

STATE OF NORTH DAKOTA
NEIGHBORHOOD STABILIZATION PROGRAM
SUBSTANTIAL AMENDMENT

<p>Jurisdiction(s): <u>State of North Dakota</u></p> <p>Jurisdiction Web Address: (www.ndcommunityservices.com)</p>	<p>NSP Contact Person: Bonnie Malo Address: 1600 E. Century Ave., Ste. #2 PO Box 2057 Bismarck, ND 58502-2057 Telephone: (701) 328-2476 Fax: (701) 328-2308 Email: bmalo@nd.gov</p>
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A. AREAS OF GREATEST NEED

Provide summary needs data identifying the geographic areas of greatest need in the grantee’s jurisdiction.

Note: An NSP substantial amendment must include the needs of the entire jurisdiction(s) covered by the program; states must include the needs of communities receiving their own NSP allocation. To include the needs of an entitlement community, the State may either incorporate an entitlement jurisdiction’s consolidated plan and NSP needs by reference and hyperlink on the Internet, or state the needs for that jurisdiction in the State’s own plan. The lead entity for a joint program may likewise incorporate the consolidated plan and needs of other participating entitlement jurisdictions’ consolidated plans by reference and hyperlink or state the needs for each jurisdiction in the lead entity’s own plan.

HUD has developed a foreclosure and abandonment risk score to assist grantees in targeting the areas of greatest need within their jurisdictions. Grantees may wish to consult this data, in developing this section of the Substantial Amendment.

Narrative Response: **the State of North Dakota’s target areas for the Neighborhood Stabilization Program were developed pursuant to the Housing and Economic Recovery Act of 2008 as outlined below:**

- **Greatest percentage of home foreclosures;**
- **Highest percentage of homes financed by subprime mortgage related loans; and**
- **Areas identified as the most likely to face a significant rise in the rate of home foreclosures.**

Based on NSP established criteria, North Dakota's primary targets will be our Community Development Block Grant Entitlement Cities. North Dakota's three entitlement cities are Fargo, Bismarck, and Grand Forks. Our secondary targets include the cities and surrounding areas of Minot, West Fargo, Mandan, Jamestown, Dickinson, Williston, Grafton, Wahpeton, Lincoln, Devils Lake, Valley City, Casselton, and the four Indian Reservations. These targets were selected based on limited available data and the short timeline available to draft this Substantial Amendment. Therefore, the State will consider expanding its targeted areas to include other areas as more data becomes available.

North Dakota utilized the Local Level Foreclosure Data provided by the Department of Housing and Urban Development:

http://www.huduser.org/publications/commdevl/nsp_foreclosure_data.html

Where possible, we used sub-prime loan data compiled from the Federal Reserve Bank (as of March 2008); the most recent data from RealtyTrac.com; and foreclosure needs scores from HousingPolicy.org (<http://www.housingpolicy.org/foreclosure-response.html>) to validate the HUD provided Local Level Data.

Primary Target Areas:

In reviewing the data for North Dakota's three entitlement cities (Fargo, Grand Forks, and Bismarck), it was determined that they are the cities with the greatest needs. These three cities had 41% of all foreclosed homes in North Dakota (Source: RealtyTrac, October 9, 2008). They also had 42.1% of the state's 5559 sub-prime loans (Source HUD Local Level Foreclosure Data 2004-2006). With 42% of the state's sub-prime loans and 41% of the states foreclosures, it is our belief that these are also the areas most likely to face a significant rise in the rate of home foreclosures.

Secondary Target Areas:

Our secondary targets were determined using the same data analysis as we did with the above primary targets. These secondary targets accounted for 39.9% of the state's foreclosures and 37% of the sub-prime loans (Source: HUD Local Level Foreclosure Data 2004-2006). These areas have the potential of seeing a significant rise in the rate of home foreclosures. Foreclosures are highly likely in many of North Dakota's smaller communities that are located on or near our four Indian Reservations because of the high unemployment rate which varies between 8.1 % and 13.1 % (Source: HUD Foreclosure Data 2004-2006).

B. DISTRIBUTION AND USES OF FUNDS

Provide a narrative describing how the distribution and uses of the grantee's NSP funds will meet the requirements of Section 2301(c) (2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a sub-prime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures. *Note:* The grantee's narrative must address these three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

Narrative Response:

Based on the State’s analysis, the primary and secondary targets previously listed meet all three stipulated need categories. It is expected that most of the NSP funds will be used in these target areas and uses will be described in section G.

One year after the award from HUD, North Dakota will consider using un-obligated NSP funds to expand to other areas and/or to complete other projects if warranted by future needs analysis.

North Dakota is requesting the full amount allowed by the Housing and Economic Recovery Act of 2008 (HERA) - \$19,600,000. North Dakota will use HERA allowed grant funds for administration and program delivery costs, which includes monitoring projects for period of affordability of up to 20 years. These costs are not included in the listed project activities in section G.

C. DEFINITIONS AND DESCRIPTIONS

(1) Definition of “blighted structure” in context of state or local law.

Narrative Response:

According to the North Dakota Century Code, the term blighted structure shall include, without limitation, any dwelling, garage, or outbuilding, or any factory, shop, store, warehouse or any other structure or part of a structure which, because of fire, wind, or other natural disaster, or physical deterioration, 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.

(2) Definition of “affordable rents.” *Note:* Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program –specific requirements such as continued affordability.

Narrative Response:

Affordable rents are defined as equal to those rents identified as Fair Market Rents (FMRs), which are determined annually by HUD. FMRs will vary from location to location across North Dakota. All sub-recipients will be required to use HUD published FMRs.

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

Narrative Response:

North Dakota will ensure affordability for NSP assisted housing by using HOME program rules listed at 24 CFR 92.254. The State will require that a Land Use Restriction Agreement or a Deed Restriction be placed on NSP assisted properties dictating affordability in the following manner:

NSP assistance per unit	Minimum period of affordability in years
Under \$15,000	5
\$15,000-\$40,000	10
Over \$40,000	15
New Construction	20

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

Narrative Response:

HUD’s Housing Quality Standards (HQS) will be utilized on all NSP projects to ensure that the housing is safe and sanitary. In many cases, local building codes will dictate a standard that improves upon HQS, and all NSP related work will be compliant with the International Building Code.

D. LOW INCOME TARGETING

Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income: **\$4,900,000**.

Note: At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income.

Narrative Response:

It is anticipated that at least 30% of NSP funds will be used to assist households at or below 50% of Area Median Income (AMI). We anticipate that the majority of funds set aside for rental housing will benefit households at or below 50% of AMI. In providing homeownership opportunities, we will target, to the maximum extent practicable, households that are at or below 50% of AMI.

E. ACQUISITIONS & RELOCATION

Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e., = 80% of area median income).

If so, include:

The number of low- and moderate-income dwelling units—i.e., = 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.

The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., = 120% of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).

The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.

Narrative Response: North Dakota will not demolish or convert properties that are occupied therefore, our exposure to relocation expenses should be eliminated.

Activity	Low Income (=or <50% AMI)	Moderate (51%-80% AMI)	Middle Income (81%-120% AMI)
Acquisition/Rehabilitation/ Sale of properties	7	18	53
Demolition	0	0	12
Redevelopment	161	63	28
Land Banking	0	0	0
Other	0	0	0

F. PUBLIC COMMENT

Provide a summary of public comments received to the proposed NSP Substantial Amendment.

Narrative Response:

TO BE ADDED AFTER PUBLIC COMMENT ENDS!

G (1). NSP INFORMATION BY ACTIVITY

- (1) Activity Name: **City of Fargo Purchase Rehabilitation Program (Primary Target Area)**
- (2) Activity Type: **The activity will include the purchase and rehabilitation of foreclosed or abandoned properties within the City of Fargo. The NSP eligible use is purchase and rehabilitation under §2301(c)(3)(B) of the Housing and Economic Recovery Act. This activity correlates with the CDBG eligible activities of acquisition and disposition.**

- (3) **National Objective: The NSP activity will benefit low, moderate and middle income persons (LMMI) as defined in the Neighborhood Stabilization Program notice. The households that benefit from the program funds must earn equal to or less than 120% of the area median income.**
- (4) **Projected Start Date: February 1, 2009**
- (5) **Projected End Date: June 30, 2010**
- (6) **Responsible Organization: The City of Fargo’s Department of Planning and Development will implement the NSP Purchase Rehabilitation activity, 200 North 3rd Street, Fargo, ND 58102, 701-241-1474 or planning@cityoffargo.com**
- (7) **Location Description: Properties receiving assistance under this activity will be located within the limits of the City of Fargo.**
- (8) **Activity Description: The NSP Purchase Rehabilitation activity will involve the purchase and rehabilitation of foreclosed, vacant or abandoned properties. Also included will be the sale of these properties to income eligible homeowners, generating program income. Sale of the properties will be to homeowners whose incomes are at or below 120% of the area median income. Where no appropriate homebuyer is available, the home could be rented to a low-moderate-middle income household at an affordable rent, with a preference given to a rent-to-own arrangement. To ensure long term affordability, HOME affordability rules will be applied through the application of a land use restriction agreement (LURA) on each assisted property. The LURA duration will be 15 years from the time the property is purchased by the benefiting household. It is important to note that the NSP Purchase Rehabilitation activity will complement Fargo’s Neighborhood Revitalization Initiative that has been successfully assisting households to rehabilitate their homes and improve surrounding neighborhoods.**

I. Total Budget: All funds are NSP funds for this activity.

Purchase 18 eligible properties at an average of \$120,000 each	\$2,160,000
Rehabilitation for 18 properties at an average of \$40,000 each	\$720,000
Total NSP Expenditures	\$2,880,000
Sale of 18 Properties at an average of \$125,000 each	\$2,160,000
Total Program Income	\$2,160,000

J. Performance Measures:

50% and below AMI	51%-80% AMI	81%-120% AMI
0	6	12

G (2). NSP INFORMATION BY ACTIVITY

(1) Activity Name: **City of Fargo Infill (Primary Target Area)**

(2) Activity Type: **The NSP Infill activity will include the acquisition and demolition of foreclosed, vacant or abandoned property to make way for new housing that will benefit households earning 50% AMI or less. The NSP eligible use includes *purchase and rehabilitation* under §2301(c)(3)(B), and demolition under §2301(c)(3)(D) of the Housing and Economic Recovery Act. This activity correlates with the CDBG eligible activities of *acquisition and disposition* under 24 CFR 570.201 and clearance under 24 CFR 570.201(d).**

(3) National Objective: **The NSP Infill activity will benefit low income persons as defined in the Neighborhood Stabilization Program notice. The households that benefit from the program funds must earn equal to or less than 50% of the area median income.**

(4) Projected Start Date: **February 1, 2009**

(5) Projected End Date: **June 30, 2010**

(6) Responsible Organization: **The City of Fargo’s Department of Planning and Development will implement the NSP Purchase Rehabilitation activity, 200 North 3rd Street, Fargo, ND 58102, 701-241-1474 or planning@cityoffargo.com**

(7) Location Description: **Properties receiving assistance under this activity will be located within the limits of the City of Fargo.**

(8) Activity Description: **The purpose of the Infill program is to establish a mechanism for purchasing and demolishing foreclosed and vacant properties to provide housing for persons at or below 50% of the area median income. The funds to create the new housing will be used promptly. In addition to NSP funding, financing the purchase and redevelopment of the vacant properties will come from Low Income Housing Tax Credits, HOME grants, community/foundation grants, donations, and bank loans. To ensure long term affordability, HOME affordability rules will be applied with a land use restriction agreement (LURA) that will be recorded on each assisted property.**

I. Total Budget: **All funds are NSP funds for this activity.**

1 property at \$800,000 – 80 rental units for low income seniors. Developer–Beyond Shelter, Inc. Total project cost – \$8 million	\$800,000
1 property at \$500,000 – 12 housing units for homeless veterans. Developer – Centre, Inc. Total project cost – \$1.2 million	\$500,000
3 owner-occupied workforce housing units Developer – Habitat for Humanity & NRI School District Partnership Total project cost – \$140,000 per unit, \$420,000 total	\$420,000
Total NSP Expenditures	\$1,720,000

J. Performance Measures:

50% and below AMI	51%-80% AMI	81%-120% AMI
95	0	0

G (3). NSP INFORMATION BY ACTIVITY

(1) Activity Name: **NSP Homebuyer Assistance (Primary Target Area)**

(2) Activity Type: **The Homebuyer Assistance activity will provide risk mitigation services and encourage homeownership by offering down payment assistance and require homebuyer education and counseling to households at or below 120% of area median income. The NSP eligible use is as a *financing mechanism* under §2301(c)(3)(A) of the Housing and Economic Recovery Act. This activity correlates with the CDBG eligible activity of *direct homeownership assistance* under 24 CFR 570.201**

(3) National Objective: **The Homebuyer Assistance activity will benefit middle income persons as defined in the Neighborhood Stabilization Program notice. The households that benefit from the program funds must earn equal or less than 120% of the area median income. It should be noted that the proposed activity complements an existing homebuyer assistance program with the City of Fargo where funding is available to households earning 80% AMI and below.**

(4) Projected Start Date: **February 1, 2009**

(5) Projected End Date: **June 30, 2013**

(6) Responsible Organization: **The City of Fargo’s Department of Planning and Development will implement the NSP Homebuyer Assistance activity, 200 North 3rd Street, Fargo, ND 58102, 701-241-1474 or planning@cityoffargo.com**

(7) Location Description: **Households receiving assistance under this activity will be within the limits of the City of Fargo.**

(8) Activity Description: **The NSP Homebuyer Assistance activity includes assisting households with down payment, closing cost, homebuyer education and counseling for the purchase of property that has been foreclosed upon, abandoned or vacated. The assistance will include \$5,000 for down payment, closing costs and 8 hours of homebuyer education and counseling. A total of 33 households will be eligible to receive the assistance, which will be targeted to NSP eligible activities.**

(9) Total Budget:

33 Households will receive \$5,000 in assistance	\$165,000
8 hours of homebuyer education training	\$6,600
Total NSP Expenditures	\$171,600

J. Performance Measures:

50% and below AMI	51%-80% AMI	81%-120% AMI
0	0	33

G (4). ***NSP INFORMATION BY ACTIVITY***

(1) Activity Name: **City of Grand Forks Acquisition, Rehabilitation, and Resale of Foreclosed/Abandoned Homes to LMMI Households - (Primary Target Area)**

(2) Activity Type: **24 CFR 570.201(a), (b), (n) Acquisition, Disposition, Direct Homeownership Assistance to include Housing Counseling; 24 CFR 570.202 Eligible Rehabilitation & Preservation Activities**

(3) National Objective: **Benefit low, moderate and middle income persons, as defined in the NSP Notice.**

(4) Projected Start Date: **February 1, 2009**

(5) Projected End Date: **August 1, 2010 (First Phase)**

(6) Responsible Organization: **City of Grand Forks, Office of Urban Development**

(7) Location Description: **Properties receiving assistance under this activity will be located within the limits of the City of Grand Forks (mainly within census tracts 101, 104, 106, 107)**

(8) Activity Description: **The City of Grand Forks will acquire foreclosed and/or abandoned properties from owners willing to sell the properties at a discount of 15% below market value. Based on local market conditions, it is anticipated that 1) the market value of acquired properties will average \$100,000; 2) up to \$25,000 per unit will be used to ensure that these properties are decent, safe, and sanitary. The City anticipates contracting with Red River Valley Community Action to provide rehabilitation services. Following rehabilitation, properties will be marketed by the City for sale to LMMI owners. Buyer eligibility, assistance and period of affordability will mirror existing City homeownership assistance programs. Buyers will be required to complete 8 hours of homebuyer education to be provided by the Grand Forks Housing Authority; a HUD-approved housing counseling agency. Program income from sales (prior to July 2013) will be targeted to this and/or other NSP-eligible activities.**

I. Total Budget: **\$880,000 (Acquisition: \$680,000; Rehabilitation/Resale: \$200,000)**

Purchase 8 properties at an average of \$85,000 each	\$680,000
Rehabilitation for 8 properties at an average of \$25,000 each	\$200,000
Total NSP Expenditures	\$880,000

J. Performance Measures:

50% and below AMI	51%-80% AMI	81%-120% AMI
0	0	8

G (5). NSP INFORMATION BY ACTIVITY

- (1) Activity Name: **City of Grand Forks Downtown SRO - (Primary Target Area)**
- (2) Activity Type: **New Construction per Housing & Economic Redevelopment Act 2008, Section II, Subsection H(3)(c) or 24 CFR 570.201(c) Public Facilities.**
- (3) National Objective: **Benefit low, moderate and middle income persons, as defined in the NSP Notice.**
- (4) Projected Start Date: **Spring 2010 (start of construction)**
- (5) Projected End Date: **Fall 2011 (initial occupancy)**
- (6) Responsible Organization: **City of Grand Forks, Office of Urban Development**
- (7) Location Description: **Downtown Grand Forks (CT 101 or 106)**
- (8) Activity Description: **The City of Grand Forks will develop an SRO facility to provide permanent housing for individuals at or below 50% AMI. Facility will be approximately 21,000 s.f. on 3 floors, consisting of 24 housing units plus ancillary space. Project will be located downtown in proximity to Northlands Rescue Mission. Long-term facility management will be provided by the Grand Forks Housing Authority who will coordinate housing assistance, tenant referrals and supportive services. Project will implement a key component of Grand Forks' 10-Year Plan to End Long-term Homelessness.**

I. Total Budget: **\$4,000,000**

Construct 24 SRO units	\$4,000,000
Total NSP Expenditures	\$4,000,000

J. Performance Measures:

50% and below AMI	51%-80% AMI	81%-120% AMI
24	0	0

G (6). NSP INFORMATION BY ACTIVITY

(1) Activity Name: **City of Bismarck Purchase, Rehabilitation, and Sale of Homes (Primary Target Area)**

(2) Activity Type: **2301 (c) (3) (B) Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties;**

(3) National Objective: **Benefit low, moderate and middle income persons, as defined in the NSP Notice.**

(4) Projected Start Date: **February 2009**

(5) Projected End Date: **February 2013**

(6) Responsible Organization: City of Bismarck
 Planning & Development Dept.
 221 North 5th Street
 PO Box 5503
 Bismarck, ND 58506-5503
 Contact: Susan Redman (701) 355-1847 sredman@nd.gov

(7) Location Description: **throughout the community with priority given to LMMI eligible areas and Census Tracts with the highest number of foreclosures or projected foreclosures**

(8) Activity Description: **Foreclosed/abandoned residential properties will be acquired and rehabilitated. The City will work with local nonprofit organizations, such as Habitat for Humanity and CommunityWorks, in order to provide these homes to income eligible households at an affordable price. Discount rate will follow NSP regulations. Budget includes the development of financing mechanisms.**

Total Budget: \$735,000

Purchase, Rehabilitation, and sell 6 homes @ \$122,500	\$735,000
Total NSP Expenditures	\$735,000

J. Performance Measures:

50% and below AMI	51%-80% AMI	81%-120% AMI
2	2	2

G (7). NSP INFORMATION BY ACTIVITY

- (1) Activity Name: **City of Bismarck Demolition of Blighted Properties (Primary Target Area)**
- (2) Activity Type: **2301 (c) (3) (D) demolish blighted structures 24 CFR 570.201(d) Clearance, for blighted structures only**
- (3) National Objective: **Benefit to low, moderate, & middle income persons. Activity will take place in only LMMI eligible locations. Subsequent development will benefit LMMI households.**
- (4) Projected Start Date: **February 2009**
- (5) Projected End Date: **February 2013**
- (6) Responsible Organization: City of Bismarck Planning & Development Dept.
221 North 5th Street
PO Box 5503
Bismarck, ND 58506-5503
Contact: Susan Redman (701) 355-1847 sredman@nd.gov
- (7) Location Description: **LMMI eligible areas in the City**
- (8) Activity Description: **Bismarck will demolish 1 to 2 structures that are deemed to be of significant danger to the life, health, property, or safety of the occupants or the public.**

I. Total Budget: **\$60,000**

Demolish one to two units	\$60,000
Total NSP Expenditures	\$60,000

J. Performance Measures:

50% and below AMI	51%-80% AMI	81%-120% AMI
0	0	2

G (8). NSP INFORMATION BY ACTIVITY

- (1) Activity Name: **City of Bismarck Redevelopment. (Primary Target Area)**
- (2) Activity Type: **2301 (c) (3) (E) redevelop demolished or vacant properties including new housing construction.**
- (3) National Objective: **Benefit low, moderate, & middle income persons.**

(4) Projected Start Date: **February 2009**

(5) Projected End Date: **February 2013**

(6) Responsible Organization: Bismarck Planning & Development Dept.
221 North 5th Street
PO Box 5503
Bismarck, ND 58506-5503
Contact: Susan Redman (701) 355-1847 sredman@nd.gov

(7) Location Description: **community wide with priority given to projects located in LMMI eligible areas and areas with a high rate of high cost mortgages or projected foreclosure.**

(8) Activity Description: **Funds will be used to construct permanent residential structures (1 or 2 projects/12 to 36 rental units for LMI households); construct new owner-occupied housing (Habitat -1 unit); and develop public facilities which will be operated by nonprofits and will serve LMI and homeless persons. This activity may also includes funding for homebuyer training and down payment and closing cost assistance for qualified LMMI households (estimated 5 households) who are purchasing houses that have been foreclosed.**

I. Total Budget: **\$1,205,000**

\$760,000: 12 units (1 bedroom) BCHA project; matching funds include \$530,000 of owner investment/BCHA & \$300,000/HOME funds	\$760,000
\$81,000: 35 transitional housing for families	\$81,000
\$300,000: tax credit project (24 units);	\$300,000
\$54,000: construction of single family house/Habitat; estimated \$50,000 match	\$54,000
\$10,000: homebuyer training and down payment/closing cost assistance	\$10,000
Total NSP Expenditures	\$1,205,000

J. Performance Measures:

50% and below AMI	51%-80% AMI	81%-120% AMI
12	35	24

G (9). NSP INFORMATION BY ACTIVITY

- (1) Activity Name: **North Dakota Statewide Purchase/Rehabilitation and Homebuyer Assistance Program - (See Secondary Target Area)**
- (2) Activity Type: **Purchase/Rehabilitation and Direct Homeownership Assistance per Housing & Economic Redevelopment Act 2008, Section II, Subsection H (3)(b).**
- (3) National Objective: **Benefit low, moderate and middle income persons, as defined in the NSP Notice.**
- (4) Projected Start Date: **February 1, 2009**
- (5) Projected End Date: **June 30, 2013**
- (6) Responsible Organization: **North Dakota Housing Finance Agency**
- (7) Location Description: **Project activities will take place in various locations of need in North Dakota.**
- (8) Activity Description: **As of October 28, 2008, according to RealtyTrac, the area of North Dakota outside of the three entitlement cities has an inventory of 185 foreclosed properties with a total value of over \$14 million.**

There are 2,833 subprime loans in North Dakota as of March 2008. Of these, 314 are in seriously delinquent (SD) status (90 days or more delinquent, in foreclosure, or in REO) representing 11.10 percent of the total subprime loans in North Dakota. One hundred and five of these SD loans are concentrated in 12 areas (zip codes) representing a SD rate of 18.12 percent in those areas. These 12 areas would be likely to face a significant rise in home foreclosures.

Foreclosed homes will be purchased and rehabilitated using NSP funds. Homes will be sold to households at or below 120 percent of the area median. The affordability periods will be in accordance with HOME program guidelines, and will be enforced through second lien documents (mortgages or land use restrictive agreements).

The sale price will be set below the total cost to purchase and rehabilitate the unit. All homes will be listed with local realtors for sale.

Discount rate: NDHFA will purchase properties at an average of a 10 percent discount using a methodology taking into account the carrying costs of the property owner.

Financing Activities: LMMI buyers of the NSP properties will finance the purchase of the homes utilizing loan programs offered by local lenders. Expected interest rates will range from five percent to seven percent.

I. Total Budget: **\$4,460,800**

Purchase/ rehabilitation/sale of 34 abandoned/foreclosed properties @ \$131,000 each	\$4,454,000
Provide housing counseling to 34 households 34@\$200	\$6,800
Total NSP Expenditures	\$4,460,800

J. Performance Measures:

50% and below AMI	51%-80% AMI	81%-120% AMI
5	10	19

G (10). NSP INFORMATION BY ACTIVITY

- (1) Activity Name: **North Dakota Statewide - (See Secondary Target Area)**
- (2) Activity Type: **\$2301(c)(3)(b) &(e) Redevelop demolished or vacant properties.**
- (3) National Objective: **Benefit low, moderate and middle income persons, as defined in the NSP Notice.**
- (4) Projected Start Date: **February, 2009**
- (5) Projected End Date: **June 30, 2013**
- (6) Responsible Organization: **North Dakota Housing Finance Agency**
- (7) Location Description: **Throughout the secondary areas of need in North Dakota.**
- (8) Activity Description: **Redevelop vacant properties to create 30 units of senior housing, 28 units of low income rental housing, and construct 4 single family homes for low, moderate, and middle income (LMMI) households. Most of these units will be constructed through a partnership with Lutheran Social Services, the City of West Fargo, and Habitat for Humanity, and CommunityWorks North Dakota. Homes sold will be sold at prices and financed to remain affordable to the LMMI families.**

I. Total Budget: **\$1,500,000**

Construct 62 multifamily housing units	\$1,500,000
Total NSP Expenditures	\$1,500,000

J. Performance Measures:

50% and below AMI	51%-80% AMI	81%-120% AMI
30	28	4

G (11). NSP INFORMATION BY ACTIVITY

- (1) Activity Name: **North Dakota Statewide - (See Secondary Target Area)**
- (2) Activity Type: **§2301(c)(3)(d) Demolish blighted properties**
- (3) National Objective: **Benefit low, moderate and middle income persons, as defined in the NSP Notice.**
- (4) Projected Start Date: **February, 2009**
- (5) Projected End Date: **June 30, 2013**
- (6) Responsible Organization: **North Dakota Housing Finance Agency**
- (7) Location Description: **Throughout the Secondary Target Area in North Dakota.**
- (8) Activity Description: **Demolish blighted properties that poses health and safety issues in targeted areas.**

I. Total Budget: **\$200,000**

Demolish 10 properties @ \$20,000 each	\$200,000
Total NSP Expenditures	\$200,000

J. Performance Measures:

50% and below AMI	51%-80% AMI	81%-120% AMI
0	0	10

G (12). NSP INFORMATION BY ACTIVITY

- (1) Activity Name: **North Dakota Other Activities- (See Secondary Target Area)**
- (2) Activity Type: **§2301(c) (3) (a, b, c, d & e) All eligible NSP Activities**
- (3) National Objective: **Benefit low, moderate and middle income persons, as defined in the NSP Notice.**
- (4) Projected Start Date: **February, 2009**
- (5) Projected End Date: **June 30, 2013**
- (6) Responsible Organization: **North Dakota Housing Finance Agency**
- (7) Location Description: **Throughout the Secondary Target Area in North Dakota.**

(8) Activity Description: **Other eligible activities which may be funded with un-obligated funds or other program income. These are possible projects that were not funded because of limited NSP allocation to North Dakota.**

I. Total Budget: **Estimated additional need \$22,103,600**

Unfunded Activity	Need
Financing mechanism	\$529,000
Purchase, rehabilitate, sale of homes	\$3,659,000
Demolish blighted structures	\$630,000
Redevelop demolished or vacant properties	\$17,285,000
Establish land bank for foreclosed homes	\$0
TOTAL ADDITIONAL NEED	\$22,103,600

CERTIFICATIONS

- (1) **Affirmatively furthering fair housing.** The jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
- (2) **Anti-lobbying.** The jurisdiction will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
- (3) **Authority of Jurisdiction.** The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
- (4) **Consistency with Plan.** The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.
- (5) **Acquisition and relocation.** The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.
- (6) **Section 3.** The jurisdiction will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- (7) **Citizen Participation.** The jurisdiction is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.
- (8) **Following Plan.** The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.
- (9) **Use of funds in 18 months.** The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.
- (10) **Use NSP funds = 120 of AMI.** The jurisdiction will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income.

- (11) **Assessments.** The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed 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. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.
- (12) **Excessive Force.** The jurisdiction certifies that it has adopted and is enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and (2) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from, a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.
- (13) **Compliance with anti-discrimination laws.** The NSP grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.
- (14) **Compliance with lead-based paint procedures.** The activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.
- (15) **Compliance with laws.** The jurisdiction will comply with applicable laws.

Signature/Authorized Official

Date

Title