2015 North Dakota Annual Action Plan
for Housing and Community Development

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I. EXECUTIVE SUMMARY

A. INTRODUCTION

The Action Plan is that portion of the Consolidated Plan that is prepared each year as the grant application for the CDBG, HOME, and ESG programs. The purpose of the Action Plan is to identify the various federal and state resources that might be expected to be available to address the priority housing and non-housing community development needs and objectives in the Strategic Plan section of the Consolidated Plan. In addition, the Action Plan describes how funds will be distributed through the CDBG, HOME, and ESG programs; the activities planned for homeless and other special needs persons; other actions required by HUD; and the short-term non-housing objectives for each planning region in the state. The Action Plan contains only summaries of the CDBG, HOME, and ESG programs.

B. CITIZEN PARTICIPATION SUMMARY

North Dakota’s Department of Commerce began gathering information for the 2015 Annual Action Plan by offering the public and stakeholders various opportunities to comment on the development of the 2015-2019 Consolidated Plan and Annual Action Plan. There were eight regional public input opportunities. These took place in November, 2014.

An additional public input meeting was held once the draft Plan had been released. This meeting was held on April 15 in Bismarck, ND. The Citizen Participation Plan is included in Appendix A.

C. 2015 ANNUAL ACTION PLAN SUMMARY

The State of North Dakota is required by the U.S. Department of Housing and Urban Development (HUD) to prepare an Action Plan for Housing and Community Development annually. Timely completion of the Plan in a HUD-acceptable format helps ensure continued funding of housing and community development activities throughout the state. Beginning in 2014, the State of North Dakota prepared its Five-Year Consolidated Plan, covering the program years 2015 – 2019. This Consolidated Plan contains information about demographic, economic, and housing market trends in the state; analysis of statewide affordable housing needs; findings from the citizen participation process; and an analysis of the needs of special populations.

The following represents the first year of that five year plan, the 2015 One-Year Action Plan for allocating the state’s federal block grant funds to address housing and community development needs. In order to make the document more informative for citizens and more useful for policy makers and those engaged in the production of affordable housing, the document describes actions and activities to be undertaken with resources beyond the
federal grant programs and by organizations other than those administering the federal grant programs. It is intended to represent a comprehensive Action Plan for affordable housing and community development activities statewide. The goals and activities identified here can by no means be accomplished through the use of the federal grant programs alone. Where possible, the plan specifies those actions or activities that are expected to be undertaken with other resources as well as the related outcomes expected to be achieved.

D. EVALUATION OF PAST PERFORMANCE

NDDOC’s evaluation of its past performance has been completed in a thorough Consolidated Annual Performance and Evaluation Report (CAPER). These documents state the objectives and outcomes identified in each year’s Annual Action Plan and includes an evaluation of past performance through measurable goals and objectives compared to actual performance. These documents can be found on NDDOC’s website at:

http://www.communityservices.nd.gov/communitydevelopment/ConsolidatedPlan/
II. ANNUAL ACTION PLAN DEVELOPMENT PROCESS

A. LEAD AGENCY AND ADMINISTERING AGENCIES

The North Dakota Department of Commerce, Division of Community Services, is designated as the lead agency for developing, implementing, monitoring, and reporting on the achievements of the Consolidated Plan. Other entities that play a key role in the implementation of the Plan are the state’s eight Regional Planning Councils, seven Community Action Agencies, Community Development Housing Organizations, non-profits, the North Dakota Housing Finance Agency, Cass County Housing Authority, Stutsman County Housing Authority, and the cities of Bismarck and Grand Forks.

B. CONSULTATION AND COORDINATION

When preparing the Consolidated Plan, consultation is made with public and private agencies that provide housing, health and social services. State health and child welfare agencies are also consulted concerning lead-based paint hazards.

The system in place to implement the CDBG, HOME, and ESG programs is well established and permits the opportunity for close coordination to identify needs and to employ the available resources. The CDBG program is well coordinated through the eight Regional Planning Councils, each receiving an allocation with which to fund economic development, housing, and public facilities projects. They in turn coordinate with various housing groups, the Public Housing Authorities, local economic developers, and state agencies to use CDBG funds to fund the most cost effective and low-income targeted projects. In addition, since the Division of Community Services is located in the North Dakota Department of Commerce, the staff is able to have daily coordination with the North Dakota Economic Development and Finance division in funding economic development projects. The Community Action Agencies are intricately involved in the implementation of the HOME program, and both coordinate housing projects with the Regional Councils. As indicated in the affordable housing goals, some Councils are partnering with Community Action Agencies to assist with lead-based paint requirements. In addition, the North Dakota Housing Finance Agency is provided a set-aside from the HOME program to assist low-income families in accessing housing. The HOME program also coordinates closely with the entitlement cities of Grand Forks and Bismarck to address their local low-income housing needs. The ESG program works very closely with the 25 shelters in the state and the North Dakota Homeless Coalition to identify and address the needs of the homeless and the chronic homeless. At the present time we do not believe that the system has any gaps that need to be addressed.

Consultation with Local Governments

The State has or will comply with the following:

1. It has consulted with affected units of local government in the non-entitlement
area of the State in determining the method of distribution of funding;

2. It engages in or will engage in planning for community development activities;

3. It provides or will provide technical assistance to units of local government in connection with community development programs; and

4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

C. EFFORTS TO ENHANCE CITIZEN INVOLVEMENT

Public involvement began in August 2014 and extended over a period of several months. Three key steps were taken in the involvement process. One was the implementation of three focus group meetings involving experts in housing and community development issues for the state of North Dakota, another was 8 Regional Council meetings, with one held in each region, and the other was a set of public input meetings during which citizens were provided the opportunity to offer feedback and input regarding the Consolidated Plan.

Three focus groups were held in early January of 2015 with the purpose of drawing upon the expert knowledge of stakeholders and their thoughts on barriers and constraints encountered in North Dakota’s housing and community development arena. These focus groups were designed around three key topic areas: affordable housing, homelessness and infrastructure. These meetings allowed key stakeholders and statewide leaders the opportunity to explore the depth of the respective housing and community development barriers and uncover creative solutions to emerging problems.

The eight regional meetings were held in November 2014 and drew feedback from each regional entity. An additional public input meeting was held on February 26, 2015 at the 2015 Housing Conference to elicit feedback from the preliminary information obtained during the Plan development process. The draft report for public review was released on March 27, 2015, which initiated a 30-day public review period. One public presentation of the draft was made in Bismarck on April 15, 2015.

The 2014 Housing and Community Development Survey was designed to incorporate feedback from both community leaders and the public into the planning process. The survey included a variety of questions asking respondents to rate the need for various housing and community development activities throughout the state. The survey was available online and a total of 165 responses were received statewide.
D. ACTIONS TO BE TAKEN TO ENHANCE THE INSTITUTIONAL STRUCTURE AND ITS COMMUNICATION

At this time we have no specific plans to enhance coordination. The CDBG program has been implemented for 32 years in the state, and the system in place provides for more than enough coordination, especially when considering the limited funds available and the continued high demands for housing rehabilitation, public facilities, and economic development. If more funds become available, some additional things might be possible, but for now the system for coordination is more than adequate. This also applies to the HOME program which has been in place for 22 years, and the ESG program which has been in place for 27 years. Working together we are very successful in identifying needs. The problem is the lack of funds to address the needs. Every entity involved in the implementation of the Plan does everything in its power to assure that funds are targeted to the most beneficial projects and to the most needy households and individuals.
II. Annual Action Plan Development Process
III. ALLOCATING HOUSING AND COMMUNITY DEVELOPMENT RESOURCES

A. OVERVIEW OF AVAILABLE RESOURCES

With North Dakota Department of Commerce as the lead agency overseeing development, numerous state and federal programs support the implementation of the state’s Consolidated Plan. Interagency cooperation and coordination of state, federal, and local agencies and organizations is critical to the success of many projects. The following summaries describe programs supporting the overall implementation of North Dakota’s Consolidated Plan with respect to affordable housing, public facilities, economic development, and homelessness.

B. FEDERAL RESOURCES

HUD Formula Grants

The State of North Dakota receives annual funding from three HUD formula grant programs:

- CDBG Program, administered by Department of Commerce, Division of Community Services (DCS);
- HOME Program, administered by Department of Commerce, Division of Community Services (DCS);
- ESG Program, administered by Department of Commerce, Division of Community Services (DCS).

The State is also part of a tri-state program what receives HOPWA funding. Tri-State Housing Environment for Living Positively (HELP) administers this program for Montana, North Dakota and South Dakota.

Community Development Block Grant (CDBG) Program

The Community Development Block Grant (CDBG) program is a flexible program that provides communities with resources to address a wide range of unique community development needs. Beginning in 1974, the CDBG program is one of the longest continuously run programs at HUD. The CDBG program provides annual grants on a formula basis to 1209 general units of local government and States.

The Community Services Division of North Dakota Department of Commerce administers the CDBG Program. The allocation from HUD for the State CDBG Program in North Dakota for 2015 is $3,609,246. Table III.1, on the following page, shows this allocation.
III. Allocating Housing and Community Development Resources

Table III.1
2015 CDBG Funding
State of North Dakota
NDDOC

<table>
<thead>
<tr>
<th>CDBG funding</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Total FY 2015 Allocation</td>
<td>$3,609,246</td>
</tr>
<tr>
<td>Program Income</td>
<td>$1,700,000</td>
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<tr>
<td>Prior Year Resources</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$5,309,246</strong></td>
</tr>
</tbody>
</table>

HOME Investment Partnerships (HOME) Program

The HOME Investment Partnerships Program (HOME) provides formula grants to States and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. HOME is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households. HOME funds are awarded annually as formula grants to participating jurisdictions (PJs). The program’s flexibility allows States and local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancements, or rental assistance or security deposits.

The HOME Program, administered by the Community Services Division, is expected to receive $3,002,167 in HUD funds for the 2015 plan year.

Table III.2
2015 HOME Funding
State of North Dakota
NDDOC

<table>
<thead>
<tr>
<th>HOME funding</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
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<td>Estimated Total FY 2015 Allocation</td>
<td>$3,002,167</td>
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<td>Program Income</td>
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<tr>
<td>Prior Year Resources</td>
<td>$0</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$3,013,643.26</strong></td>
</tr>
</tbody>
</table>

Emergency Solutions Grant (ESG) Program

The Emergency Solutions Grant Program, formerly named the Emergency Shelter Grant, provides formula funding to address homelessness to eligible jurisdictions. The North Dakota Department of Commerce estimates it will receive $445,841 for the ESG Program.

Table III.3
2015 ESG Funding
State of North Dakota
NDDOC

<table>
<thead>
<tr>
<th>ESG funding</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Total FY 2015 Allocation</td>
<td>$445,841</td>
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<tr>
<td>Program Income</td>
<td>$0</td>
</tr>
<tr>
<td>Prior Year Resources</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$445,841</strong></td>
</tr>
</tbody>
</table>
HUD Competitive Grants

Competitive grant programs allow eligible applicants to request funding directly from HUD by submitting an application. Each year, HUD’s SuperNOFA (Super Notice of Funding Availability) process makes competitive funds available for the selection of proposals submitted by government agencies and nonprofits. These proposals address special projects of national significance and long-term projects in areas that are not eligible for formula allocations.

Continuum of Care (CoC)

In 2014, the state of North Dakota’s Statewide CoC received a total of $2,173,491 in Continuum of Care funding for a total of 22 projects. Table III.4, below, shows the funded projects for FY 2014. The State expects similar funding for FY 2015.

Table III.4
ND-500 Continuum of Care (CoC) Awards
2014 Statewide
US Department of Housing and Urban Development

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>BCHA Shelter Plus Care Vouchers 2014</td>
<td>CoCR</td>
<td>$217,066</td>
</tr>
<tr>
<td>CoC Planning 2014</td>
<td>CoC</td>
<td>$26,680</td>
</tr>
<tr>
<td>Comeau Transitional Housing</td>
<td>CoCR</td>
<td>$15,277</td>
</tr>
<tr>
<td>Cooper House Supportive Housing Program</td>
<td>CoCR</td>
<td>$60,314</td>
</tr>
<tr>
<td>FHRA Chronic SPC TRA</td>
<td>CoCR</td>
<td>$77,570</td>
</tr>
<tr>
<td>FHRA Chronic SPC TRA 2</td>
<td>CoCR</td>
<td>$35,146</td>
</tr>
<tr>
<td>FHRA Shelter Plus Care TRA Renewal</td>
<td>CoCR</td>
<td>$247,116</td>
</tr>
<tr>
<td>FHRA SRO/Section 8 Renewal</td>
<td>CoCR</td>
<td>$98,366</td>
</tr>
<tr>
<td>Fraser, Ltd. Permanent / Supportive Housing</td>
<td>CoCR</td>
<td>$123,000</td>
</tr>
<tr>
<td>HMIS renewal 2014</td>
<td>CoCR</td>
<td>$74,072</td>
</tr>
<tr>
<td>Hope Transitional Housing</td>
<td>CoCR</td>
<td>$93,928</td>
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<tr>
<td>North Dakota Statewide Shelter Plus Care 2014</td>
<td>CoCR</td>
<td>$284,688</td>
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<tr>
<td>Permanent Supportive Housing FY2014</td>
<td>CoCR</td>
<td>$4,845</td>
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<tr>
<td>Permanent Supportive Housing Tri Plex</td>
<td>CoCR</td>
<td>$47,910</td>
</tr>
<tr>
<td>Prairie Heights</td>
<td>CoCR</td>
<td>$46,675</td>
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<tr>
<td>Prairie Harvest Mental Health Supportive Housing Project</td>
<td>CoCR</td>
<td>$85,640</td>
</tr>
<tr>
<td>SHP Transitional Housing FY2014</td>
<td>CoCR</td>
<td>$78,819</td>
</tr>
<tr>
<td>Sister's Path</td>
<td>CoCR</td>
<td>$150,000</td>
</tr>
<tr>
<td>SW ND Supportive Housing Project</td>
<td>CoCR</td>
<td>$37,599</td>
</tr>
<tr>
<td>SYWCA Cass Clay SHP (One)</td>
<td>CoCR</td>
<td>$84,852</td>
</tr>
<tr>
<td>YWCA Cass Clay SHP (Two)</td>
<td>CoCR</td>
<td>$35,055</td>
</tr>
<tr>
<td>YWCA Cass Clay TH</td>
<td>CoCR</td>
<td>$218,873</td>
</tr>
<tr>
<td>YWCA Center of Hope and Emergency Shelter</td>
<td>CoCR</td>
<td>$30,000</td>
</tr>
</tbody>
</table>
OTHER HUD RESOURCES

National Housing Trust Fund

The National Housing Trust Fund (NHTF) established in July 2008 as part of the Housing and Economic Recovery Act of 2008 (HERA) required that Fannie Mae and Freddie Mac pay 4.2 basis points of their annual volume of business to two funds. The NHTF was to receive 65% and the remaining 35% was to go the Capital Magnet Fund (CMF). The requirement that Fannie Mae and Freddie Mac contribute to the two funds was suspended when the companies were taken into conservatorship in September 2008 at the height of the housing crisis. The Director of the Federal Housing Finance Agency, has now lifted the suspension on Fannie Mae and Freddie Mac’s obligation to fund the National Housing Trust Fund (NHTF) and the CMF.

The NHTF is a block grant to the states, the District of Columbia, Puerto Rico, and the U.S. territories. The purpose of the NHTF is to increase and preserve the supply of housing, principally rental housing for extremely low income households. The U.S. Department of Housing and Urban Development (HUD) will administer the NHTF and in 2010 HUD issued proposed regulations to implement the NHTF. The proposed regulations can be found at: http://www.gpo.gov/fdsys/pkg/FR-2010-10-29/pdf/2010-27069.pdf. Final regulations are expected in early 2015.

The law that created the NHTF requires HUD to use a formula to distribute NHTF dollars directly to states. The North Dakota Department of Commerce (NDDOC) is currently in the process of requesting designation as the authorized agency to receive NHTF money from HUD and to administer the state’s NHTF program.

NDDOC on behalf of the State of North Dakota will prepare a NHTF “Allocation Plan” as part of the Annual Action Plan every year. That Allocation Plan will show how NDDOC will allot the NHTF dollars it will receive in the upcoming year. NHTF dollars will be distributed by the NDDOC based on the priority housing needs in the Consolidated Plan.

Based on the information currently available, NDDOC anticipates the NHTF to be available in 2016. HUD proposes to codify the NHTF regulations in a new subpart N of 24 CFR part 92. Part 92 contains the regulations for HUD’s HOME Investment Partnerships program (HOME program). The HOME program is similar in most aspects to the proposed NHTF. The NHTF as a potential source of funds in being incorporated into the Consolidated Plan. The Consolidated Plan public participation process will provide advocates sufficient opportunities to influence how the NHTF resources are allocated by the NDDOC.

Disaster Relief CDBG-DR

On May 10, 2011, President Obama declared North Dakota as being in a state of disaster with FEMA assigning the state disaster number FEMA-1981-DR. Under the declaration for Disaster, FEMA’s Public Assistance (PA) Program and Hazard Mitigation Grant Program
III. Allocating Housing and Community Development Resources

(HMGP) were instated to assist 44 counties and four tribes with disaster recovery and reimbursement of flood damage costs.

While the CDBG Disaster Recovery funding may be used in the 44 counties that are eligible for assistance under the 2 FEMA programs, it has been determined that, due to limited funding, only those entities that received the Individual Assistance Declarations from FEMA (declarations are based on the amount of damage received) will be served by CDBG Disaster funding. The eligible entities are: Barns; Benson; Burleigh; McHenry; Morton; Ramsey; Renville; Richland; and Ward Counties and the Spirit Lake Reservation.

Department of Housing and Urban Development Appropriations Act, 2012 (Public Law 112-55), which appropriated $400,000,000 in Community Development Block Grant funds related to disaster relief, long-term recovery, and restoration of infrastructure in areas covered by a declaration of major disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) as a result of recent natural disasters on a national level. The State of North Dakota has been allocated a total of $11,782,684 from that appropriation with an additional $67,575,964 going directly to the City of Minot for recovery from the impacts of the severe flooding experienced in North Dakota.
Department of Housing and Urban Development Appropriations Act, 2013 (Public Law 113-2), which appropriated $16,000,000,000 in Community Development Block Grant funds related to disaster relief, long-term recovery, and restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) due to Hurricane Sandy and other eligible events in calendar years 2011, 2012 and 2013. The State of North Dakota has been allocated a total of $6,576,000 from that appropriation with an additional $35,056,000 going directly to the City of Minot for recovery from the impacts of the severe flooding experienced in 2011.

**OTHER FEDERAL RESOURCES**

Low Income Housing Tax Credits (LIHTC)

The North Dakota Housing Finance Agency is responsible for implementing the Low-income Housing Tax Credit program. Developers looking to use the program must be able to document a particular housing need and demonstrate that the need is consistent with the Consolidated Plan. Each project is rated against specific criteria, eighteen of which are intended to assure a project is targeted to benefit low-income families.

**C. STATE RESOURCES**

The State of North Dakota utilizes a variety of resources to meet the goals it has established in its Consolidated Plan. The following state resources are expected to be used to address statewide housing needs:

1. Home Mortgage Finance program (First Time Homebuyer programs);
2. START Downpayment Assistance program;
3. Helping Hands Across North Dakota program for housing;
4. Rehab Accessibility Program
5. Rural Housing Rehabilitation Loan Program;
6. State Revolving Fund program for waste water and drinking water systems;
7. Housing Incentive Fund; and
8. North Dakota Homeless Grant.

**D. LEVERAGING AND MATCHING OF FEDERAL DOLLARS**

Federal funds will continue to be leveraged with nonfederal resources to achieve the objectives of this plan. Matching requirements will be achieved through a variety of methods. Grant recipients are encouraged to utilize funds from the private sector, state and local programs, and other sources to assist in meeting HUD matching requirements and to increase the amount of funds available to provide affordable housing, expand economic opportunities, improve infrastructure, and provide community facilities.
Community Development Block Grant

The Federal resources listed have limited funds available so the programs, when administered by the state, are generally designed to require the use of other funds to complete projects. For instance, all CDBG economic development projects require, by design, a 50 percent match of other funds. For CDBG public facilities projects, the Regional Councils generally require some percentage of other funds. Administrative costs that are required to be matched for the CDBG and HOME programs are included in the Division of Community Services budget.

Home Investment Partnerships Program

Applicants should use private funds, tax credits, Rural Development, Federal Home Loan Bank, CDBG, ND Housing Incentive Fund, Department of Energy, or other grant/loan programs to help leverage HOME activities.

All recipients are expected to locally meet the HOME Program match requirement of 25 percent unless specifically waived by the DCS. Existing general waivers include a state policy that homeowner rehabilitation and TBRA activities are excluded from the match requirement.

Emergency Solutions Grant Program

The State will continue to meet the ESG match requirements in the same manner as it has in past grant years. Each grant year, the State contributes $120,000 in general funds to match the federal allocation. The remaining matching funds of $325,841 are provided by ESG sub-recipients. Matching funds are used to enhance and expand eligible ESG components and sub-activities.

E. Geographic Distribution of HUD Resources

The HOME and ESG program funds will be available to eligible applicants statewide. Fargo receives their HOME funds directly from HUD. The CDBG program is available to eligible applicants in every city and county, except the three entitlement cities of Grand Forks, Fargo, and Bismarck.

F. Obstacles in Meeting Underserved Needs

The major obstacle to meeting underserved needs is the small amount of funds the state receives through the CDBG, HOME, and ESG programs. The needs far exceed the ability of these programs to make any significant impact, which is why the state continues to fund the same type of housing and non-housing activities each year. Housing rehabilitation continues to be a high priority need, but the interest in doing more rehabilitation is severely hampered by the lead-based paint requirements. Costs to investigate and mitigate lead-based paint are very high and the lack of funds means fewer opportunities for rehabilitation. Since there is nothing we can do to change either of these problems, no actions are planned.
IV. HOUSING AND COMMUNITY DEVELOPMENT STRATEGIES

A. 2015-2019 HOUSING AND COMMUNITY DEVELOPMENT PLAN SUMMARY

The following list presents the overriding strategies of the North Dakota Five-Year Consolidated Plan for Housing and Community Development, including selected performance criteria associated with each strategy and goal. Furthermore, there may be a need to direct such housing resources by use of project selection criteria, which may be updated annually, based upon year-to-year need and local circumstances.

The strategies the state will pursue over the next five years are as follows:

HOUSING STRATEGIES:

1. Preserve and improve the quality and condition of the existing rental and owner-occupied housing stock through rehabilitation of lower-income, disabled and elderly households
2. Fund homeownership opportunities for lower income residents
3. Provide funding to increase the supply of multifamily housing

HOMELESS STRATEGIES:

1. Support emergency shelters and transitional housing for the homeless
2. Create additional transitional and permanent supportive housing facilities
3. Provide financial support to assist those at imminent risk of homelessness, including rapid rehousing
4. Fund homeless prevention activities, including data collection and prevention services

NON-HOUSING COMMUNITY DEVELOPMENT PRIORITIES:

1. Encourage economic development opportunities that retain and expand existing businesses
2. Improve and enhance local public infrastructure, including water, sewer, streets and sidewalks
3. Encourage communities to address local public facilities and service needs
4. Encourage communities to do strategic planning
Each of the priorities identified above, as well as the objectives consistent with each strategy are discussed in greater detail below. Performance measurement criteria are presented at the end of each priority narrative.

**HOUSING STRATEGIES**

The population throughout North Dakota continues to increase, and this growth is occurring more quickly in certain areas of the state with dramatic economic change. The demand for quality affordable homeowner and rental housing will continue to rise along with population, but at different rates depending on the local community’s economic, demographic and housing market conditions. As the State of North Dakota strives to meet the needs of its residents, housing remains a top priority.

1. *Preserve and improve the quality and condition of the existing rental and owner-occupied housing stock through rehabilitation of lower-income, disabled and elderly households*

NDDOC will offer funding to rehabilitation activities that address the needs of lower-income and elderly households, including rental and owner-occupied rehabilitations.

**Outcome:** Sustainability  
**Objective:** Provide Decent Affordable Housing  
**Funding:** HOME, Housing Trust Fund, CDBG

**Five-Year Goal:**
- Rental Units Rehabilitated  
- Homeowner Housing Rehabilitated  

**One-Year Goal:**
- Rental Units Rehabilitated  
- Homeowner Housing Rehabilitated

2. *Fund homeownership opportunities for lower income residents*

NDDOC will offer down payment assistance to low-income households purchasing homes in high-cost areas of the state. The program will provide low-interest, deferred loans to be used for down payment and closing costs.

**Outcome:** Affordability  
**Objective:** Provide Decent Affordable Housing  
**Funding:** HOME, Housing Trust Fund
IV. Housing and Community Development Strategies

Five-Year Goal:

Direct Financial Assistance to Homebuyers  Number of Households Assisted

One-Year Goal:

Direct Financial Assistance to Homebuyers  Number of Households Assisted

3. *Provide funding to increase the supply of multifamily housing*

NDDOC will fund eligible nonprofit and for-profit housing builders with financial subsidies for the development of rental properties affordable to low-income households.

Outcome: Availability/Accessibility

Objective: Provide Decent Affordable Housing

Funding: HOME, Housing Trust Fund, CDBG

Five-Year Goal:

Rental Units Constructed  Number of Household Housing Units

One-Year Goal:

Rental Units Constructed  Number of Household Housing Units

**HOMELESS STRATEGIES**

The State of North Dakota is committed to helping to work towards the goals of reducing and ending homelessness throughout the State by prioritizing homelessness with funding and program initiatives.

1. *Support emergency shelters and transitional housing for the homeless*

NDDOC will provide funding for a number of services needed by homeless persons, such as case management, health services, and outreach. Funding will also be provided to assist with shelter maintenance and operations.

Outcome: Sustainability

Objective: Create Suitable Living Environments

Funding: ESG

Five-Year Goal:
IV. Housing and Community Development Strategies

<table>
<thead>
<tr>
<th>Homeless Person Overnight Shelter</th>
<th>Number of Persons Assisted</th>
<th>One-Year Goal:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Homeless Person Overnight Shelter</td>
</tr>
</tbody>
</table>

2. Create additional shelters, transitional and permanent supportive housing facilities

The State of North Dakota supports efforts to acquire additional housing structures for homeless shelters, transitional and permanent supportive housing in the non-entitled areas.

Outcome: Availability/Accessibility

Objective: Provide Decent Affordable Housing

Funding: ESG, CDBG

Five-Year Goal:

Overnight/Emergency Shelter/ Transitional Housing Beds added

Number of bed added

One-Year Goal:

Overnight/Emergency Shelter/ Transitional Housing Beds added

Number of bed added

3. Provide financial support to assist those at imminent risk of homelessness, including rapid re-housing

The Department of Commerce will provide financial support, including providing rapid re-housing.

Outcome: Affordability

Objective: Create Suitable Living Environments

Funding: ESG

Five-Year Goal:

Rapid Re-housing

Number of Households Assisted

One-Year Goal:

Rapid Re-housing

Number of Households Assisted
4. Fund homeless prevention activities, including data collection and prevention service

The Department of Commerce will fund prevention activities, including services and outreach for persons at imminent risk of becoming homeless.

Outcome: Sustainability
Objective: Create Suitable Living Environments
Funding: ESG

Five-Year Goal:
   Homeless Prevention Number of Persons Assisted

One-Year Goal:
   Homeless Prevention Number of Persons Assisted

NON-HOUSING COMMUNITY DEVELOPMENT PRIORITIES

Throughout the state of North Dakota, there are various community development needs, including public facilities, infrastructure as well as the need for additional planning. This Plan prioritizes funds to meet those needs to serve the residents of the State.

1. Encourage economic development opportunities that retain and expand existing businesses

NDDOC will participate in funding economic development activities that retain or expand existing businesses and jobs.

Outcome: Availability/Accessibility
Objective: Create Economic Opportunities
Funding: CDBG

Five-Year Goal:
   Jobs Created/Retained Number of jobs
   Businesses Assisted Number of Businesses Assisted

One-Year Goal:
   Jobs Created/Retained Number of jobs
   Businesses Assisted Number of Businesses Assisted
2. Help improve and enhance local public infrastructure including water, sewer, streets and sidewalks

The Department of Commerce will participate in funding activities that improve the existing infrastructure through updating street, water and wastewater systems and sidewalks/paths.

Outcome: Sustainability
Objective: Create Suitable Living Environment
Funding: CDBG

Five-Year Goal:

Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit  Number of households assisted

One-Year Goal:

Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit  Number of households assisted

3. Encourage communities to address local public facilities and service needs

The Department of Commerce will participate in funding quality public service activities that benefit the low/mod populations throughout North Dakota.

Outcome: Availability/Accessibility
Objective: Create Suitable Living Environments
Funding: CDBG

Five-Year Goal:

Public service activities for Low/Moderate Income Housing Benefit  Number of households assisted

One-Year Goal:

Public service activities for Low/Moderate Income Housing Benefit  Number of households assisted
4. Encourage communities to do strategic planning

As part of the on-going effort to improve the quality of living environments for North Dakota residents, the Department of Commerce will provide funding for planning activities for local units of government.

Outcome: Sustainability
Objective: Create Suitable Living Environments
Funding: CDBG

Five-Year Goal:
Other: Planning Activities

One-Year Goal:
Other: Planning Activities

5. Engage in funding disaster relief areas

As part of the on-going effort to combat the effects of flooding, NDDOC will utilize CDBG-DR funds to address these needs in affected areas throughout the state.

Outcome: Sustainability
Objective: Create Suitable Living Environments
Funding: CDBG

Five-Year Goal:
Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit
Number of households assisted

One-Year Goal:
Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit
Number of households assisted
IV. Housing and Community Development Strategies

B. ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

In accordance with the applicable statutes and regulations governing the consolidated plan, the State of North Dakota certifies that they will affirmatively further fair housing. This means that the State has conducted an AI within the state, will take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard. A summary of the most recent AI is noted below.

According to HUD, impediments to fair housing choice include actions or omissions in the state that constitute violations of the Fair Housing Act. Further, impediments mean actions or omissions that are counter-productive to fair housing choice or that have the effect of restricting housing opportunities based on protected classes.

B.1. FAIR HOUSING CERTIFICATION

In accordance with the applicable statutes and regulations governing the consolidated plan, the ND DOC certifies that they will affirmatively further fair housing. This means that the ND DOC has conducted an AI within the state, will take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard. A summary of the most recent AI is noted below.

B.2. A SUMMARY OF THE 2015 ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

AI PURPOSE AND PROCESS

As a requirement of receiving funds under the Community Development Block Grant (CDBG), the HOME Investment Partnerships (HOME), and the Emergency Solutions Grant (ESG), entitlement jurisdictions must submit certification of affirmatively furthering fair housing to the U.S. Department of Housing and Urban Development (HUD). This certification has three elements:

Complete an Analysis of Impediments to Fair Housing Choice (AI),
Take actions to overcome the effects of any impediments identified, and
Maintain records reflecting the actions taken in response to the analysis.

In the Fair Housing Planning Guide, page 2-8, HUD provides a definition of impediments to fair housing choice as:

1. Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choices [and]
2. Any actions, omissions, or decisions which have [this] effect. . . \(^1\)

The list of protected classes included in the above definition is drawn from the federal Fair Housing Act, which was first enacted in 1968. However, state and local governments may enact fair housing laws that extend protection to other groups, and the AI is expected to address housing choice for these additional protected classes as well.

The AI process affirmatively furthers fair housing involves a thorough examination of a variety of sources related to housing, the fair housing delivery system, and housing transactions, particularly for persons who are protected under fair housing law.

The development of an AI also includes public input and review via direct contact with stakeholders, public meetings to collect input from citizens and interested parties, distribution of draft reports for citizen review, and formal presentations of findings and impediments, along with actions to overcome the identified impediments.

**IMPEDEMENTS TO FAIR HOUSING CHOICE AND SUGGESTED ACTIONS**

**Private Sector Impediments, Suggested Actions, and Measurable Objectives**

**Impediment 1:** Discrimination based on disability, familial status, and race. This impediment was identified through review of complaints lodged with HUD and the North Dakota Department of Labor and Human Rights (DOLHR), and in consultation with the High Plains Fair Housing Center. Discrimination based on familial status was second only to discrimination disability-based discrimination as the most common allegation in complaints lodged with HUD, and was the third most common allegation in complaints lodged with the DOLHR. Discrimination based on race was the third most commonly cited motivation for discrimination among complaints lodged with HUD, and was second most common among DOLHR complaints. In addition, a representative of the High Plains Fair Housing Center noted that the complaints that the organizations receives reveal “continuing evidence of discrimination, particularly against persons with disabilities, Native Americans, New Americans, and families with children.”

*Action 1.1:* Partner with the High Plains Fair Housing Center (HPFHC) and other non-profit organizations to conduct outreach and education to professionals in the housing industry on the subject of disability, familial status, and legal prohibitions on discrimination against families with children.

*Measurable Objective 1.1:* The number of outreach and education activities conducted by the HPFHC and other organizations.

*Action 1.2:* Partner with the DOLHR to conduct education activities to professionals in the housing industry on the subject of disability, familial status, and legal prohibitions on discrimination against families with children.

*Measurable Objective 1.2:* The number of education activities conducted.

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http://www.hud.gov/offices/cpd/about/conplan/fairhousingexs/Module5_TopSevenAFFH.pdf
Action 1.3: Partner with the HPFHC and other non-profit organizations to conduct outreach and education to professionals in the housing industry on the subject of disability, familial status, and racial forms of discrimination.

Measurable Objective 1.3: The number of outreach and education activities conducted.

Action 1.4: Partner with the DOLHR to conduct education activities to professionals in the housing industry on the subject of disability, familial status, and racial forms of discrimination.

Measurable Objective 1.4: The number of education activities conducted.

Impediment 2: Failure to make reasonable accommodation. This impediment was identified through review of complaints lodged with HUD and the North Dakota Department of Labor and Human Rights (DOLHR), as well as the results of the 2015 North Dakota Fair Housing Survey, and in consultation with the High Plains Fair Housing Center. Disability-based complaints were the most common complaints that HUD received from residents of the state’s non-entitlement areas from 2004 through 2014, and accounted for more than half of all complaints lodged with the Department of Labor and Human Rights. Failure to make reasonable accommodation, a discriminatory issue that uniquely impacts residents with disabilities, was the second most commonly alleged discriminatory action in HUD and DOLHR complaints.

In addition, though respondents to the 2015 Fair Housing Survey were largely unaware of questionable practices or barriers to fair housing choice in the private or public sectors, over one in ten respondents were aware of issues in the housing construction or accessible housing design fields, and those who provided additional commentary on this question maintained that neglect of ADA requirements in new construction was relatively common. Similarly, several of those who provided commentary on challenges in the public sector noted a lack of tax incentives to promote accessible development, as well as a failure on the part of construction companies to incorporate such elements in the design and construction of new units.

Finally, a representative of the High Plains Fair Housing Center noted that legal requirements pertaining to design and construction are not well understood, and that “requests for reasonable accommodation are frequently resisted.”

Action 2.1: Partner with the HPFHC to conduct tests on selected newly constructed housing units and apartment complexes.

Measurable Objective 2.1: The number of tests conducted and the results of those tests conducted.

Action 2.2: Partner with the HPFHC, other non-profit organizations, and local ADA coordinators to conduct outreach and education to professionals in the housing construction industry on the subject of accessibility and reasonable accommodation.

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2 Margaret Moore Jackson, High Plains Fair Housing Center (personal communication April 24, 2015). See Appendix E.
**Measurable Objective 2.2:** The number of outreach and education activities conducted by these entities.

**Action 2.3:** Partner with the DOLHR to conduct education activities to professionals in the housing construction industry on the subject of accessibility and reasonable accommodation.

**Measurable Objective 2.3:** The number of education activities conducted by these entities.

**Impediment 3:** Discriminatory advertising. This impediment was identified through review of complaint data filed with the North Dakota Department of Labor and Human Rights. According to those data, complaints citing discriminatory advertising were the fourth most common among all complaints and complaints considered to have cause. More than a third of complaints that were settled or resolved, or that ended in a charge of discrimination, cited discriminatory advertising as among the discriminatory actions that housing providers had taken against them.

**Action 3.1:** Partner with the HPFHC to conduct periodic reviews of rental housing advertisements in a variety of media (i.e., Craigslist, newspapers, etc.). Refer any discriminatory advertisements to the Department of Labor and Human Rights for investigation.

**Measurable Objective 3.1:** The number of advertisements reviewed and discriminatory advertisements identified and referred reported by the HPFHC.

**Action 3.2:** Initiate or enhance public outreach, through partnership with the High Plains Fair Housing and the DOLHR, and through the state’s online/media presence, to identify examples of discriminatory advertising and encourage state residents to report such advertising when they see it.

**Measurable Objective 3.2:** Number of outreach and education activities taken, the number of reported instances of discriminatory advertising reported by the HPFHC.

**Impediment 4:** American Indian and Hispanic home loan applicants tend to have higher rates of denials than white and non-Hispanic applicants. This impediment was identified through review of data gathered under the Home Mortgage Disclosure Act (HMDA). According to those data, 31.8 percent of home loan applications submitted by American Indian applicants were denied over the ten-year period between 2004 and 2013, inclusive. By comparison, only 13 percent of applications from white residents were turned down during that same period. Similarly, the denial rate for Hispanic applicants was 22.9 percent, compared to 13 percent for non-Hispanic applicants.

**Action 4.1:** Convene a committee or panel; in coordination with High Plains Fair Housing and the DOLHR, and seeking participation from professionals in the home lending industry; with the goal of identifying factors that contribute to differential denial rates to American Indian and Hispanic applicants.

**Action 4.1.1:** Request recommendations on how to mitigate the factors contributing to higher denials rates for American Indian and Hispanic residents.
**Measurable Objective 4.1:** The establishment of the committee, the list of factors identified, and the recommendations developed.

**Action 4.2:** Working in coordination with accredited local and statewide for-profit and non-profit organizations and government agencies, enhance credit counseling and education to prospective home buyers, focusing on strategies to build credit for home purchases, in partnership with local lenders and civic institutions.

**Measurable Objective 4.2.1:** The number of credit counseling and education activities conducted.

**Measurable Objective 4.2.2:** The number of agencies and organizations contacted.

**Impediment 5:** Discrimination against public assistance income. In spite of the fact that discrimination based on the receipt of public assistance is illegal under state law, complaint data from the DOLHR indicate that nearly twelve percent of those who filed a complaint with the agency believed that they had suffered discrimination on that basis.

**Action 5.1:** Contract with the HPFHC to conduct outreach and education to housing providers on the subject of public assistance, noting that discrimination based on use of public assistance is illegal under state law.

**Measurable Objective 5.1:** Number of outreach and education activities conducted.

**Action 5.2:** Coordinate with the DOLHR to conduct education activities to housing providers on the subject of public assistance, noting that discrimination based on use of public assistance is illegal under state law.

**Measurable Objective 5.2:** Number of education activities conducted.

**Action 5.3:** Contact the state attorney general and request that future materials and publications concerning landlord-tenant rights and responsibilities include an explanation of public assistance discrimination.

**Measurable Objective 5.3:** Record of contact with the state attorney general, and his office’ response.

**Impediment 6:** Lack of understanding of fair housing law and policy. This impediment was identified through review of responses to the 2015 North Dakota Fair Housing Survey and the discussions with the Public Housing Agency and Non-Entitlement Grantee Outreach Committee. Between a quarter and half of respondents to survey questions concerning impediments to fair housing choice in the private and public sectors responded to each question with “don’t know”, which may suggest a widespread lack of confidence in their own ability to identify the kinds of policies and practices that count as discriminatory. In addition, a fifth of respondents stated that they were “not familiar” with fair housing laws, and several survey respondents maintained that there was a need for more education on the subject of fair housing. This opinion was shared by participants in the February 20th meeting of the Public Housing Agency and Non-Entitlement Grantee Outreach Committee Meeting, who maintained that enhanced outreach and education should form a major part of the actions and objectives adopted to promote fair housing choice in the state.
Action 6.1: Contract with the HPFHC to conduct outreach and education to housing providers and property managers on the subject of affirmatively furthering fair housing, and what the law requires.

Measurable Objective 6.1: The number of outreach and education sessions offered and the number of attendants and participants.

Action 6.2: Establish yearly advertising and outreach activities, to take place during Fair Housing month (April), in partnership with High Plains Fair Housing Center and other non-profit organizations, the DOLHR, regional councils, homeless providers, and CDBG grantees. Such activities could include panel discussions, fair housing presentations, web-based advertising (i.e., state and local jurisdiction websites, Facebook, etc.).

Measurable Objective 6.2: Number of advertising and outreach activities established, number of interagency and public/private partnerships established, the record of materials prepared for discussions and meetings, and the number of participants in such discussions and meetings.

Public Sector Impediments, Suggested Actions, and Measurable Objectives

Impediment 1: Apparent shortage of accessible and visitable housing in rural North Dakota. This impediment was identified through review of responses to the 2015 Fair Housing Survey.

Action 1.1: Partner with Regional Councils and Community Action Agencies to encourage communities to apply for homeowner and renter rehabilitation funding to modify existing dwellings with the goal of expanding the supply of accessible and visitable housing in rural North Dakota.

Measurable Objective 1.1: The number of communities who are contacted and encouraged to apply for rehabilitation funding and the number of communities who apply for such funding.

Action 1.2: Partner with Regional Councils and Community Action Agencies to encourage communities to apply new construction funding with the goal of expanding the supply of accessible and visitable housing in rural North Dakota.

Measurable Objective 1.2: The number of communities who are contacted and encouraged to apply for new construction funding and the number of communities who apply for such funding.

Impediment 2: Lack of understanding of fair housing law and duty to affirmatively further fair housing. This impediment was identified through review of responses to the 2015 North Dakota Fair Housing Survey and the discussions with the Public Housing Agency and Non-Entitlement Grantee Outreach Committee. As noted in the discussion for Private Sector Impediment 5, a large percentage of respondents answered each question with “don’t know”, and a fifth of respondents stated that they were “not familiar” with fair housing laws. Several survey respondents maintained that there was a need for more education on the subject of fair housing, an assessment that was shared by participants in
the February 20th meeting of the Public Housing Agency and Non-Entitlement Grantee Outreach Committee Meeting, who maintained that enhanced outreach and education should form a major part of the actions and objectives adopted to promote fair housing choice in the state.

**Action 2.1:** Partner with the DOLHR to conduct education activities for local jurisdictions and Regional Councils on behalf of local jurisdictions seeking CDBG grant funding concerning state and federal fair housing law and the certification to affirmatively further fair housing.

*Measurable Objective 2.1:* The number of education sessions offered by the DOLHR.

**Action 2.2:** Partner with the HPFHC to conduct outreach and education to local jurisdictions and Regional Councils on behalf of local jurisdictions seeking CDBG grant funding concerning state and federal fair housing law and the certification to affirmatively further fair housing.

*Measurable Objective 2.2:* The number of outreach and education sessions offered by the HPFHC.

**Action 2.3:** Establish yearly advertising and outreach activities, to take place during Fair Housing month (April). Such activities could include panel discussions, fair housing presentations, and web-based advertising (i.e., state and local jurisdiction websites, Facebook, etc.)

*Measurable Objective 2.3:* Number of advertising and outreach activities established and the record of materials prepared for discussions and meetings.

### B.3. ACTIONS NDDOC WILL TAKE IN 2015

The State of North Dakota, specifically the North Dakota Department of Labor and Human Rights, will continue to insure the enforcement of the fair housing law and provide fair housing education and outreach in cities throughout the state by utilizing promotional items such as fair housing and human rights brochures. The items provide specific information on what fair housing is, the law, and how the Department of Labor and Human Rights handles specific housing complaints. They also provide an overview of the Department of Labor and Human Rights’ relationship with HUD and how the state’s laws are substantially equivalent to the Federal Fair Housing Law.

In addition, the North Dakota Department of Commerce has partnered with High Plains Fair Housing Center. The Center assists people who believe they have experienced discrimination while attempting to rent or purchase housing, provides community education to promote fair housing, and conducts preliminary investigations of potential housing discrimination. High Plains will conduct some testing throughout the state and where there are instances of discrimination. High Plains will provide targeted training and follow up testing to ensure that there are no further instances of discrimination. Moreover, High Plains will review policies and practices in the state of North Dakota to identify
instances of discrimination particularly in the area of disparate impact—such as translation barriers.

C. BARRIERS TO AFFORDABLE HOUSING

The 2014 Housing and Community Development Survey included a question about barriers to affordable housing. Table IV.1, on the following page, shows the responses received. The top responses included the cost of land, cost of labor, lack of qualified contractors or builders and cost of materials.

The regional public input meetings also had comments that related to the barriers to affordable housing in various parts of the state. Some of the comments are as follows:

- High cost of land
- Conservative lending practices
- Lack of qualified affordable housing developers
- High price of land
- High construction costs
- Lack of incentives to build affordable units

The State of North Dakota will take the following actions to remove barriers to affordable housing:

The assessed barriers are primarily local issues over which the state has little or no authority. However, we do have a state building code and we will continue to promote its adoption and enforcement and continue to provide training support to local building officials through the North Dakota Building Officials Association. In addition, we will promote the use of CDBG and HOME funds for development whenever it becomes a potential.

D. LEAD-BASED PAINT HAZARDS

Housing units built before 1940 are most likely to contain lead-based paint. Units built between 1940 and 1978 have a lesser risk (lead was removed from household paint after
1978), although many older units may have few if any problems depending on construction methods, renovation and other factors.

Table IV.2 presents data regarding the vintage of households, broken down by presence of children age 6 and under and income. There were 33,683 units built prior to 1940, of which some 4,128 had children present under the age of 6. In addition, there were 91,410 households in units built between 1940 and 1979, with 12,795 households containing children under the age of 6.

### Table IV.2
**Vintage of Households by Income and Presence of Young Children**
*Non-Entitlement Areas of North Dakota*
*2007–2011 HUD CHAS Data*

<table>
<thead>
<tr>
<th>Income</th>
<th>One or more children age 6 or younger</th>
<th>No children age 6 or younger</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Built 1939 or Earlier</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30% HAMFI or less</td>
<td>350</td>
<td>4,315</td>
<td>4,665</td>
</tr>
<tr>
<td>30.1-50% HAMFI</td>
<td>452</td>
<td>4,005</td>
<td>4,457</td>
</tr>
<tr>
<td>50.1-80% HAMFI</td>
<td>936</td>
<td>5,670</td>
<td>6,606</td>
</tr>
<tr>
<td>80.1%-100.0% HAMFI</td>
<td>775</td>
<td>3,640</td>
<td>4,415</td>
</tr>
<tr>
<td>100.1% HAMFI and above</td>
<td>1,615</td>
<td>11,925</td>
<td>13,540</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,128</td>
<td>29,555</td>
<td>33,683</td>
</tr>
<tr>
<td><strong>Built 1940 to 1979</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30% HAMFI or less</td>
<td>1,745</td>
<td>10,245</td>
<td>11,990</td>
</tr>
<tr>
<td>30.1-50% HAMFI</td>
<td>1,590</td>
<td>9,790</td>
<td>11,380</td>
</tr>
<tr>
<td>50.1-80% HAMFI</td>
<td>2,435</td>
<td>15,105</td>
<td>17,540</td>
</tr>
<tr>
<td>80.1%-100.0% HAMFI</td>
<td>1,720</td>
<td>8,650</td>
<td>10,370</td>
</tr>
<tr>
<td>100.1% HAMFI and above</td>
<td>5,305</td>
<td>34,825</td>
<td>40,130</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>12,795</td>
<td>78,615</td>
<td>91,410</td>
</tr>
<tr>
<td><strong>Built 1980 or Later</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30% HAMFI or less</td>
<td>795</td>
<td>4,655</td>
<td>5,450</td>
</tr>
<tr>
<td>30.1-50% HAMFI</td>
<td>955</td>
<td>4,755</td>
<td>5,710</td>
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<tr>
<td>50.1-80% HAMFI</td>
<td>1,510</td>
<td>7,375</td>
<td>8,885</td>
</tr>
<tr>
<td>80.1%-100.0% HAMFI</td>
<td>1,240</td>
<td>5,185</td>
<td>6,425</td>
</tr>
<tr>
<td>100.1% HAMFI and above</td>
<td>5,755</td>
<td>25,855</td>
<td>31,610</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,255</td>
<td>47,825</td>
<td>58,080</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30% HAMFI or less</td>
<td>2,890</td>
<td>19,215</td>
<td>22,105</td>
</tr>
<tr>
<td>30.1-50% HAMFI</td>
<td>2,997</td>
<td>18,550</td>
<td>21,547</td>
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<tr>
<td>50.1-80% HAMFI</td>
<td>4,881</td>
<td>28,150</td>
<td>33,031</td>
</tr>
<tr>
<td>80.1%-100.0% HAMFI</td>
<td>3,735</td>
<td>17,475</td>
<td>21,210</td>
</tr>
<tr>
<td>100.1% HAMFI and above</td>
<td>12,675</td>
<td>72,605</td>
<td>85,280</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>27,178</td>
<td>155,995</td>
<td>183,173</td>
</tr>
</tbody>
</table>

Table IV.3, on the following page, shows households at risk of lead-based paint by tenure and income. There were a total of 8,802 owner-occupied households with children aged 6 and younger at risk of lead-based paint exposure. There were an additional 3,997 renter-occupied households with children aged 6 or under at risk of exposure.
### Table IV.3

**Households at Risk of Lead Based Paint by Tenure by Income**  
Non-Entitlement Areas of North Dakota  
200–2011 HUD CHAS Data

<table>
<thead>
<tr>
<th>Income Level</th>
<th>One or more children age 6 or younger</th>
<th>No children age 6 or younger</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Owner Occupied Households</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30% HAMFI or less</td>
<td>445</td>
<td>5,809</td>
<td>6,254</td>
</tr>
<tr>
<td>30.1-50% HAMFI</td>
<td>703</td>
<td>6,828</td>
<td>7,531</td>
</tr>
<tr>
<td>50.1-80% HAMFI</td>
<td>1,630</td>
<td>11,238</td>
<td>12,868</td>
</tr>
<tr>
<td>80.1% HAMFI or more</td>
<td>1,563</td>
<td>7,490</td>
<td>9,054</td>
</tr>
<tr>
<td>100.1% HAMFI and above</td>
<td>4,461</td>
<td>31,126</td>
<td>35,588</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8,802</td>
<td>62,492</td>
<td>71,294</td>
</tr>
<tr>
<td><strong>Renter Occupied Households</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30% HAMFI or less</td>
<td>1,109</td>
<td>5,348</td>
<td>6,457</td>
</tr>
<tr>
<td>30.1-50% HAMFI</td>
<td>833</td>
<td>3,727</td>
<td>4,560</td>
</tr>
<tr>
<td>50.1-80% HAMFI</td>
<td>941</td>
<td>4,589</td>
<td>5,531</td>
</tr>
<tr>
<td>80.1% HAMFI or more</td>
<td>355</td>
<td>1,927</td>
<td>2,283</td>
</tr>
<tr>
<td>100.1% HAMFI and above</td>
<td>759</td>
<td>4,332</td>
<td>5,091</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,997</td>
<td>19,924</td>
<td>23,921</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>12,800</td>
<td>82,416</td>
<td>95,216</td>
</tr>
</tbody>
</table>

### North Dakota Lead Removal Efforts

In 2013, some 3,856 children in North Dakota were tested for blood lead levels. Table IV.4 shows the number of children that had elevated blood lead levels. There were 85 children that demonstrated some level of elevated blood lead levels in 2013. This accounted for 2.2 percent of the children tested.

During this program year we will continue working with the North Dakota State Health Department and the University of North Dakota to provide training for lead-based paint risk assessors. In addition, we expect to see more coordination with the Community Action Agencies to increase the amount of lead-based paint testing activities.

### E. Anti-Poverty Strategy

In this section we are required to describe the state’s goals, programs, and policies for reducing the number of poverty level families, and how the state’s goals, programs, and policies for producing and preserving affordable housing will be coordinated with other...
programs and services for which the state is responsible, and the extent to which they will reduce the number of poverty level families, taking into consideration factors over which the state has control.

The primary tool at the state level for providing assistance to deal with poverty is the Community Services Block Grant (CSBG) program. This program provides funds to the state’s seven Community Action Agencies to ameliorate the causes and conditions of poverty. The funds provide a range of services and activities to assist the needs of low-income individuals, including the homeless, migrants, and the elderly. In North Dakota the funds are used to reduce poverty, revitalize low-income communities, and empower low-income families and individuals to become self-sufficient. This program is located in the North Dakota Division of Community Services, which provides an opportunity for almost daily interaction and coordination with the CDBG, HOME, and ESG programs.

The Community Action Agencies also play a key role in providing housing opportunities, most of which are included in the state’s affordable housing goals, through the implementation of the state’s HOME program. Their low-income clientele, most of who live in poverty, are the primary beneficiaries of HOME funds for obtaining housing as owners or renters. Families are also provided assistance in weatherizing their homes through the Weatherization program, which is a program within the Division of Community Services, and is often used in conjunction with HOME and CDBG funds that are used for housing rehabilitation. As noted in the affordable housing goals, some Regional Councils are partnering with Community Action Agencies to deal with lead based paint issues, and these are targeted to assist extremely low-income households. Homeless people also benefit through the Community Action Agencies through enrollment in the state’s Self-Sufficiency Program.

The primary focus for the use of CDBG funds in addressing poverty, besides an emphasis on rehabilitating homes owned and rented by extremely low-income households, will continue to be through the creation of jobs. This is consistent with the short-term non-housing objectives established within each region for providing funds for economic development projects. The ESG program provides emergency shelter for many persons and families living in poverty; and the Shelter Plus Care program provides these people with transitional and permanent housing opportunities through the Continuum of Care.

The institutional structure and programs, along with close coordination between implementing agencies, are all in place, and many families and individuals have benefited. However, there is no way to demonstrate or predict just how these programs and services will reduce the number of people living in poverty. Since the state’s affordable housing goals, the goals of the ESG and CDBG community development programs, emphasize targeting extremely low-income families, most of whom live in poverty, and because of the primary focus of the Community Services Block Grant program in providing services to people living in poverty, we believe that no additional goals are needed to specifically target poverty level families.
2015 Actions to reduce the number of poverty-level families

The primary activities will be to create jobs with CDBG funds, encourage referrals of low-income persons and families to the Self-Reliance program (although no data can be obtained showing referrals because of confidentiality), and, as reflected in our affordable housing goals, to target HOME and CDBG funds to low-income households.

F. ANTI-DISPLACEMENT AND RELOCATION PLAN

The State of North Dakota will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential anti-displacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.
V. ONE YEAR ACTION PLAN

The following narrative describes the activities that the state of North Dakota will undertake for each of the formula grant programs to which it receives funding: the CDBG, HOME and ESG programs.

METHOD OF DISTRIBUTION

To distribute the CDBG funds, the state provides an allocation of funds to each of the state’s eight Regional Planning Councils to recommend grant awards on a competitive basis. Each Regional Council is responsible for developing a program distribution statement describing how it will award funds. The state’s role is to provide overall direction for the CDBG program and to review each project for compliance with the state CDBG Program Distribution Statement and the respective regional program statement. In addition, a set-aside is available for the Governor to fund economic development projects, new housing and emergency projects addressing health and safety concerns in coordination with the Regional Councils. For the HOME program, funds will be allocated to each of the state’s seven Community Action Agencies, the North Dakota Housing Finance Agency, two Community Housing Development Organizations, two housing authorities, and the cities of Bismarck and Grand Forks. Funds from the ESG program will be distributed on a competitive basis to eligible applicants. More detailed information for accessing and awarding funds under these three programs may be found on the Division of Community Services web site.

The criteria for approving projects under the CDBG program for each Region are based directly on the state’s affordable housing goals and long-term non-housing community development objectives, emphasizing all needs identified as a high priority and primary benefit to households of 0 to 51 percent MFI. The HOME program is designed to achieve the affordable housing goals identified in the Strategic Plan, and the ESG program is focused on broadening existing emergency shelter and homelessness prevention activities, emphasizing rapid rehousing and helping people quickly gain stability in permanent housing after experiencing a housing crisis and or homelessness.

The following provides an overview description of each program:

A. COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)

The purpose of the Community Development Block Grant (CDBG) Program Distribution Statement is to describe how the state of North Dakota intends to distribute its CDBG Public Facilities, Housing and Economic Development funds.

To better address local community development needs, the Governor has directed that the State’s allocation be divided among each of the eight Regional Planning Councils that have established procedures to review and rank applications submitted within their respective regions.
Program Goals and Objectives

- Creation of permanent jobs for very low and low income persons
- Economic diversification
- Leveraging of private and local investment
- Benefit to the state’s economy
- Water and sewer activities which currently present a threat to health and safety
- Removal of architectural barriers which will permit access for the handicapped
- Direct benefit to a locality’s very low and low income persons
- Leveraging local and other available financial resources to finance the cost of the activity
- Meeting the health and safety needs of very low income persons by bringing the rehabilitated housing up to a minimum of the Section 8 Housing Quality Standards
- Making more affordable housing available for very low and low income persons

Eligible Applicants

Eligible applicants under the North Dakota Community Development Block Grant Program are limited to counties and incorporated cities.

Allocation of Funds

<table>
<thead>
<tr>
<th>FY2015 Allocation</th>
<th>$3,609,246</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less State Administration</td>
<td>$113,640</td>
</tr>
<tr>
<td>Less Regional Council Contracts</td>
<td>$58,544</td>
</tr>
<tr>
<td>Less 1% Technical Assistance</td>
<td>$36,092</td>
</tr>
<tr>
<td>Total Allocation Available for Projects</td>
<td>$3,400,970</td>
</tr>
<tr>
<td>Less Governor's Set Aside for Community Development*</td>
<td>$1,428,407</td>
</tr>
<tr>
<td>Total Allocation Available for Regional Distribution</td>
<td>$1,972,563</td>
</tr>
<tr>
<td>Plus Projected Program Income**</td>
<td>$1,700,000</td>
</tr>
<tr>
<td>Funds Available for Distribution</td>
<td>$3,672,563</td>
</tr>
</tbody>
</table>

*Any loans made with the Governor’s Fund will revolve back into the Governor’s Loan fund.
**All CDLF projects will be funded with CDLF Program income prior to CDBG allocation funds.

Governor’s Fund for Community Development

The Governor’s Fund for Community Development primary focus will be to fund primary sector economic development projects. However, other eligible CDBG projects may also be funded, including those that will alleviate an immediate health and safety condition in the community. Up to $100,000 of the Governor’s Fund may be used for permanent supportive housing to address long term homelessness. Housing projects funded with the Governor’s Fund will be based on increased housing needs due to economic development activities.
V. One-Year Action Plan

Section 108 Loan Guarantee Program

The state will not use CDBG funds to access the Section 108 Loan Guarantee program.

Regional Allocations

Table V.1, below, represents the regional CDBG allocations for FY 2015.

<table>
<thead>
<tr>
<th>Region</th>
<th>Total LMI Persons</th>
<th>Percent LMI Persons</th>
<th>VL &amp; LI Allocation</th>
<th>50% Base Allocation</th>
<th>Total Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>9,420</td>
<td>6%</td>
<td>$59,177</td>
<td>$123,285</td>
<td>$182,462</td>
</tr>
<tr>
<td>2</td>
<td>30,515</td>
<td>18%</td>
<td>$177,531</td>
<td>$123,285</td>
<td>$300,816</td>
</tr>
<tr>
<td>3</td>
<td>20,680</td>
<td>13%</td>
<td>$128,217</td>
<td>$123,285</td>
<td>$251,502</td>
</tr>
<tr>
<td>4</td>
<td>11,585</td>
<td>7%</td>
<td>$69,040</td>
<td>$123,285</td>
<td>$192,325</td>
</tr>
<tr>
<td>5</td>
<td>25,965</td>
<td>16%</td>
<td>$157,805</td>
<td>$123,285</td>
<td>$281,090</td>
</tr>
<tr>
<td>6</td>
<td>21,815</td>
<td>13%</td>
<td>$128,217</td>
<td>$123,285</td>
<td>$251,502</td>
</tr>
<tr>
<td>7</td>
<td>29,665</td>
<td>18%</td>
<td>$177,531</td>
<td>$123,285</td>
<td>$300,816</td>
</tr>
<tr>
<td>8</td>
<td>14,595</td>
<td>9%</td>
<td>$88,765</td>
<td>$123,285</td>
<td>$212,050</td>
</tr>
<tr>
<td>Total</td>
<td>168,316</td>
<td>100%</td>
<td>$986,283</td>
<td>$986,280</td>
<td>$1,972,563</td>
</tr>
</tbody>
</table>

Each region will decide how to allocate funds they have been appropriated. Each Regional Planning Council will recommend projects to be funded for FY 2015. Application criteria for each region and links to each region’s priorities will be available on NDDOC’s website.

B. HOME INVESTMENT PARTNERSHIP PROGRAM

The Department of Housing and Urban Development (HUD) has designated the State of North Dakota as a Participating Jurisdiction (PJ) and as such it may apply for and distribute HOME funds. The agency responsible for administration of the North Dakota HOME Program is the Department of Commerce, Division of Community Services (DCS).

This is a description of how the state plans to distribute FY 2015 HOME funds and administer its program. The plan demonstrates consistency with the goals identified in the state’s Consolidated Plan (CP). Accordingly, the state can use its HOME funds for the following activities to help meet the identified housing needs:

- Rehabilitation of Owner-occupied and Rental Property
- Homebuyer Assistance
- Tenant Based Rental Assistance (including security and utility deposits)
- Acquisition, New Construction, Site Improvements, or Demolition Linked to a Project
- Administrative Costs
- Operating Expenses for Community Housing Development Organization (CHDO)
TIMELY PRODUCTION AND OCCUPANCY OF ASSISTED HOUSING

The 2013 Rule revised a number of commitment and completion deadlines and imposed new occupancy deadlines:

- **HOME projects must be completed within four years of commitment.** Any project that is not completed timely will be terminated and PJs will be required to repay HOME funds drawn. [§92.205(e)(2)]

- **HOME-assisted rental units must be occupied by income-eligible households within 18 months of project completion;** if not, PJs must repay HOME funds for the vacant units. Note, for units that remain vacant six months following completion, the PJ must identify and develop an enhanced marketing plan and report this information to HUD. [§92.252]

- **A homebuyer unit must have a ratified sales contract within nine months of construction completion, or the PJ must either convert it to a HOME rental unit or repay the full HOME investment.** [§92.254(a)(3)]

**ALTERNATIVE FORMATS FOR DISABLED PERSONS ARE AVAILABLE UPON REQUEST**

- Funds must be committed to specific projects within 24 months of the PJ receiving its HOME allocation. The PJ can no longer “reserve” CHDO funds for projects that will be identified at a later date. [§92.2 Commitment, §92.300(a)(1)]

- **CHDO set-aside funds must be expended within 5 years of when the PJ receives its formula allocation.** [§92.500(d)(1)(A) and (C), and §92.500(d)(2)]

**DISTRIBUTION PLAN**

The state will administer its program through state recipients, sub recipients, non-profits, and CHDOs. The HOME Program will be allocated to state recipients and sub recipients through a non-competitive set-aside. The non-profit and CHDO category will be competitive and awarded based on scoring criteria. Any funds remaining after the competitive round will be distributed on a first-come-first-serve need basis.

Applicants new to the HOME Program are required to partner with an experienced developer, sponsor, or consultant (i.e., someone with projects completed and operating successfully).

The state may reallocate funds from one category to another, or one state recipient or sub recipient to another, because of high demand, an emergency due to a natural disaster, or determinations that performance-based measures have not been met.

State program income received by DCS may be allocated, at our discretion, for any project or activity deemed necessary.

Relocation is the only allowed activity in a designated floodplain under the state’s multi-
year environmental review. Grand Forks and Bismarck may complete their own environmental reviews and make their own floodplain determinations on a case-by-case basis.

**HOME Goals and Eligible Activities**

The HOME Program focuses on four major housing needs:

1. Single-family Rehabilitation – Community Action Agencies, Housing Authorities
2. Rental Production and Rehabilitation – Community Housing Development Organizations, Non-profits
3. Homeowner Assistance – Community Action Agencies, Housing Authorities, ND Housing Finance Agency
4. Tenant-based Rental Assistance – Community Action Agencies, Housing Authorities

Each of these needs is considered high or medium priority need for use of HOME funds. These needs are addressed and prioritized locally by set-asides made by the Division of Community Services to their recipients and sub recipients. Each recipient and sub recipient delivers the HOME Program in their region, city or multiple regions. Each year, the State will review the needs and completed goals and make a determination if the goals should be changed based on new developments that have created different needs around the state.

**HOME Performance Measures**

The state collects performance data on HOMENet, the state’s in-house HOME Program data collection system. Recipients and sub recipients are required to report performance data for all activities. The performance data consists of entering one of three objectives for the program: Suitable Living Environment, Decent Housing, and Creating Economic Opportunities. In addition, an appropriate outcome is also required: Availability/Accessibility, Affordability, or Sustainability. Based on the objectives and outcomes selected, the system will populate the specific output indicators for each activity. DCS will then enter this information on HUD’s Integrated Disbursement and Information System (IDIS).
SECTION I

State Recipients and Sub Recipients

All recipients are expected to locally meet the HOME Program match requirement of 25 percent unless specifically waived by the DCS. Existing general waivers include a state policy that homeowner rehabilitation and TBRA activities are excluded from the match requirement.

### 2015 Summary of Funding ESTIMATE

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 HUD Award</td>
<td>$3,002,167.00</td>
</tr>
<tr>
<td>State Program Income</td>
<td>$11,476.26</td>
</tr>
<tr>
<td>Total 2014 Allocation</td>
<td>$3,013,643.26</td>
</tr>
<tr>
<td>Total Available for Project Set-Aside</td>
<td>$2,563,426.56</td>
</tr>
<tr>
<td>Total Available for Administration Set-Aside</td>
<td>$300,216.70</td>
</tr>
<tr>
<td>Total Available for Operating Set-Aside</td>
<td>$150,000.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Recipients</th>
<th>Project</th>
<th>Administration</th>
<th>Operating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bismarck</td>
<td>$335,000.00</td>
<td>$15,000.00</td>
<td></td>
</tr>
<tr>
<td>Grand Forks</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Community Action Agency - Minot (Reg. II)</td>
<td>$140,000.00</td>
<td>$10,000.00</td>
<td></td>
</tr>
<tr>
<td>Dakota Prairie CAA (Reg. III)</td>
<td>$140,000.00</td>
<td>$10,000.00</td>
<td></td>
</tr>
<tr>
<td>Red River Valley Community Action (Reg. IV)</td>
<td>$140,000.00</td>
<td>$10,000.00</td>
<td></td>
</tr>
<tr>
<td>Southeastern North Dakota CAA (Reg. V)</td>
<td>$140,000.00</td>
<td>$10,000.00</td>
<td></td>
</tr>
<tr>
<td>Community Action Program Reg. VI</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Community Action Program Reg. VII</td>
<td>$140,000.00</td>
<td>$10,000.00</td>
<td></td>
</tr>
<tr>
<td>Community Action &amp; Development (Reg. I &amp; VIII)</td>
<td>$280,000.00</td>
<td>$20,000.00</td>
<td></td>
</tr>
<tr>
<td>Stutsman County Housing Authority</td>
<td>$30,000.00</td>
<td>$3,000.00</td>
<td></td>
</tr>
<tr>
<td>Cass County Housing Authority</td>
<td>$30,000.00</td>
<td>$3,000.00</td>
<td></td>
</tr>
<tr>
<td>North Dakota Housing Finance Agency</td>
<td>$275,000.00</td>
<td>$15,000.00</td>
<td></td>
</tr>
<tr>
<td>Open CAP/Housing Authority Award(s)</td>
<td>$140,000.00</td>
<td>$10,000.00</td>
<td></td>
</tr>
<tr>
<td>Nonprofit and CHDO(s) (minimum of 15% of 2014 award to CHDO(s))</td>
<td>$761,950.30 ($450,325.05)</td>
<td>$150,000.00</td>
<td></td>
</tr>
<tr>
<td>PI Reserved for Troubled/At-Risk Projects</td>
<td>$11,476.26</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Administration</td>
<td></td>
<td>$184,216.70</td>
<td></td>
</tr>
<tr>
<td>Performance Set-Aside</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>$2,563,426.56</td>
<td>$300,216.70</td>
<td>$150,000.00</td>
</tr>
</tbody>
</table>
Only the forms of HOME assistance listed in Part 92.205(b) will be allowed. Applicants should use private funds, tax credits, Rural Development, Federal Home Loan Bank, CDBG, North Dakota Housing Incentive Fund, Department of Energy, or other grant/loan programs to help leverage HOME activities.

**State Recipient Set-Aside**

HOME funds will be reserved for the two communities (Bismarck and Grand Forks) that are entitlement cities, but not PJs. This program component is non-competitive, and each city will be eligible to apply for a predetermined amount of funding based on population, number or percentage of low-income households, and housing needs. Although these cities will be able to design their projects to meet local needs, all activities must be within the parameters of the State HOME Program. **Each city must submit the annual HOME plan by July 15, 2015.** This plan will reserve their set-aside funds and become their performance goals for 2014. The cities must submit their final HOME Project Application(s) and certification of Consolidated Plan compliance before HOME funds will be committed. The HOME Project Application(s) must be fully completed and received by **December 1, 2015.** Please note that no construction activities may begin until this process is fully completed, and DCS has issued the notification of release of funds.

**Sub Recipient Set-Aside**

HOME funds will be set aside for the ND Housing Finance Agency, two Housing Authorities and the seven Community Action Agencies to complete activities in their jurisdiction that are consistent with the State’s Consolidated Plan and are a priority for their area. **The completed HOME Application Plan must be submitted to DCS no later than July 15, 2015.**

**Sub Recipient Definition**

A public agency or non-profit organization selected by the participating jurisdiction to administer all or some of the participating jurisdiction’s HOME programs to produce affordable housing, provide down payment assistance, or provide tenant-based rental assistance. A public agency or non-profit organization that receives HOME funds solely as a developer or owner of a housing project is not a sub recipient. The participating jurisdiction’s selection of a sub recipient is not subject to the procurement procedures and requirements.

**Housing Finance Agency Set-Aside**

HOME funds may be used for homeowner assistance. Assistance can be in the form of down payment and closing costs assistance. This program will be administered as a statewide program through an agreement with the North Dakota Housing Finance Agency.

Neither the initial purchase price, nor the appraised value at acquisition (including any required repairs needed to meet property standards) of the housing, shall exceed 95
percent of the median purchase price for a single-family residence (single-family residence, condominium unit, cooperative unit, or combination manufactured home and lot). The housing must be the principal residence of an owner whose family qualifies as a low-income household at the time of purchase. The recipient of down payment and closing cost assistance must complete homebuyer counseling prior to closing. Finally, all applicable regulatory provisions under 24 CFR Part 92.254 will be followed if not specifically mentioned in this description.

**Housing Authorities**

The Stutsman County Housing Authority and Cass County Housing Authority will receive a set-aside to complete a security or utility deposit program, or an approved TBRA program. These HOME dollars will be used in emergency situations to prevent homelessness or to assist persons in transitional housing to secure permanent rental housing. Funds may also be used to assist low-income families in securing a more affordable rental unit. Funds will be used only for security or utility deposits, or an approved TBRA program.

Recipients must develop written guidelines that meet program requirements and comply with 24 CFR Part 92.209, to include the following:

- The security or utility deposit may not exceed the equivalent of one month's rent for the housing unit;
- Tenant selections must comply with 92.209 (c);
- Only the prospective tenant may apply for HOME security deposit assistance, although the funds must be paid directly to the landlord;
- Rental units must be inspected for Housing Quality Standards compliance;
- The lease must comply with the requirements of section 92.253 (a), (b), (c); and
- The assistance may be in the form of a grant or a loan. If the assistance is to be provided as a loan, the agency’s loan program must be pre-approved by DCS.

**Community Action Agency Set-Aside**

Eligible activities can include all necessary rehabilitation required to bring an existing owner-occupied home up to Section 8 Housing Quality Standards (HQS) and the ND HOME Program’s Rehabilitation Standards, and Tenant-based Rental Assistance including security and utility deposits. All rehab work must meet all applicable state and local code requirements. When rehabilitation is selected as a regional priority, neither the estimated value of the house prior to rehabilitation or the after-rehab value of the housing shall exceed 95 percent of the median purchase price for a single-family residence (single-family residence, condominium unit, cooperative unit, or combination manufactured home and lot). Each homeowner will be
required to sign a Housing Rehabilitation Program Homeowner Agreement that will be determined on the amount of funds provided to the homeowner. The period of affordability will be as follows:

<table>
<thead>
<tr>
<th>HOME Assistance Per Unit</th>
<th>Minimum Period of Affordability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $15,000</td>
<td>5 yrs.</td>
</tr>
<tr>
<td>$15,000 - $40,000</td>
<td>10 yrs.</td>
</tr>
<tr>
<td>More than $40,000</td>
<td>15 yrs.</td>
</tr>
</tbody>
</table>

The terms of the agreement for repayment may allow for a pro-rata reduction of the recapture amount in monthly increments. Below is an example of a five-year plan:

<table>
<thead>
<tr>
<th>Month</th>
<th>Recapture</th>
<th>Month</th>
<th>Recapture</th>
<th>Month</th>
<th>Recapture</th>
<th>Month</th>
<th>Recapture</th>
<th>Month</th>
<th>Recapture</th>
<th>Month</th>
<th>Recapture</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>100%</td>
<td>11</td>
<td>83.3%</td>
<td>21</td>
<td>66.6%</td>
<td>31</td>
<td>50.0%</td>
<td>41</td>
<td>33.3%</td>
<td>51</td>
<td>16.6%</td>
</tr>
<tr>
<td>2</td>
<td>98.3%</td>
<td>12</td>
<td>81.6%</td>
<td>22</td>
<td>65.0%</td>
<td>32</td>
<td>48.3%</td>
<td>42</td>
<td>31.6%</td>
<td>52</td>
<td>15.0%</td>
</tr>
<tr>
<td>3</td>
<td>96.6%</td>
<td>13</td>
<td>80.0%</td>
<td>23</td>
<td>63.3%</td>
<td>33</td>
<td>46.6%</td>
<td>43</td>
<td>30.0%</td>
<td>53</td>
<td>13.3%</td>
</tr>
<tr>
<td>4</td>
<td>95.0%</td>
<td>14</td>
<td>78.3%</td>
<td>24</td>
<td>61.6%</td>
<td>34</td>
<td>45.0%</td>
<td>44</td>
<td>28.3%</td>
<td>54</td>
<td>11.6%</td>
</tr>
<tr>
<td>5</td>
<td>93.3%</td>
<td>15</td>
<td>76.6%</td>
<td>25</td>
<td>60.0%</td>
<td>35</td>
<td>43.3%</td>
<td>45</td>
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<td>55</td>
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<td>6</td>
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<td>16</td>
<td>75.0%</td>
<td>26</td>
<td>58.3%</td>
<td>36</td>
<td>41.6%</td>
<td>46</td>
<td>25.0%</td>
<td>56</td>
<td>8.3%</td>
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<tr>
<td>7</td>
<td>90.0%</td>
<td>17</td>
<td>73.3%</td>
<td>27</td>
<td>56.6%</td>
<td>37</td>
<td>40.0%</td>
<td>47</td>
<td>23.3%</td>
<td>57</td>
<td>6.6%</td>
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<tr>
<td>8</td>
<td>88.3%</td>
<td>18</td>
<td>71.6%</td>
<td>28</td>
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<td>38</td>
<td>38.3%</td>
<td>48</td>
<td>21.6%</td>
<td>58</td>
<td>5.0%</td>
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<td>9</td>
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<td>36.6%</td>
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<td>20.0%</td>
<td>59</td>
<td>3.3%</td>
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<tr>
<td>10</td>
<td>85.0%</td>
<td>20</td>
<td>68.3%</td>
<td>30</td>
<td>51.6%</td>
<td>40</td>
<td>35.0%</td>
<td>50</td>
<td>18.3%</td>
<td>60</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

When housing rehabilitation is selected, each CAA must develop Homeowner Rehabilitation Guidelines (HRG). This HRG must contain the following and be submitted with their application.

a. The criteria used to determine applicant eligibility in terms of income, assets, ownership, occupancy, and location. Include any priorities which are used to select households for assistance (e.g., households with income less than 50 percent of median) and how income information will be verified.

b. The types of property or properties eligible for assistance (i.e., single-family unit, condominium unit, mobile home/manufactured home [permanent foundation on private lot], and cooperative unit).

c. Describe any type of homeowner contribution required (cash, labor, or materials).

d. Describe how you will inspect for Housing Quality Standards (HQS) Requirements (24 CFR 882.109), ND HOME Program Rehabilitation Standards, and assure that all work completed meets the North Dakota State
Building Code (or a locally amended North Dakota State Building Code). Describe how your
agency will assure that newly constructed housing meets the current edition
of the Model Energy Code, Uniform Building Code, and Uniform
Mechanical Code.

e. Define how you will meet lead-based paint regulations.

f. Describe the minimum and maximum amount of assistance allowed and the
terms of the assistance. Indicate what will happen if a house cannot be
brought up to HQS and ND HOME Program Rehabilitation Standards with
the maximum investment.

g. Describe how you will assure that no more than the necessary amounts of
HOME Program funds are invested in any one project. (Layering)

h. Define the role and responsibilities for staff, owner, and contractor.
Describe the grievance procedure for applicants and for disputes between
an owner and a contractor.

i. Describe your conflict of interest policy.

j. Describe the homeowner counseling services that are available to each
client.

When **Tenant-based Rental Assistance** is determined as a priority in the region, the
HOME funds must be earmarked for security or utility deposits or for an approved
TBRA program. These HOME dollars can be used in emergency situations to
prevent homelessness, to provide assistance to persons in transitional housing to
secure permanent rental housing, and to assist low-income families in securing a
more affordable rental unit. The TBRA program funds must be used in accordance
with 92.209 and be tied to an existing self-sufficiency program.

Recipients of security and utility deposit funds must develop written guidelines that
meet program requirements and to include the following:

- The security or utility deposit may not exceed the equivalent of one month’s
  rent for the housing unit;
- Tenant selections must comply with 92.209 (c);
- Only the prospective tenant may apply for HOME security deposit assistance,
  although the funds must be paid directly to the landlord;
- Rental units must be inspected for Housing Quality Standards compliance;
- The lease must comply with the requirements of section 92.253 (a), (b), (c); and
The assistance may be in the form of a grant or as a loan. If the assistance is to be provided as a loan, the agency’s loan program must be pre-approved by the state.

This program will be administered on a regional basis through agreements with Community Actions Agencies (CAA) and Housing Authorities (HA). To encourage good planning and cooperative efforts, each Community Action Agency and Housing Authority is encouraged to contact their respective Regional Council to notify them of the assistance they may provide through the programs they administer.

**Resale/Recapture Requirements for Homebuyer Assistance**

In order to ensure the period of affordability, any of the entities who have elected to provide homebuyer assistance are required to specify their elected recapture or resale provisions. The recapture or resale provisions will be contained within their written agreement with the PJ. During its grant monitoring of the HOME Program sub recipients, the state will review the deed restrictions, covenants attached to the land, mortgages, or other similar mechanisms placed on the HOME-assisted property, to ensure the provisions being used are in accordance with those stated in the written agreement with the sub recipient.

The HOME-assisted housing must meet the affordability requirements for not less than the applicable period specified in the following table:

<table>
<thead>
<tr>
<th>HOME Assistance Per Unit</th>
<th>Minimum Period of Affordability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $15,000</td>
<td>5 yrs.</td>
</tr>
<tr>
<td>$15,000 - $40,000</td>
<td>10 yrs.</td>
</tr>
<tr>
<td>More than $40,000</td>
<td>15 yrs.</td>
</tr>
<tr>
<td>New Construction Rental</td>
<td>20 yrs.</td>
</tr>
</tbody>
</table>

The recapture or resale provisions must be assured so that the unit remains affordable through deed restrictions, covenants attached to the land, mortgages, or other similar mechanisms. The deed restrictions will terminate upon occurrence of any of the following: foreclosure, transfer in lieu of foreclosure, or assignment of an FHA insured mortgage to HUD. The restrictions shall be revised according to the original terms, if during the original affordability period, the owner of record before the termination event, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the project or property. Recipients will be encouraged to use purchase options or first refusal provisions to enforce provisions and to purchase the property before foreclosure to preserve affordability.

**Option 1 - Resale Provision**

Resale requirements must ensure, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability that
the housing is made available for subsequent purchase to a family whose income falls within a reasonable range of low-income homebuyers and the purchasing family will use the property as its principal residence. The resale requirement must also ensure that the price at resale provides the original HOME-assisted owner a fair return on investment and ensure that the housing will remain affordable to a reasonable range of low-income homebuyers. A fair return on the owner’s investment is defined as the return of the owner’s closing costs, principal payments, and improvement costs, less any repairs required to meet code or HUD’s Housing Quality Standards at the time of resale. The ND HOME program defines a reasonable range of homebuyers as those families whose income is between 65 percent and 80 percent of the median area income. The period of affordability is based on the total amount of HOME funds invested in the housing. All time remaining in the period of affordability must transfer to subsequent purchasers. Any violation of this resale provision would require the initial HOME investment to be repaid.

**Option 2 - Recapture Provision**

Recapture provisions must ensure that the participating jurisdiction recoups all or a portion of the HOME assistance to the homebuyers if the housing does not continue to be the principal residence of the family for the duration of the period of affordability. The HOME investment that is subject to recapture is based on the amount of HOME assistance that enabled the homebuyer to buy the dwelling unit. This includes any HOME assistance that reduced the purchase price from fair market value to an affordable price (direct subsidy), but excludes the amount between the cost of producing the unit and the market value of the property (i.e., the development subsidy). The direct subsidy may include down payment assistance, closing costs, or any other HOME assistance provided directly or indirectly to the homebuyer. The recaptured funds must be used to carry out HOME-eligible activities. If the HOME assistance is only used for the development subsidy and, therefore, not subject to recapture, the resale option must be used. The period of affordability is based upon the total amount of HOME funds that is initially subject to recapture. The amount of HOME funds that is subject to recapture if the housing does not continue to be the principal residence of the family is limited to the amount available from the net proceeds of the sale. The net proceeds of the sale are the sale price less the loan repayment (other than HOME funds) and closing costs.

The following entities intend to provide assistance to homebuyers and have elected to use the Recapture Provision as explained below:

- The City of Grand Forks: **Recapture Provision**
  - The entity will follow the recapture option in 24 CFR 92.254 (a) (5) (ii) (A) (2) which allows for recapturing a reduced amount during the affordability period. The city will require a minimum ten-year affordability period with 0
percent reduction of the recapturable amount during the first five years. Beginning in year six, the recapturable amount of the HOME investment will be reduced on a pro-rata basis, as long as the homeowner continues to own and occupy the home.

- If the net proceeds (sale price minus loan repayment, other than HOME funds, and closing costs) are not sufficient to recapture the HOME investment and enable the homeowner to recover his homeowner investment (the amount of their down payment and any documented capital improvement investments), the HOME recapture amount will be set as follows:

\[
\text{Recapture Amount} \times \text{Net Proceeds} = \text{HOME Investment} \times \text{Recapture Amount} = \text{HOME Investment} \times \text{Homeowner Investment}
\]

- The North Dakota Housing Finance Agency: Recapture Provision

  - The entity will follow the recapture option in 24 CFR 92.254 (a) (5) (ii) (A) (2) which allows for recapturing a reduced amount during the affordability period. For their down payment and closing costs assistance program, the North Dakota Housing Finance Agency will require the minimum affordability period based on the amount of the direct home subsidy. Beginning in year one, the recapturable amount of the HOME investment will be reduced on a pro-rata basis, as long as the homeowner continues to own and occupy the unit.

- Eastern Dakota Housing Alliance: Recapture Provision

  - The entity will follow the recapture option in 24 CFR 92.254 (a) (5) (ii) (A) (2) which allows for recapturing a reduced amount during the affordability period. Eastern Dakota Housing Alliance will require the minimum affordability period based on the amount of the direct home subsidy. Beginning in year one, the recapturable amount of the HOME investment will be reduced on a pro-rata basis, as long as the homeowner continues to own and occupy the unit.

Administration

The state (as the PJ), state recipients, and sub recipients will be allowed to receive HOME monies for administrative expenses. These costs may not exceed 10 percent of the entire HOME allocation for North Dakota.

Performance-based Set-Asides

The amounts listed in the Summary of Funding will not be awarded the next fiscal year unless an acceptable level of disbursement of funds previously awarded has been attained (disbursement means funds are drawn from the U.S. Treasury). The state will review past performance to determine the level of funding. If an agency
cannot meet their performance measures by February 1, 2015, they must submit a letter of justification by January 15, 2015. This letter must explain why they cannot meet their performance measure and justify their requested set-aside. Each case will be reviewed separately and the Director of DCS will make the final determination.

DCS will notify agencies of the availability of any unobligated funds, and will make funds available according to its original identity or deemed appropriate by the Director of DCS. Recipients that can demonstrate all years including 2014 funding allocation are 100 percent committed can request additional dollars for shovel ready projects.

State and Sub recipient Set-Asides

Unobligated performance funds may be reallocated to other State and Sub Recipient(s) that can demonstrate all years including 2014 allocation are 100 percent committed, have an unmet need, ready to proceed and have capacity to spend the funds in a timely manner may request the unobligated performance funds.

SECTION II

CHDO/Non-profit

All recipients are expected to locally meet the HOME Program match requirement of 25 percent unless specifically waived by the DCS. Existing general waivers include a state policy that homeowner rehabilitation and TBRA activities are excluded from the match requirement.

Only the forms of HOME assistance listed in Part 92.205(b) will be allowed. Applicants should use private funds, tax credits, Rural Development, Federal Home Loan Bank, CDBG, North Dakota Housing Incentive Fund, Department of Energy, or other grant/loan programs to help leverage HOME activities.

Submission of the CHDO and Non-profit Application(s) are due by September 30, 2015. The application process for CHDOs/Non-profits will be competitive for the first round if any funds remain, and it will be on a first come, first-serve based on needs. Extra points will not be given to CHDOs; however they will be given preferential status when awarding funds to the extent necessary to meet the HUD CHDO 15% requirement.

Please note that no construction activities may begin until a completed financial award has been signed, and the DCS has issued the Notification of Release of Funds.

Owner

Rental housing is “owned” if the housing organization is the owner in fee simple absolute of multifamily or single family housing (or has a long term ground lease) for rental to low-income families in accordance with §92.252. If the housing is to be rehabilitated or constructed, the housing organization must prove internal capacity or hire and oversee the developer that rehabilitates or constructs the housing. At minimum, the housing
organization must hire or contract with an experienced project manager to oversee all aspects of the development, including obtaining zoning, securing non-HOME financing, selecting a developer or general contractor, overseeing the progress of the work and determining the reasonableness of costs. The housing organization must own the rental housing during development and for a period at least equal to the period of affordability in §92.252. If the housing organization acquires housing that meets the property standards in §92.251, the organization must own the rental housing for a period at least equal to the period of affordability in §92.252.

**Developer**

Rental housing is “developed” by a housing organization if the housing development organization is the owner of multifamily or single family housing in fee simple absolute (or has a long term ground lease) and the housing developer of new housing that will be constructed or existing substandard housing that will be rehabilitated for rent to low-income families in accordance with §92.252. To be the “housing developer,” the housing organization must be in sole charge of all aspects of the development process, including obtaining zoning, securing non-HOME financing, selecting architects, engineers and general contractors, overseeing the progress of the work and determining the reasonableness of costs. At a minimum, the housing development organization must own the housing during development and for a period at least equal to the period of affordability in §92.252.

**Sponsor (CHDO only)**

Rental housing is “sponsored” by a CHDO if the CHDO “developed” the rental housing project that it agrees to convey to an identified private nonprofit organization at a predetermined time after completion of the development of the project. Sponsored rental housing is subject to the following requirements:

- The private non-profit organization may not be created by a governmental entity.
- The HOME funds must be provided to the entity that owns the project.
- The HOME funds must be invested in the project that is owned by the CHDO.
- Before commitment of HOME funds, the CHDO sponsor must select the non-profit organization that will obtain ownership of the property.
- The non-profit organization assumes the CHDO’s HOME obligations (including any repayment of loans) for the rental project at a specified time after completion of development.
If the housing is not transferred to the non-profit organization, the CHDO organization sponsor remains responsible for the HOME assistance and the HOME project.

**Community Housing Development Organization (CHDO)**

Eligible applicants include community-based non-profit 501(c)(3), 501(c)(4), or 905 (subordinate organization of a 501 (c) organization) organizations with the mission statement that identifies decent, affordable housing to low and moderate-income persons.

The DCS designates non-profit organizations that meet defined criteria as CHDOs. A CHDO is defined in the HOME Investment Partnerships Program Final Rule Subpart A, §92.2.

**Note:** Non-profits are not required to be a designated CHDO to apply for DCS HOME Program funding.

HUD requires that DCS set aside at least 15% of HOME annual allocation for Community Housing Development Organizations (CHDOs). In addition, these organizations must meet and satisfactorily demonstrate the prescribed requirements. DCS will be using the DRAFT HUD guidance on CHDO qualifications. CHDO’s are also eligible to participate in non-CHDO housing activities.

CHDOs may be eligible for the operating set-aside based on need. No CHDO may receive more than $50,000 per year. DCS cannot exceed $150,000 per year in total.

Up to 10 percent of the CHDO set-aside may be used for pre-development loans to assist specific projects. Per 92.301 these loans can be used for technical assistance and site control, and seed money loans. The community housing development organization must repay the loan to the participating jurisdiction from construction loan proceeds or other project income. The participating jurisdiction may waive repayment of the loan, in part or in whole, if there are impediments to project development that the participating jurisdiction determines are reasonably beyond the control of the borrower. Predevelopment loan repayments must be sent to the DCS. The repaid funds will be added to the next FY allocation.

**CHDO Definition** - A non-profit organization that:

1. Is organized under State or local laws;
2. Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;
3. Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization. A community housing development organization may be sponsored or created by a for-profit entity, but:
(i) The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, developer, or real estate management firm.

(ii) The for-profit entity may not have the right to appoint more than one-third of the membership of the organization’s governing body. Board members appointed by the for-profit entity may not appoint the remaining two-thirds of the board members;

(iii) The community housing development organization must be free to contract for goods and services from vendors of its own choosing; and

(iv) The officers and employees of the for-profit entity may not be officers or employees of the community housing development organization.

(4) Has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 (26 CFR 1.501(c)(3)-1 or 1.501(c)(4)-1), is classified as a subordinate of a central organization non-profit under section 905 of the Internal Revenue Code of 1986, or if the private non-profit organization is an wholly owned entity that is disregarded as an entity separate from its owner for tax purposes (e.g., a single member limited liability company that is wholly owned by an organization that qualifies as tax-exempt), the owner organization has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 and meets the definition of “community housing development organization;”

(5) Is not a governmental entity (including the participating jurisdiction, other jurisdiction, Indian tribe, public housing authority, Indian housing authority, housing finance agency, or redevelopment authority) and is not controlled by a governmental entity. An organization that is created by a governmental entity may qualify as a community housing development organization; however, the governmental entity may not have the right to appoint more than one-third of the membership of the organization’s governing body and no more than one-third of the board members may be public officials or employees of governmental entity. Board members appointed by a governmental entity may not appoint the remaining two-thirds of the board members. The officers or employees of a governmental entity may not be officers or employees of a community housing development organization;

(7) Has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions or by-laws;

(8) Maintains accountability to low-income community residents by:

(i) Maintaining at least one-third of its governing board’s membership for residents of low-income neighborhoods, other low-income community residents, or elected representative of low-income neighborhood organizations. For urban areas, “community” may be a neighborhood or neighborhoods, city, county or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, town, village, county, or multi-county area (but not the entire State); and

(ii) Providing a formal process for low-income program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of affordable housing;

(9) Has a demonstrated capacity for carrying out housing projects assisted with HOME funds. A designated organization undertaking development activities as a developer or sponsor must satisfy this requirement by having paid employees with housing development experience who will work on projects assisted with HOME funds. For its first year of funding as a community housing development organization, an organization may satisfy this requirement through a contract with a consultant who has housing development experience to train appropriate key staff of the organization. An organization that will own housing must demonstrate capacity to act as owner of a project and meet the requirements of §92.300(a)(2). A non-profit organization does not meet the test of demonstrated capacity based on any person who is a volunteer or whose services are donated by another organization; and

(10) Has a history of serving the community within which housing to be assisted with HOME funds is to be located. In general, an organization must be able to show one year of serving the community before HOME funds are reserved for the organization. However, a newly created organization formed by local churches, service organizations or neighborhood organizations may meet this requirement by demonstrating that its parent organization has at least a year of serving the community.

The private non-profit organization may not be created by a governmental entity.

The HOME funds must be invested in the project that is owned by the community housing development organization.
Non-profits

Non-profits can participate in the HOME Program as owners or developers of multi-family housing. The non-profit must not be disqualified from any program administered by DCS or under debarment, proposed debarment or suspension by a federal agency.

The non-profit must be able to demonstrate technical expertise of staff and other project partners in housing production and management and meet the following criteria:

- The non-profit has completed the administration of at least one (1) HOME, CDBG, or NSP funded development of similar nature and scope;

  or

- Has a proven track record in affordable housing development and project management for a minimum period of five (5) years prior to the application submission date; and

- Documented capacity to carry out the long-term rental compliance responsibilities associated with the development through the period of affordability.

Troubled or At-Risk Projects

DCS has a set-aside to address HOME projects that are troubled or at-risk determined by asset management. DCS may address refinancing candidates, capital need shortfalls, operational needs, property management concerns (unit maintenance, occupancy, rent levels, crime, etc.), expiring subsidies/use agreements.

MINORITY AND WOMAN BUSINESS OUTREACH PROGRAM

Executive Orders 11625, 12432, and 12138 require the encouragement and use of minority and women-owned businesses in conjunction with the HOME Program. To encourage the use of minority and women-owned businesses in bids for the various programs under the North Dakota HOME Program, the DCS (DCS) will include the latest list of certified minority and women-owned businesses with each application package.

Minority and women-owned business enterprises are encouraged to participate as suppliers, contractors, lenders, etc. to provide services to projects assisted with HOME funds in all notices and advertisements related to the HOME Program.

To maintain statistical data on the use and participation of minority and women-owned business enterprises as contractors or subcontractors in HOME-assisted program contracting activities, owners will be required to identify jobs that have been bid by minority or women-owned businesses. In addition, the applicant may inspect the site to confirm the percentage of minority and women laborers working at the site.
Contact DCS for guidance.

**AFFIRMATIVE MARKETING PROCEDURES**

The DCS will take the following actions to provide information to attract eligible persons from all racial, ethnic, and gender groups in the housing market area that is assisted by HOME funding.

All correspondence, notices and advertisements related to the HOME Program, must contain the Equal Housing Opportunity logo or slogan.

Participants in the HOME Program will be required to use affirmative fair housing marketing practices in soliciting renters or buyers, determining their eligibility, and concluding all transactions. Any HOME-assisted housing must comply with the following procedures for the required compliance period, depending on the program used:

1. Owners advertising vacant units must include the equal housing opportunity logo and/or slogan. Wherever a phone number is provided, there must also be a TDD/TTY phone number, or equivalent, provided. The Relay North Dakota TDD number is 800-366-6888, Voice Users 1-800-366-6889, and Spanish Users 1-800-435-8590. This service is free of charge. Recently the number “711” has been approved by the FCC for use in contacting the relay service. This number works for both TTY and voice telephones and while it is applicable in most states, you are still required to list the “800” numbers presented above. Advertising media may include newspapers, radio, televisions, brochures, leaflets, or a sign in a window. In addition, owners will be required to have written communication to Fair Housing organizations.

2. The owner will be required to solicit applications for vacant units from persons in the housing market who are least likely to apply for the HOME-assisted housing without the benefit of special outreach efforts. In general, persons who are not of the race or ethnicity of the residents of the neighborhood in which the rehabilitated building is located shall be considered those least likely to apply. Special outreach efforts will include contacts with community action agencies, human service centers and county social service offices.

3. The owner must maintain a file containing all marketing efforts (e.g., copies of newspaper ads, memos of phone calls, copies of letters, etc.) and the records to assess the results of these actions are to be available for inspection by the DCS.

4. The owner shall maintain a listing of all tenants residing in each unit from the time of application through the end of the compliance period.

The DCS will assess the affirmative marketing efforts of the owner by comparing predetermined occupancy goals (based upon the area from which potential tenants will come) to actual occupancy data that the owner is required to maintain. The owner’s
outreach efforts will also be evaluated by reviewing marketing efforts. The DCS will assess these efforts by use of a compliance certification or a personal monitoring visit to the project at least annually.

Where an owner fails to follow the affirmative marketing requirements, corrective actions shall include extensive outreach efforts to appropriate contacts to achieve the occupancy goals or other sanctions that the DCS may deem necessary. In addition, owners will be counseled as to affirmative marketing requests. In the event they continue to be in non-compliance, they may not be allowed to receive future HOME funds.

All units of local government that receive HOME funds must submit affirmative marketing procedures they have adopted to the DCS.

**Scoring Criteria**

Each application meeting the threshold requirements will be reviewed and assigned points according to the following selection criteria. Applications must achieve a minimum score of 80 points to be considered for funding. Scoring will be on entire project/units (not just HOME units). Only one (1) application per project will be considered. Applicants may request no more than 60% of the hard construction costs. Income targeting for HOME requires at initial occupancy that not less than 90% of the units assisted with HOME funds be occupied by families at 60% and below area median income. Projects with five (5) or more HOME units, 20% of those units must have low home rents for the period of affordability.

A. Income Targeting

    Scoring for additional targeted units must have another program LURA or DCS will restrict these units at the state level.

1) Serves Extremely Low Income Households 5-15 points

    Up to 15 points will be awarded to properties with units both income and rent restricted for households at or below 30% of area median income. Elections made in this category must be incorporated into a Land Use Restrictive Agreement and will be binding, at a minimum, for the term of the HOME loan.

    20% of total units income and rent restricted at or below 30% of AMI - 15 points
    15% of total units income and rent restricted at or below 30% of AMI - 10 points
    10% of total units income and rent restricted at or below 30% of AMI - 5 points

    For purposes of applying the 30% rent restriction under this category, and exception for exceeding the 30% rent may be granted for Section 8 project-based rental assistance where it can be shown that additional rents are necessary to make the project feasible and that the rent will not exceed 30% of the tenant’s income. This exception will not apply for Section 8 tenant based rental assistance.
V. One-Year Action Plan

and/or

2) Serves Very Low and Low Income Households 15 points

15 points will be awarded to properties with additional assisted units which are income restricted at or below the 80% area median income and rent restricted at or below 50% area median income level. Elections made in this category will be incorporated into the Land Use Restrictive Agreement and will be binding.

B. Addresses Housing Shortage in Developing Communities of 20,000 or less 15 points

25 points will be awarded to projects located in communities under 20,000 in population and that can demonstrate an unmet housing need or shortage. An unmet housing need or shortage can be substantiated per underwriting requirements. The population data will come from census.gov (2010).

C. Leveraging Up to 25 points

DCS will award up to 25 points if HOME funds are leveraged against other financial resources used to cover costs allocated to the HOME assisted units as follows (note that points will not be awarded for funds utilized to finance market rate units):

<table>
<thead>
<tr>
<th>Points</th>
<th>HOME Funds per HOME assisted unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>Less than $70,000</td>
</tr>
<tr>
<td>15</td>
<td>$70,000-$99,999</td>
</tr>
<tr>
<td>5</td>
<td>$100,000-$120,000</td>
</tr>
</tbody>
</table>

D. Financial Support from Local Sources 0-25 points

Of the 25% required match, 1 point will be awarded from every percentage point of the match that comes from a local contribution, defined as:

Local governmental and community private contributions, including but not limited to cash, measurable in-kind services, or tax abatements, to reduce project costs or enhance feasibility. Contribution to the North Dakota Housing Incentive fund will not be counted in this category.

E. Readiness to Proceed Range of 0-25 points

Applicant must have provided a timeline for completion of the project. Points awarded in this category are based on earliest achievable completion of the activity. Such things as letters of commitment for both construction and permanent financing; ownership or option to purchase land; and availability of infrastructure will be considered in the
award of points.

F. **Rehab of Existing Vacant Habitable Structures**

Proposals involving the rehabilitation of existing structures that are at risk of becoming uninhabitable or obsolete because of age and deterioration, and requiring a minimum of $80,000 per unit in hard construction costs may receive 15 points. Applicants may wish to consult with DCS before applying for points in this category.

G. **Preservation**

Federally assisted properties in danger of prepayment, such as Rural Development 515 financed or those with project-based rental assistance, which are “at-risk” of being lost from the state’s affordable housing inventory, will receive 5 points.

H. **Special Needs**

Projects with units targeted to special needs households, including those with physical disabilities, chronic or persistent mental illness, drug/chemical dependency, or frail elderly and can demonstrate appropriate construction design and the availability of appropriate supportive services will receive up to 15 points depending on the number of set-aside units. Projects with a minimum of 10% of the units set-aside for special needs households will receive 5 points, from 11% to 15% of the units will receive 10 points and more than 15% will receive 15 points.

I. **Neighborhood Characteristics**

Two (2) points will be given for services located within two (2) miles of the site. Distance will be measured by odometer from the automobile entrance of the proposed project site to the closest automobile entrance to the parking lot of the applicable service. Duplicate services will not be eligible for additional points. Points will only be given for the services listed below.

- Grocery Store
- Bank or Credit Union
- Hospital or Doctor Office
- Pharmacy or Drug Store
- Convenience Store
- Public Transportation

J. **Public Housing Notification**

A proposal which provides a written commitment to notify local public housing agencies of vacancies and give priority to households on waiting lists of those agencies will receive 10 points.

K. **Cross-Cutting Requirements**

Up to 25 points will be deducted
Besides the rules and requirements specific to the HOME Investment Partnerships Program (HOME), there are several additional broad federal rules that must be adhered to in the course of administering the program. While the Participating Jurisdiction (PJ) is responsible for implementing these rules, owners, developers, Community Housing Development Organizations (CHDOs), and other non-profits must also be aware of them and actively ensure that a project or activity is in compliance. These other federal requirements cover the following areas: non-discrimination and equal access; employment and contracting; environmental review; site and neighborhood standards; relocation; and lead-based paint.

Applicant has had substantial findings or unresolved issues related to other federal funds from DCS including the cross-cutting requirements within the last four (4) years. This is at the discretion of DCS.

C. Emergency Solutions Grant Program

The State’s 2015 ESG allocation will be made available to eligible applicants and will be administered in accordance with the Interim (or Final) Rule regarding Homeless Emergency Assistance and Rapid Transition to Housing: Emergency Solutions Grant Program and Consolidated Plan Conforming Amendments.

Allocation of Funds

<table>
<thead>
<tr>
<th>FY2015 Federal Allocation</th>
<th>$445,841</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less State Administration (7.5%)</td>
<td>$33,438</td>
</tr>
<tr>
<td>FY2015 State Allocation</td>
<td>$120,000</td>
</tr>
<tr>
<td>Total Allocation Available for Distribution</td>
<td>$532,403</td>
</tr>
<tr>
<td>60% may be used for Street Outreach and Emergency Shelter</td>
<td>$319,442</td>
</tr>
<tr>
<td>40% may be used for Homeless Prevention, Rapid Re-Housing and HMIS</td>
<td>$212,961</td>
</tr>
</tbody>
</table>

The State of North Dakota’s method of distribution provides funding to engage homeless individuals and families living on the street (Street Outreach); improve the number and quality of emergency shelters for homeless individuals and families (Shelter Renovation); help operate these shelters through eligible activities such as maintenance, rent, repair, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies (Shelter Operations); provide essential services to shelter residents (Essential Services); Rapid re-house homeless individuals and families (Rapid Re-Housing); and prevent families and individuals from becoming homeless (Homeless Prevention). Communities of 2,500 more populations will be targeted since those are the communities experiencing the greatest need to provide services and facilities for the assistance to the homeless and potentially homeless.

Eligible applicants for the Emergency Solutions Grants program are Units of Local Government, and private nonprofit organizations. Nonprofit entities located on Indian reservations are also eligible to receive funds.
The Division of Community Services (DCS) will review, score, and fund applications based on the ability to achieve the following state program objectives:

1. To fund projects that encourages the use of program funds to complement the use of other public and private funds in providing assistance to the homeless. (Max. 5 points)

2. To fund projects which document and address shortages in funding, facilities, and services to the homeless, and which encourage and demonstrate maximum coordination of services and programs within the community. (Max. 5 points)

3. To fund projects which document participation in region wide or statewide continuum of care process. (Max. 5 points)

4. To fund projects which can be completed in a timely manner, within budget, and in conformance with all applicable federal and state requirements. (Max. 5 points)

5. To fund projects which involve, to the maximum extent practicable, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under the ESG, and in providing service for occupants of these facilities. (Max. 5 points)

To be eligible for funding, applications must receive a minimum subjective score of 15. All applications with a score of 15 or higher will receive funding based on the average recommended amounts by DCS’ application reviewers.

The maximum amount of funds that will be made available to any one homeless facility or agency providing assistance to the homeless is $50,000.

The State will continue to meet the ESG match requirements in the same manner as it has in past grant years. Each grant year, the State contributes $120,000 in general funds to match the federal allocation. The remaining matching funds of $325,841 are provided by ESG sub-recipients.

Matching funds are used to enhance and expand eligible ESG components and sub-activities.

During the 2015 program year, any returned funds will be disbursed in a manner which will take into consideration the greatest areas of unfunded need among the remaining programs.

Applications will be requested for submission to the Division of Community Services by April 17, 2015.

**D. CDBG DISASTER RECOVERY FUNDING**

The State of North Dakota received $11,482,684 under the Disaster Relief Appropriations Action, 2012 (Public Law 112-55), for disaster relief of unmet needs resulting from flooding in the state with a maximum of 5 percent allowed for state and local administration. After deducting $589,134 for state and local administration and $300,000 for planning the remaining funds of $610,893,550 are available for project activities.
Due to limited funding, the eligible entities will be those areas which received the greatest damage and qualified for an Individual Assistance designation from FEMA. They are: Barnes, Benson, Burleigh, McHenry, Morton, Ramsey, Renville, Richland, and Ward Counties and the Spirit Lake Reservation. Cities located within these counties must submit projects to be included within the respective county application.

The State of North Dakota elects not to carry out activities directly, but intends to use and award funds directly to the eligible entities as subrecipients which will carry out and administer eligible activities as defined in this plan.

The State initially conformed with the allocation noted in HUD’s initial guidance allocating 80 percent ($8,954,840) to projects in Ward County and the remaining 20 percent ($2,238,710) to projects in the remaining eligible entities. The State only received one application from eligible entities of Barnes, Benson, Burleigh, McHenry, Morton, Ramsey, Renville, Richland and the Spirit Lake Reservation.

Therefore the balance of funds will be allocated to Ward County projects, and the City of Minot’s project. Ward County will have until September 30, 2015 to identify and submit projects to the DCS for funding.

The State of North Dakota has received $6,576,000 under the Disaster Relief Appropriations Action, 2013 (Public Law 113-25), for disaster relief of unmet needs resulting from flooding in the state with a maximum of 5 percent allowed for state and local administration.

After deducting $328,800 for state and local administration the remaining funds of $6,247,200 are available for project activities.

Due to limited funding, the eligible entities will be those areas which received the greatest damage and qualified for an Individual Assistance designation from FEMA. They are: Barnes, Benson, Burleigh, McHenry, Morton, Ramsey, Renville, Richland, and Ward Counties and the Spirit Lake Reservation. Cities located within these counties must submit projects to be included within the respective county application.

The State of North Dakota elects not to carry out activities directly, but intends to use and award funds directly to the eligible entities as subrecipients which will carry out and administer eligible activities as defined in this plan.

Scoring Criteria

The unmet needs submitted from affected units of local governments, housing authorities and emergency shelters within the counties that received an individual declaration from FEMA will be scored based on the following:

- Project will receive 20 points if it is located in a HUD identified county with severe unmet needs;
V. One-Year Action Plan

- Project will receive 0 points if it is not located in a HUD identified county with severe unmet needs
- Project will receive 1 point for each percentage point of Total Severe Housing and Business Needs in the county as compared to the Statewide Total;
- Project will receive 100 points if it benefits LMI;
- Project will receive 20 points if it is located in a county with a FEMA Individual Assistance Declaration;
- Project will receive 20 points if it is an eligible CDBG Disaster activity;
- Project will receive 0 points if it is not an eligible CDBG Disaster activity;
- Project will receive 10 points if the activity identified for reimbursement followed CDBG Regulations relating to Environmental, Davis Bacon, etc.;
- Project will be disqualified if the activity did not follow CDBG Regulations relating to Environmental, Davis Bacon, etc.; and
- Projects listed without documented unmet needs will be disqualified.

The State will invite applications in order starting with the highest ranked project. Applications will be invited until all funds have been obligated. However, a minimum score of 100 must be obtained to be invited to submit an application.

Each project awarded will be evaluated individually to determine the amount of administrative dollars required. However, the total state and local administrative dollars will not exceed $328,800.

In order to meet timely distribution of funds requirements, the applicant must spend 100% of their funds within 24 months of HUD’s approval of the project. If the funds are not spent, HUD will rescind them.

Projection of Expenditures and Outcomes will be completed and submitted to HUD within 90 days of Action Plan approval by HUD.

As required by the CDBG Sandy Disaster fund regulations the State, as the Grantee, is required to submit a quarterly performance report to HUD no later than 30 days following the end of each calendar quarter, beginning after the first full calendar quarter after the grant award. This will continue until all funds have been expended and all expenditures have been reported. The reports will be submitted using HUD’s DRGR system. The reports will also be posted to the State’s Website.

E. ALLOCATION PRIORITIES

The State of North Dakota and the Department of Commerce prioritize funds based on the priority needs established in this plan. A combination of factors, including the greatest needs, the availability of resources and the capacity of entities within the state help determine how the NDDOC will fund activities during the program year.

Table B.1 in Appendix B shows the funding Allocation Priorities for FY2015.
F. AFFORDABLE HOUSING

The North Dakota Department of Commerce will strive to meet the following goals for Affordable Housing during the 2015 Action Year.

One Year Goals for the Number of Households to be Supported:
- Homeless: 450
- Non-Homeless: 129

One Year Goals for the Number of Households Supported Through:
- Rental Assistance: 450
- The Production of New Units: 21
- Rehab of Existing Units: 28
- Acquisition of Existing Units: 80

G. COORDINATING WITH LOW INCOME HOUSING TAX CREDITS

The North Dakota Housing Finance Agency is responsible for implementing the Low-income Housing Tax Credit program. Developers looking to use the program must be able to document a particular housing need and demonstrate that the need is consistent with the Consolidated Plan. Each project is rated against specific criteria, eighteen of which are intended to assure a project is targeted to benefit low-income families.

H. HOMELESS STRATEGIC PLAN

There is one Continuum of Care in the State of North Dakota, the North Dakota Statewide CoC. The North Dakota Coalition for Homeless People (NDCHP) is a non-profit organization comprised of agencies that serve homeless populations. The NDCHP is the lead entity of the North Dakota CoC. Eight regional coalitions carry out the work of the statewide CoC at the local level. At least one representative from each regional coalition serves on the CoC Development Committee.

The point-in-time counts done by the North Dakota CoC provide a helpful estimation of the homeless population in the state. It was estimated that 1,258 persons were homeless in the state in 2014, as shown in Table V.2. This is compared to the 2,069 persons estimated to be homeless in the state in 2013, a difference attributed to count methodology rather than a decline in homelessness.
Table V.2
Homeless Point in Time Count
North Dakota Statewide CoC
US Department of Housing and Urban Development

<table>
<thead>
<tr>
<th>Status</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Shelter</td>
<td>321</td>
<td>405</td>
<td>394</td>
<td>487</td>
<td>461</td>
<td>415</td>
<td>474</td>
<td>540</td>
<td>639</td>
</tr>
<tr>
<td>Transitional Housing</td>
<td>216</td>
<td>172</td>
<td>202</td>
<td>278</td>
<td>307</td>
<td>145</td>
<td>161</td>
<td>134</td>
<td>155</td>
</tr>
<tr>
<td>Total in Shelter</td>
<td>537</td>
<td>577</td>
<td>596</td>
<td>765</td>
<td>768</td>
<td>560</td>
<td>635</td>
<td>674</td>
<td>794</td>
</tr>
<tr>
<td>Unsheltered</td>
<td>77</td>
<td>59</td>
<td>19</td>
<td>8</td>
<td>31</td>
<td>43</td>
<td>53</td>
<td>1,395</td>
<td>464</td>
</tr>
<tr>
<td>Total Homeless</td>
<td>614</td>
<td>636</td>
<td>615</td>
<td>773</td>
<td>799</td>
<td>603</td>
<td>688</td>
<td>2,069</td>
<td>1,258</td>
</tr>
</tbody>
</table>

In 2014, some 63.1 percent of the counted homeless population was sheltered throughout the state. Some 32.6 percent of the homeless population was sheltered in 2013. There was a large increase in unsheltered homeless starting in 2013, but this may be due to a change in the method utilized for the point-in-time count.

The point-in-time counts also gathered additional data on household type, veteran status, and subpopulation information for each homeless person counted. As seen in Table V.3, on the following page, there were 120 persons in households with at least one adult and one child in the State of North Dakota during the 2014 count. Of these households, 73.3 percent were sheltered. There were an additional three households with only children. Some 68.6 percent of households without children were sheltered during the count.

Table V.3
Homeless Count 2014
North Dakota Statewide CoC
US Department of Housing and Urban Development

<table>
<thead>
<tr>
<th>Household Type</th>
<th>Emergency Shelter</th>
<th>Transitional Housing</th>
<th>Unsheltered</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Households without Children</td>
<td>439</td>
<td>84</td>
<td>239</td>
<td>762</td>
</tr>
<tr>
<td>Persons in households without children</td>
<td>439</td>
<td>84</td>
<td>360</td>
<td>883</td>
</tr>
<tr>
<td>Households with at least one adult and one child</td>
<td>63</td>
<td>25</td>
<td>32</td>
<td>120</td>
</tr>
<tr>
<td>Persons in households with at least one adult and one child</td>
<td>200</td>
<td>68</td>
<td>104</td>
<td>372</td>
</tr>
<tr>
<td>Households with only children</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Persons in households with only children</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Total Homeless</td>
<td>639</td>
<td>155</td>
<td>464</td>
<td>1,258</td>
</tr>
</tbody>
</table>

Information about the various homeless subpopulations was collected during the 2014 count. Data was collected regarding the following six subpopulations:

- Chronically homeless
- Severely Mentally Ill
- Chronic Substance Abuse
- Veterans
- Persons with HIV/AIDS
- Victims of Domestic Violence
Table V.4
Homeless Subpopulations 2014
North Dakota Statewide CoC
U.S. Department of Housing and Urban Development

<table>
<thead>
<tr>
<th>Homeless Attributes</th>
<th>Sheltered</th>
<th>Unsheltered</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chronically Homeless Individuals</td>
<td>97</td>
<td>14</td>
<td>115</td>
</tr>
<tr>
<td>Chronically Homeless Persons in Families</td>
<td>4</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Severely Mentally Ill</td>
<td>156</td>
<td>16</td>
<td>172</td>
</tr>
<tr>
<td>Chronic Substance Abuse</td>
<td>44</td>
<td>12</td>
<td>56</td>
</tr>
<tr>
<td>Veterans</td>
<td>117</td>
<td>34</td>
<td>151</td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Victims of Domestic Violence</td>
<td>76</td>
<td>12</td>
<td>88</td>
</tr>
<tr>
<td>Persons not otherwise classified</td>
<td>300</td>
<td>376</td>
<td>672</td>
</tr>
<tr>
<td><strong>Total Homeless Persons</strong></td>
<td><strong>794</strong></td>
<td><strong>464</strong></td>
<td><strong>1,258</strong></td>
</tr>
</tbody>
</table>

Table V.4 shows the various subpopulations for the homeless within the state. The largest subpopulation group was those with severe mental illness, with 172 persons. The next largest subpopulation group was veterans. There were 151 veterans counted in 2014, accounting for 12 percent of the total homeless population. Veterans were sheltered at a rate of 77.5 percent during the count. According to the Department of Housing and Urban Development's 2013 Annual Homeless Assessment Report, veterans account for just over 12 percent of all homeless adults in the United States, with an average of 60 percent being sheltered during 2013 counts across the nation.3

The State’s Point-in-time count was also broken down by region. This count includes persons who are unsheltered, in emergency or transitional housing, as well as those who are doubled up with family or friends and those in treatment facilities and hospitals. Region 3 held the largest proportion of the total homeless population, accounting for 31.3 percent in 2014. Almost 95 percent of those counted as homeless in Region 3, however, were doubled up. By contrast, region 5, containing 19.3 percent of the State’s homeless population, included almost 94 percent of its homeless population in emergency shelters or transitional housing. Region 7 included 188 households, or over 78 percent, in emergency or transitional housing and 32 households unsheltered. Region 1’s homeless population was 100 percent unsheltered at the time of the count. Region 4’s homeless population is mainly in emergency shelters, with almost 92 percent of households.

Goals for Reducing and Ending Homelessness

The State of North Dakota’s method of distribution provides funding to engage homeless individuals and families living on the street (Street Outreach); improve the number and quality of emergency shelters for homeless individuals and families (Shelter Renovation); help operate these shelters through eligible activities such as maintenance, rent, repair, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies (Shelter Operations); provide essential services to shelter residents (Essential Services); Rapid re-

house homeless individuals and families (Rapid Re-Housing); and prevent families and individuals from becoming homeless (Homeless Prevention). Communities of 2,500 more populations will be targeted since those are the communities experiencing the greatest need to provide services and facilities for the assistance to the homeless and potentially homeless.

I. FOSTERING AND MAINTAINING AFFORDABLE HOUSING

During the 2015 program year we will continue to promote targeting CDBG and HOME funds to households of 0 to 30 percent of the MFI, persons with disabilities, the elderly, and minorities, focusing primarily on housing rehabilitation and assistance in buying or renting affordable housing.

J. MONITORING AND AUDIT REQUIREMENTS

Monitoring will be the responsibility of the staff assigned to the CDBG, HOME, and ESG programs and the organizations that partner with the Division of Community Services to implement these programs. This will primarily be accomplished through quarterly and final reports on each funded project. To assure long-term compliance with program requirements, staff will do on-site monitoring of files and each completed project using a systems review of the implementing organizations. Staff will also perform desk-top monitoring using drawdown requests, environmental review notices, Section 504 Self-evaluations, and the Integrated Disbursement Information System (IDIS).
APPENDIX A- CITIZEN PARTICIPATION PLAN

NORTH DAKOTA CITIZEN PARTICIPATION PLAN
Consolidated Plan for Housing and Community Development

PURPOSE

In 1994, the US Department of Housing and Urban Development issued new rules consolidating the planning, application, reporting, and citizen participation processes of four formula grant programs: Community Development Block Grants (CDBG), Home Investment Partnerships (HOME), Emergency Solutions Grants (ESG) and Housing Opportunities for Persons with AIDS (HOPWA). The new planning process was intended to more comprehensively fulfill three basic goals: to provide decent housing, to provide a suitable living environment and to expand economic opportunities.

The Consolidated Plan is actually a three-part planning process required by HUD. It comprises developing a five-year strategic plan, preparing annual action plans and submitting annual performance reports. These three parts are intended to furnish the framework whereby North Dakota can identify its housing, homeless, community, and economic development needs, identify resources that will be tapped and actions to be taken to address the needs, as well as look back and evaluate the state's progress toward achieving its strategic goals. Completing these documents on time and in a manner that is acceptable to HUD ensures program funding.

The precursor to the Consolidated Plan is the Citizen Participation Plan (CPP). The objectives of the CPP are to ensure that the citizens of North Dakota, particularly persons of low and moderate income, persons living in slum and blight areas, units of local government, housing agencies and other interested parties, are provided with the opportunity to participate in the planning and preparation of the Consolidated Plan, including amendments to the Consolidated Plan and the Annual Performance Report. In doing so, the CPP sets forth general policies and procedures for implementing and carrying out the consolidated planning process, such as how the Consolidated Plan will be developed, dates and milestones along which the process will proceed and methods for citizens to offer the state assistance and guidance in the formulation of the Plan. Furthermore, the provisions of the CPP fulfill statutory and regulatory requirements for citizen participation specified in the U.S. Department of Housing and Urban Development's rules for the Consolidated Plan, the HOME Investment Partnerships (HOME) Program, the Community Development Block Grant (CDBG) Program, the Emergency Solutions Grants (ESG) Program and the Housing Opportunities for Persons with AIDS (HOPWA) Program. In North Dakota, the North Dakota Department of Commerce, Division of Community Services is the lead agency for developing, implementing, monitoring, and reporting on the achievements of the Consolidated Plan. The Division administers CDBG, ESG, HOME and new funding that may become available. HOPWA funds are administered by Tri-State HELP (Housing Environment for Living Positively).
The Consolidated Plan identifies the housing and community development needs of the State of North Dakota, and sets priorities for spending the HUD grant funds. Public comment is a vital component of identifying the state’s housing and community development needs and spending priorities. The Consolidated Plan offers the opportunity for strategic statewide planning to occur alongside citizen participation.

**COMMENT ON THE CITIZEN PARTICIPATION PLAN AND AMENDMENTS**

North Dakota Department of Commerce will receive comments on the proposed Citizen Participation Plan during a 15 day comment period. In the event that there are substantial amendments to this Citizen Participation Plan, an additional comment period of at least 15 days will be allotted. This proposed Citizen Participation Plan (and, if necessary, the substantially amended Citizen Participation Plan) will be made available to the public before the 15 day comment period begins.

Individuals who require accommodations, including appropriate auxiliary aids, translated documents or interpreters to participate in a public hearing, or who would like to request a copy of the proposed Citizen Participation Plan, or another document, in an alternate format, should contact the Department of Commerce’s Section 504 Coordinator, Adele Sigl via email at dcs@nd.gov or by calling 701-328-5300, TTY: 800-366-6888, Spanish TTY: 800-435-8590 or Relay ND Voice: 800-366-6889.

**ENCOURAGEMENT OF CITIZEN PARTICIPATION**

The Consolidated Plan is designed to enumerate North Dakota’s overall strategy for coordinating federal and other housing and community development resources to provide decent housing, establish and maintain a suitable living environment, and expand economic opportunities, particularly for low and moderate income persons.

Interested groups and individuals are encouraged to provide input into all aspects of North Dakota’s consolidated planning activities, from assessing needs to setting priorities through performance evaluation. By following the CPP, there will be numerous opportunities for citizens to contribute information, ideas and opinions about ways to improve our neighborhoods, promote housing affordability and enhance the delivery of public services to local residents.

Affirmative efforts to encourage and solicit participation from the state’s residents and populations least likely to have awareness of HUD-funded programs and processes including low-income residents, individuals with disabilities, racial and ethnic minorities, and female-headed households shall include:

1. Advertising the details of the CPP (e.g. documents for public review, meetings, opportunities to provide feedback and comment) in the State’s daily newspapers, and those daily or non-daily publications on or near the Turtle Mountain Band of
Chippewa, Spirit Lake Sioux, Standing Rock Sioux, Wahpeton Sisseton Sioux, the Three Affiliated Tribes reservations and Trenton Indian Health Service Area located West of Williston, North Dakota;

2. Sending notice of the CPP (e.g. documents for public review, meetings, opportunities to provide feedback and comment) with advocacy groups, non-profit and for profit organizations, and state and community agencies that provide services to or advocate for low-income individuals, individuals with disabilities, racial and ethnic minorities and female-headed households; and

3. Posting Notifications on the DCS website.

LIMITED ENGLISH PROFICIENT PERSONS AND THE LANGUAGE ACCESS PLAN

The State of North Dakota will make every effort to ensure that Limited English Proficient (LEP) persons have meaningful access to federally funded programs and services as is required under Title VI of the Civil Rights Act of 1964.

The State of North Dakota has a diverse population where many languages are spoken. A substantial number of persons that speak these languages do not speak English or do not speak English very well and are considered Limited English Proficient (LEP).

Regardless of which language a person speaks or their ability to speak English, the State of North Dakota will make every effort to ensure that they have meaningful access to federal funding services through either oral interpretation or written translations of vital documents.

Since the State of North Dakota has a number of LEP persons, all countywide public notices and public hearings must ensure that language services are provided or available. For example, each year the public notice for the Annual Action Plan will be printed in various languages and translation services will be provided as necessary for the public hearing.

However, many programs and services delivered within the State of North Dakota, including those carried out by participating cities, have distinct service areas and, as such, an assessment must be made by each agency administering the activity to determine which language services should be provided based on the identified LEP population in the service area.

To assist participating agencies, the State of North Dakota has developed a bulletin instructing them to conduct the four-factor analysis and develop their own Language Access Plan (LAP) to ensure that LEP persons have meaningful access to their federally funded programs and services. The state will also provide technical assistance to assist the agencies in conducting the four-factor analysis and in developing their Language Access Plans.
The four-factor analysis is as follows:

**Factor 1:** Determine the number or proportion of LEP persons served or encountered in the eligible service area.

**Factor 2:** Determine the frequency with which LEP persons come in contact with the program.

**Factor 3:** Determine the importance of the information, services, program, or the activity to people’s lives.

**Factor 4:** Assess costs versus resources and benefits in providing language services.

The State of North Dakota is confident that no person will be denied federally funded services based on their ability to speak English.

The State of North Dakota is committed to keeping all interested groups and individuals informed of each phase of the consolidated planning process and of activities being proposed or undertaken under HUD formula grant programs. Opportunities to comment on or participate in planning community development and affordable housing activities and projects will be publicized and disseminated throughout the state.

**PUBLIC HEARINGS**

Eight public hearings will be held to gather comments on the Consolidated Plan. The hearing will be held prior to drafting of the plan.

A summary of the written and oral public comments from individuals or groups received in writing or at the public meetings will be considered for the Consolidated Plan.

Venues used for interviews, focus groups, grant applications, and public meetings are fully accessible to people with disabilities that impact mobility. Should a venue not be fully accessible, the individual(s) should contact the Department of Commerce’s Section 504 Coordinator, Adele Sigl via email at dcs@nd.gov or by calling 701-328-5300, TTY: 800-366-6888, Spanish TTY: 800-435-8590 or Relay ND Voice: 800-366-6889.

**PUBLICATION OF CONSOLIDATED PLAN DOCUMENTS**

The state will publish the draft Consolidated Plan or Annual Action Plan for public review in a manner that affords citizens, public agencies and other interested parties a reasonable opportunity to examine its contents and submit comments. The Draft Plan will be a complete document and shall include:

- The amount of assistance the state agencies expect to receive, and
- The range of activities that may be undertaken, including the estimated amount that will benefit persons of low and moderate income.
A notice for the release of the Draft Plan will be published in several newspapers of general circulation at the beginning of the public comment period. The release will include a list of the locations where copies of the entire proposed Consolidated Plan may be obtained or examined. The following are among the locations where copies of the public comment draft will be made available for inspection:

- North Dakota Department of Commerce, Division of Community Services’ offices
- Division of Community Services website: [http://www.communityservices.nd.gov/](http://www.communityservices.nd.gov/)

Citizens and groups may obtain a reasonable number of free copies of the proposed Consolidated Plan by contacting the Department of Commerce’s Section 504 Coordinator, Adele Sigl via email at [dcs@nd.gov](mailto:dcs@nd.gov) or by calling 701-328-5300, TTY: 800-366-6888, Spanish TTY: 800-435-8590 or Relay ND Voice: 800-366-6889.

**PUBLIC COMMENTS ON THE DRAFT CONSOLIDATED PLAN AND ANNUAL ACTION PLANS**

One public meeting will be held in each of the State’s Regional Planning Districts prior to drafting the Consolidated Plan, to gather input from citizens regarding proposed changes. Written comments and citizen participation by low and moderate income individuals, minorities, non-English speaking persons and persons with disabilities will be encouraged through the affirmative efforts outlined in the Encouragement of Citizen Participation section on page 2.

Notices of the meetings will be published in the daily newspapers across the state no less than 15 days prior to the meeting and a press release will be forwarded to all newspapers statewide. DCS will also attempt to email a copy of the notice or press release to interested parties. The proposed Consolidated Plan will be made available to interested parties for a comment period no less than 30 days.

Along with the notification that the proposed Consolidated Plan is available for public comment, a summary of the proposed plan’s contents and purpose will be published. The notification will be published on or before the day the proposed Consolidated Plan comment period begins. Locations where copies of the entire proposed plan may be obtained will also be stated in the notice.

The proposed Consolidated Plan will be available at DCS’s website at [www.communityservices.nd.gov/](http://www.communityservices.nd.gov/) for the full public comment period. Copies of the proposed plan will also be available from DCS during the public comment period.

**PUBLIC OUTREACH**

An informed citizenry is critical to effective and responsive housing and community development programs. Efforts to educate residents and empower their participation are an ongoing element of the consolidated planning process.
Public education and outreach will be facilitated through the use of public advertisements that describe the consolidated planning process, opportunities for citizen participation and available funding through the CDBG, ESG, and HOME programs.

TECHNICAL ASSISTANCE

Groups or individuals interested in obtaining technical assistance to develop project proposals or applying for funding assistance through HUD formula grant programs covered by the Consolidated Plan or Annual Action Plan may contact the staff of the North Dakota Department of Commerce, Division of Community Services. Such assistance may be of particular use to community development organizations, nonprofit service providers, and for-profit and nonprofit housing development groups that serve or represent persons of low and moderate income.

SUBSTANTIAL AMENDMENT CRITERIA FOR THE CONSOLIDATED PLAN

The following will constitute a substantial amendment to the Consolidated Plan:

1. A change in the method of distribution or grant selection criteria.

2. The addition of an activity not initially identified in the Consolidated Plan.

3. Funding of an activity not identified in the Consolidated Plan as a high or medium priority.

ADMINISTRATIVE AMENDMENTS

Administrative amendments are those that are not considered substantial in nature and pertain chiefly to minor administrative modifications of the programs. Thus they do not require in-depth citizen participation.

CITIZEN PARTICIPATION IN THE EVENT OF A SUBSTANTIAL AMENDMENT

In the event of a substantial amendment to the Consolidated Plan, the Community Services Division, depending on the nature of the amendment, will conduct at least one additional public hearing. This hearing will follow a comment period of no less than 30 days, where the proposed substantially amended Consolidated Plan will be made available to interested parties. Citizens will be informed of the public hearing through daily newspaper notification and the state websites prior to the hearing.

Citizens will be notified of the substantially amended Consolidated Plan’s availability through newspaper notification prior to the 30-day comment period. The substantially
amended sections of the Consolidated Plan will be available on the Division of Community Services’ website, www.communityservices.nd.gov/ for the full public comment period.

CONSIDERATION OF PUBLIC COMMENTS ON THE SUBSTANTIALLY AMENDED PLAN

In the event of substantial amendments to the Consolidated Plan, the state will openly consider any comments on the substantially amended Consolidated Plan from individuals or groups. Comments must be received in writing or at public hearings. A summary of the written and public hearing comments on the substantial amendments will be included in the amended Consolidated Plan. The final Consolidated Plan will also include a summary of all comments not accepted and their reasons for dismissal.

AMENDMENT CRITERIA FOR THE CDBG PROGRAM DISTRIBUTION STATEMENT

Amendments to Program Statement Affecting the Action Plan of the Consolidated Plan as stated in the Citizen Participation Plan for the North Dakota Consolidated Plan and Annual Performance Report.

The following information must be submitted to DCS when amending Regional Program Statements:

1. The Regional Council Board or its designated committee must approve amendments to the Regional Program Statement prior to notifying cities, counties and other interested parties.

2. All cities, counties and other interested parties in the region must be notified in writing of the intended change and allow 30 days for comment. The written notice should be sent in letter or memo form.

3. A copy of the notification must be submitted to the DCS within 10 working days of the date of the notification, along with a copy of the board approval and the minutes approving the amendment. The 15-day comment period must be completed by the application/amendment deadline as stated in the most current Program Distribution Statement.

4. Upon receipt of the intended change, DCS will forward a copy of all changes to HUD.

5. Changes to the Regional Program Statement cannot be implemented prior to the 30 day process.

What constitutes an amendment to the Action Plan? (the following are examples, but the list is not inclusive)
1. Changes to initially established grant selection criteria.
2. Funding of activities not initially identified in the annual Action Plan.
3. Funding of an activity not identified in the Plan as a high or medium priority.

Amendments to Regional Program Statement for the CDBG Program as stated in the Citizen Participation Plan for the North Dakota Consolidated Plan and Annual Performance Report.

The following information must be submitted to the DCS when amending Regional Program Statements:

1. The Regional Council Board or its designated committee must approve amendments to the Regional Program Statement prior to notifying cities, counties and other interested parties.

2. All cities, counties and other interested parties in the region must be notified in writing of the changes to be made and given 15 days to respond. The written notice should be sent in letter or memo form. The 15-day comment period must be completed by the application/amendment deadline as stated in the most current Program Distribution Statement.

3. Changes to the Regional Program Statement cannot be implemented prior to notifying cities, counties and other interested parties.

4. A copy of the notification must be submitted to the DCS within 10 working days after the end of the 15-day comment period, along with a copy of the board approval and the minutes approving the amendment. If the notification is not submitted within the required time frame, the amendment will not be valid.

What constitutes an amendment to the CDBG Program? (the following are examples, but the list is not inclusive)

1. Transferring money from one emphasis area to another.

2. Modifications to deadline dates.

EXCEPTION:

Transfers without Notice

1. After scoring and ranking has occurred, transfers between funding categories that
are $20,000 and less can be made without public notice.
2. If a balance remains in a funding category, and not all applications received for that category were funded, an explanation must be provided why the applicant(s) were not offered the balance of the funds remaining.

3. Transfers without notice will be limited to two transfers per year.

4. The DCS must be notified of all transfers in writing within 10 days of the Board decision, along with a copy of the board approval and the minutes approving the transfer.

NOTE: This policy applies to allocation funds only. Revolving Loan funds can only be used for Economic Development projects.

AMENDMENT CRITERIA FOR THE HOME PROGRAM DISTRIBUTION STATEMENT

The state may relocate funds from one category to another, or one state recipient or subrecipient to another, because of high demand, an emergency due to a natural disaster, or determinations that performance-based measures have not been met.

State program income received by DCS may be allocated, at our discretion, for any project or activity deemed necessary.

The application process for CHDOs/Nonprofits will be competitive for the first round if any funds remain, and it will be on a first-come, first-serve based needs.

CHANGES IN FEDERAL FUNDING LEVEL

Any changes in federal funding level after the Consolidated Plan and Annual Action Plan’s draft comment period has expired and the resulting effect on the distribution of funds will not be considered an amendment or a substantial amendment.

ANNUAL PERFORMANCE REPORTS

Performance reports on CDBG, HOME, and ESG programs covered by the Consolidated Plan or Annual Action Plan are to be prepared by the North Dakota Department of Commerce, Division of Community Services within 90 days of the start of each program year. Draft performance reports will be made available upon written request. The draft performance report will be available for comment for no less than 15 days, and any public comments received in writing will be reported in an addendum to the final performance report.
ACCESS TO RECORDS

To the extent allowed by law, interested citizens and organizations shall be afforded reasonable and timely access to records covering the preparation of the Consolidated Plan or Annual Action Plan, project evaluation and selection, HUD's comments on the Plan and annual performance reports. In addition, materials on formula grant programs covered by the Consolidated Plan or Annual Action Plan, including activities undertaken in the previous five years, will be made available to any member of the public who requests information. A complete file of citizen comments will also be available for review by interested parties.

COMPLAINTS AND GRIEVANCES

Citizens, administering agencies and other interested parties may submit complaints and grievances regarding the programs the North Dakota Department of Commerce, Division of Community Services administers. Complaints should be in writing, specific in their subject matter, and include facts to support allegations. The following are considered to constitute complaints to which a response is due:

- The administering agency has purportedly violated a provision of the Citizen Participation Plan;
- The administering agency has purportedly violated a provision of federal CDBG, ESG or HOME program regulations; and
- The administering agency, or any of its contractors, has purportedly engaged in questionable practices resulting in waste, fraud or mismanagement of any program funds.

Residents may also present complaints and grievances orally or in writing at the community meetings and/or public hearing. All public comments, including complaints and grievances, made either orally or in writing within the 30-day public comment period, will be included in the final Consolidated Plan or Annual Action Plan. Such complaints or grievances for CDBG, HOME, or ESG shall be directed to the Consolidated Plan representative at the Community Services Division.

TIMELY RESPONSE TO COMPLAINTS OR GRIEVANCES

Upon receipt of a written complaint, the designated representative at Community Services Division shall respond to the complainant within 15 calendar days and maintain a copy of all related correspondence, which will be subject to review.

Within 15 calendar days of receiving the complaint, the designated representative shall discuss the matter with the department manager and respond to the complainant in writing. A copy of the Community Services Division response will be transmitted, concurrently, to the complainant and to the division directors. If, due to unusual circumstances, the
designated representative finds that he/she is unable to meet the prescribed time limit, the limit may be extended by written notice to the complainant. The designated representative’s notice must include the reason for the extension and the date on which a response is expected to be generated, which may be based on the nature and complexity of the complaint.

Public review materials and performance reports will include data, as appropriate under confidentiality regulations, on any written complaints received and how each was resolved.

**ACTIVITIES EXEMPT FROM SUBSTANTIAL AMENDMENT CITIZEN PARTICIPATION REQUIREMENTS**

**URGENT NEEDS**

It may be necessary to amend the Consolidated Plan or Annual Action Plan in the event of an emergency such as a natural disaster. These amendments may include funding new activities and/or the reprogramming of funds including canceling activities to meet community development needs that have a particular urgency. Therefore the State of North Dakota may utilize its HOME or CDBG funds to meet an urgent need without the normal public comment period, which is otherwise required for substantial amendments.

To comply with the national objective of meeting community development needs having a particular urgency, an activity will alleviate existing conditions that the State of North Dakota certifies:

- Pose a serious and immediate threat to the health and welfare of the community;
- Are of recent origin or recently became urgent;
- The state is unable to finance the activity on its own; or
- Other resources of funding are not available to carry out the activity.

A condition will generally be considered to be of recent origin if it is developed or became critical within 18 months preceding the Community Services Division’s certification.

**AVAILABILITY OF THE CITIZEN PARTICIPATION PLAN (CPP)**

Citizens and groups may obtain a reasonable number of free copies of the proposed CPP by contacting the Department of Commerce’s Section 504 Coordinator, Adele Sigl via email at dcs@nd.gov or by calling 701-328-5300, TTY: 800-366-6888, Spanish TTY: 800-435-8590 or Relay ND Voice: 800-366-6889.
## Appendix B- Additional Plan Data

### Table B.1
**Allocation Priorities**
North Dakota  
NDDOC

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<th>Preserves existing rental and owner housing stock</th>
<th>Fund homeownership opportunities for lower income</th>
<th>Provide funding to increase multifamily housing</th>
<th>Support emergency shelters and transitional housing</th>
<th>Create additional transitional and PSH</th>
<th>Provide financial support to at risk of homeless</th>
<th>Fund homeless prevention activities</th>
<th>Encourage economic development opportunities</th>
<th>Enhance local public infrastructure</th>
<th>Encourage public facilities and services</th>
<th>Encourage communities to do strategic planning</th>
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State of North Dakota  
2015 Annual Action Plan

Final Report  
May 11, 2015