loan: 75 percent of project cost not to exceed $200,000*.

Rural Rehab
- Long-term, low interest loan to return a rural property to a decent, safe, and sanitary condition.
- Term of up to 25 years.
- Maximum loan of $100,000* or 75% of project cost.
- Communities with population of less than 35,000.
Housing Flexibility & Mobility
Federal Tax Credits

Low-Income Housing Tax Credit
Incentives for the production or rehabilitation of affordable rental housing.

- All units targeted for households at or below 60% of area median income.
- Eligible projects include New Construction, Acquisition and Substantial Rehabilitation, and Adaptive Reuse.
- Typically provides funding for about 65% of development costs.
- Very competitive and requires an experienced entity.
- Typically used to develop housing for special populations including chronically homeless, senior requiring supportive services.
- Annual application round; applications due the last business day of September.

National Housing Trust Fund
Increase and preserve the supply of rental housing for extremely low and very low income families, including homeless families.

- All units targeted for households at or below 30% area median income.
- Eligible activities include acquisition, new construction, reconstruction, and/or rehabilitation.
- Typically used with the Federal Low Income Housing Tax Credit program.
- Annual application round; applications due the last business day of September.
Housing Incentive Fund

Legislatively authorized state funding to encourage developers to set-aside some or all of their rental units for low to moderate income households.

- New construction of multifamily rental housing.
- Substantial rehab of existing uninhabitable residential buildings.
- Substantial rehabilitation of a project that is at risk of becoming uninhabitable/obsolete because of age and deterioration.
- Adaptive reuse of existing non-residential buildings.
- Acquisition and rehabilitation of existing HUD or USDA affordable housing where the current owner is opting out of their federal contract.
- Retire debt and convert market rate units to income and rent restricted units.
- Purchase, by private entity, existing publicly-owned essential service worker housing.
Life & Home Changes
NDHFA Funded Grants

Helping HAND
- Grant dollars made available to nonprofit organizations to support single family rehabilitation programs.

Rehab Accessibility Program (RAP)
Grant program to address accessibility in single or multifamily properties occupied by low-income individuals with physical disabilities.
- Grant covers 75% of project costs not to exceed $4,000.
- Household must meet income eligibility requirements.