



INDUSTRIAL COMMISSION OF NORTH DAKOTA

Kelly Armstrong
Governor

Drew H. Wrigley
Attorney General

Doug Goehring
Agriculture Commissioner

Wednesday, March 25, 2026

Governor's Conference Room or Microsoft Teams – 1:00 pm

Join on your computer or mobile app

[Join the meeting now](#)

Or call in (audio only)

[+1 701-328-0950,,531092913#](tel:+17013280950,531092913#)

I. Roll Call and Pledge of Allegiance

(approximately 1:00 pm)

II. Public Finance Authority – DeAnn Ament

A. Consideration of Approval of the Following State Revolving Fund Loan:

- i.** City of Kindred – Clean Water - \$5,300,000 (Attachment 1)
- B.** Presentation of Memo of State Revolving Fund Loans Approved by PFA Advisory Committee Pursuant to Policy P-3B (Attachment 2)
 - i.** Garrison Rural Water District – Drinking Water - \$396,000 (Attachment 2A)
 - ii.** City of Kindred – Drinking Water - \$350,000 (Attachment 2B)
 - iii.** City of Mooreton – Drinking Water - \$892,000 (Attachment 2C)
- C.** Other PFA Business

(approximately 1:15 pm)

III. North Dakota Housing Finance Agency – Brendan Dettlaff, Jennifer Henderson

- A. Consideration of Approval of the 2027 Low Income Housing Tax Credit (LIHTC) Allocation Plan** (Attachment 3)
- B. Consideration of Approval of the 2026 Housing Incentive Fund (HIF) Allocation Plan** (Attachment 4)
- C.** Report on 2026 HOME and Housing Trust Fund Allocation Plans (Attachment 5)
- D.** Report on 2026 Emergency Solutions Grant and ND Homeless Grant Allocation Plans (Attachment 6)

- E. Presentation of NDHFA 2025 Annual Report (Attachment 7)
- F. Other NDHFA Business

**Meeting Closed to the Public for Executive Session
Pursuant to NDCC 6-09-35, 17-05-14, 44-04-18.4, 44-04-19.2,
54-63-02 and 54-63.1-06**

(approximately 1:30)

- IV. Clean Sustainable Energy Authority Executive Session – Jordan Kannianen, Kelvin Hullet, Courtney Heiser, CSEA Members, Minnkota Representatives**
 - A. **Consideration of Recommendation by Clean Sustainable Energy Authority for Loan Commitment Expiration Extension and Acceptance of Revised Loan Application Submission by Minnkota Power Cooperative** (Confidential Attachment)
 - B. Other CSEA Confidential Business

- V. Transmission Authority Executive Session – Claire Vigesaa**
 - A. **Consideration of Request by Transmission Authority to Act as Lead Applicant for DOE Grant** (Confidential Attachment)
 - B. **Consideration of Two Confidentiality Requests** (Confidential Attachment)
 - C. Other Transmission Authority Confidential Business

- VI. Renewable Energy Program – Jordan Kannianen**
 - A. **Consideration of Approval of Grant Applicant Confidentiality Request** (Confidential Attachment)
 - B. Other REP Confidential Business

Meeting Returns to Public Session

(approximately 2:15 pm)

- VII. Renewable Energy Program, Grant Round 57 – Jordan Kannianen**
 - A. Presentation of REP Project Management and Financial Report (Attachment 8)
 - B. **Consideration of Approval of the Following Grant Applications as Recommended by the Renewable Energy Council:**
 - i. REP-57-A: “Valorization of Bakken Produced Water: A Pilot Project for Domestic Rubidium Production and Oilfield Revenue

Enhancement” Xylion Technologies, Inc., Grant: \$500,000
(Attachment 9)

- ii. REP-57-B: “Biomass to Negative Carbon Intensity Energy Products”
Flickertail Resources, LLC, Grant: \$500,000 (Attachment 10)

C. Other REP Business

(approximately 2:30 pm)

VIII. Department of Mineral Resources – Nathan Anderson,

- A. Director’s Update (Attachment 11)
- B. Other DMR Business

(approximately 2:45 pm)

IX. North Dakota Pipeline Authority – Justin Kringstad, Tara Vesey

- A. Pipeline Authority Industry Update (Attachment 13)
- B. Other NDPA Business

**Meeting Closed to the Public for Executive Session
Pursuant to NDCC 6-09-35, 44-04-18.4, 44-04-19.1,
44-04-19.2 and 54-17.7-12**

(approximately 3:00 pm)

**X. North Dakota Pipeline Authority Executive Session – Justin Kringstad,
Rob Johnson (WBI), Mark Anderson (WBI)**

- A. Binding Open Season Results Overview and Precedent Agreement Review:
WBI Bakken East Pipeline Project (Confidential Attachment 14)
- B. Other NDPA Confidential Business

**XI. Attorney Consultation Regarding Litigation – Phil Axt, NWLA pore space
and Summit Carbon Storage matters**

(approximately 3:30)

**XII. Bank of North Dakota Executive Session – Don Morgan, Rob Pfennig,
Kelvin Hullet, Craig Hanson, Kirby Evanger, Lori Leingang, Michael Lehn,
Devon Smith, Rick Geloff, Advisory Board Chair Karl Bollingberg
Sunil Sachdev – SVP, Embedded Finance and Digital Assets, Fiserv sara**

- A. CEO Report (Confidential Attachment 15)
 - i. Executive Summary
 - ii. Material Credit Related Changes

Next Regular Industrial Commission Meeting – Tuesday, April 28, 2026
9:00 am – 12:30 pm
Governor’s Conference Room

March 17, 2026

PUBLIC FINANCE AUTHORITY ADVISORY COMMITTEE

RECOMMENDATION TO THE INDUSTRIAL COMMISSION

The Advisory Committee, at its March 17, 2026 meeting, reviewed, discussed, and recommends approval of a \$5,300,000 Clean Water State Revolving Fund Program loan to the City of Kindred.

North Dakota Public Finance Authority
Advisory Committee

Keith Lund, Chairman
Linda Svihovec
John Phillips

Industrial Commission
of North Dakota

Kelly Armstrong
GOVERNOR

Drew H. Wrigley
ATTORNEY GENERAL

Doug Goehring
AGRICULTURE COMMISSIONER



Memorandum

To: Public Finance Authority Advisory Committee
Miles Silbert, Public Financial Management LLC
Kylee Merkel, Bank of North Dakota

From: DeAnn Ament, Executive Director

Date: March 6, 2026

Re: City of Kindred
Clean Water State Revolving Fund Program Loan

Purpose of the Project: Construct sanitary and storm sewer along with a sanitary lift station and storm water pond for the Meadow Trails Development Phase 1. Replace the Elm Street asbestos cement pipe water main and hydrants, gate valves fittings and curb stop with new materials.

Project Amount:

CWSRF Request	\$5,300,000
DWSRF	350,000
DWR Cost Share	366,995
City Bond Issue	2,138,725
Total Project Cost	\$8,155,720

Population to Benefit from the Project: 55

Population Served by the System: 889

The City will issue improvement bonds payable with special assessments. The requested term is 30 years. The average annual payment for the improvement bonds will be \$222,346. The improvement bonds will be a contingent general obligation of the City, backed by the statutory requirement that the City will levy a general deficiency tax in the event that the revenues from the collection of special assessments are not sufficient to pay the debt service on the improvement bonds.

Sewer Fund:

The City has an estimated 436 sewer connections which pay a monthly base rate of \$9.05 and a capacity charge of \$22.09 as well as a volume charge of \$1.36 per 1,000 gallons.

Sewer Fund Statement of Revenues and Expenditures:

		Draft Audit	Draft Audit	Unaudited
	2022	2023	2024	2025
Operating Revenue ¹	\$201,833	\$221,649	\$223,393	\$223,199
Operating Expenses	32,223	24,086	39,981	19,716
Net Operating Revenue	169,610	197,563	183,412	203,483
Bond Payments ²	40,592	85,327	134,489	127,600
Net Operating Coverage	418%	232%	136%	159%
Proforma Payroll Exp Transfer In ³	-60,000	-60,000	-60,000	-60,000
Proforma Net Operating Coverage	270%	161%	92%	112%

¹ Sewer capacity fee has been removed from the water fund added to the sewer fund.

² CWSRF payments have been removed from the water fund added to the sewer fund.

³ Currently the water fund pays all payroll expenses. This demonstrates that future transfers of payroll expenses will not impact net operating coverage.

Outstanding Debt as of December 31, 2025:

	Original Amount	Outstanding Amount
Improvement Bonds	\$ 9,737,814	\$6,598,772
City Sales Tax Revenue Bonds	750,000	290,102
Water/Sewer Revenue Bonds ⁴	3,244,663	3,015,000
Total	\$ 13,732,477	\$9,903,874

⁴ Payments have been made as agreed. The city has one CWSRF and one Drinking Water State Revolving Fund loan with at total of \$3,015,000 outstanding.

The estimated average annual debt payment including the new State Revolving Fund requests will be \$1,207,985 or \$1,359 per resident.

Population and Employment

The City of Kindred is located in Cass County 13 miles northwest of Fargo. Based on the 2020 census, the total population was 889; this is an increase of 197 from the 2010 census. The estimated 2026 population is 1,080. The largest employers Kindred Public Schools with 130 employees, Superior Grain Equipment (agriculture) with 90 employees, and Lil' Buckaroos (daycare) with 40 employees.

Kindred Public School Enrollment:

	Projected				
School Year	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
Enrollment	883	877	860	891	900

Tax Information

The City's 2025 taxable valuation was \$6,048,974. This is an increase of \$2,245,354 from the 2021 taxable valuation.

Property Taxes Levied & Collected 2/28/2026:

Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2025	\$219,681	\$191,707	87%
2024	\$251,387	\$235,375	94%
2023	\$259,404	\$244,828	94%

Special Assessments Levied & Collected 2/28/2026:

Year	Dollar Amount	Amount Collected to Date of Application	Percentage Collected
2025	\$528,365	\$492,148	93%
2024	\$295,991	\$294,343	99%
2023	\$315,471	\$315,471	100%

City of Kindred Mill Levy History:

Year	City	School	Park District	State and County	Other	Total for Each Year
2025	47.81	142.40	21.20	47.73	27.79	286.93
2024	48.90	148.35	21.66	46.00	19.67	284.58
2023	49.45	141.40	20.72	46.00	19.59	277.16
2022	54.08	152.42	20.72	48.00	20.23	295.45
2021	47.92	95.21	25.76	48.75	20.23	237.87



Memorandum

TO: DeAnn Ament, Executive Director
North Dakota Public Finance Authority

FROM: PFM Financial Advisors LLC

DATE: March 13, 2026

RE: Marketplace Analysis - Clean Water State Revolving Fund Program
City of Kindred

The City of Kindred (“City”) has presented a request to the Authority and the North Dakota Department of Environmental Quality (“Department”) for a \$5,300,000 loan under the Clean Water State Revolving Fund Program (“CWSRF Program”). The CWSRF Program is used to make subsidized interest rate loans to political subdivisions for the purpose of constructing various wastewater treatment projects and landfill projects as approved by the Department in accordance with federal and state regulations and an updated Intended Use Plan prepared by the Department.

The City intends to use the proceeds to construct sanitary and storm sewer along with a sanitary lift station and storm water pond for the Meadow Trails Development Phase 1, and replace the Elm Street asbestos cement pipe water main and hydrants, gate valves fittings and curb stop with new materials.

The municipal securities to be acquired by the Authority will be improvement bonds of the City payable from special assessments levied against the benefited property. The proposed term of the loan is 30 years with a subsidized interest rate of 1.50%. The City’s average annual payment under the proposed loan will be approximately \$222,346. The improvement bonds will be a contingent general obligation of the City, which will be required by law to levy a general deficiency tax if the revenues collected from the levy of special assessments are insufficient to make the debt service payments.

As of December 31, 2025, the City has \$6,598,772 of Improvement Bonds, \$290,102 of Sales Tax Revenue Bonds and \$3,015,000 of Water/Sewer Revenue Bonds outstanding. The City currently has one Clean Water and one Drinking Water loan outstanding totaling \$3,015,000. The City is current in its payments for its outstanding Authority loans.

Funding for the construction of the City's projects has been included in a list of approved projects as prepared and updated by the Department. As an authorized participant in the CWSRF Program, the City will benefit substantially from the subsidized fixed rate loans made under the Program. Consequently, no other financing mechanism can provide a greater cost advantage than that offered by the CWSRF Program.

Memorandum

Attachment 1E

To: Industrial Commission

From: Kylee Merkel, Business Banker
Bank of North Dakota

Date: March 9, 2026

RE: City of Kindred
Clean Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a \$5,300,000 loan to the City of Kindred under the Clean Water State Revolving Fund (CWSRF). The entire cost of the project is \$8,155,720, with the Drinking Water State Revolving Fund providing a \$350,000 loan, Department of Water Resources providing a \$366,995 cost-share grant and the City issuing bonds for \$2,138,725.

The project will construct sanitary and storm sewer infrastructure for Meadow Trails development and replace Elm Street water mains and other water related infrastructure. The requested loan term is 30 years. The City will issue an improvement bond payable with special assessment collections. The annual payment will average \$222,346.

Sewer Fund:

Sewer Fund	2022	2023	2024
Operating Revenue	201,833	221,649	223,393
Operating Expenses	-32,223	-24,086	-39,981
Net Operating Revenue	169,610	197,563	183,412
Current Debt Service	40,592	85,327	134,489
Debt Service Coverage	418%	232%	136%

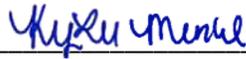
Outstanding Debt (as of December 31, 2025):

	Original Amount	Current Balance
Improvement Bonds	9,737,814	6,598,772
Sales Tax Bonds	750,000	290,102
Revenue Bonds	3,244,663	3,015,000
	13,732,477	9,903,874

Average annual debt service requirements are estimated at \$1,207,985, which is an average of \$1,358.81 per resident.

Historical census populations for the City of Kindred were 889 in 2020, 692 in 2010 and 614 in 2000. Current K-12 school enrollment is 891, an increase of 31 from the prior year. The largest employers in the area are Kindred School District, Superior Grain Equipment and Lil' Buckaroos.

Based upon the PFA recommendation and the benefits obtained with this project, BND concurs with their evaluation and support of the request.



Kylee Merkel
Business Banker



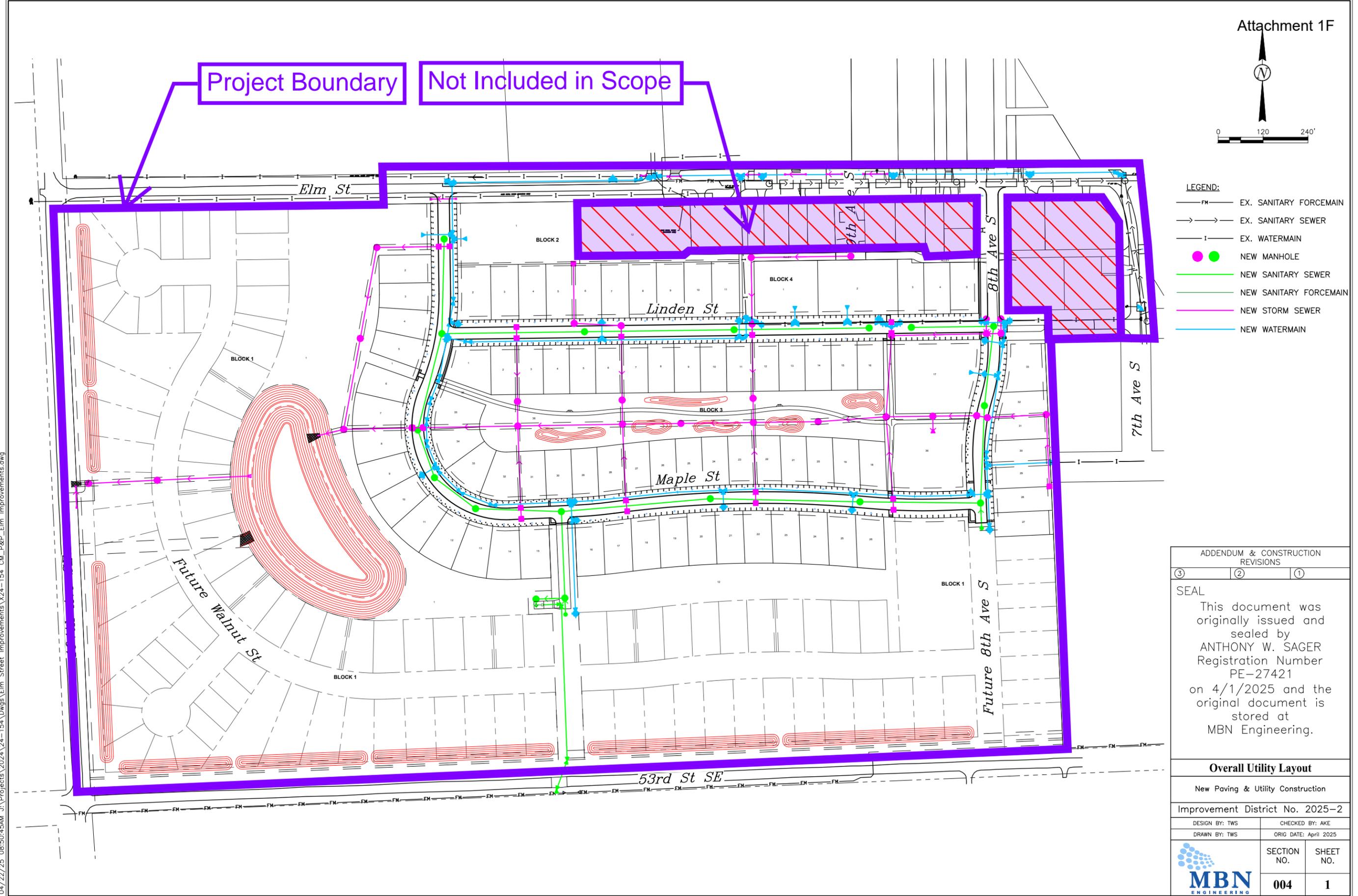


Project Boundary

Not Included in Scope

LEGEND:

- FM — EX. SANITARY FORCEMAIN
- >— EX. SANITARY SEWER
- I — EX. WATERMAIN
- NEW MANHOLE
- NEW SANITARY SEWER
- NEW SANITARY FORCEMAIN
- NEW STORM SEWER
- NEW WATERMAIN



ADDENDUM & CONSTRUCTION REVISIONS

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SEAL
 This document was originally issued and sealed by ANTHONY W. SAGER Registration Number PE-27421 on 4/1/2025 and the original document is stored at MBN Engineering.

Overall Utility Layout

New Paving & Utility Construction

Improvement District No. 2025-2

DESIGN BY: TWS	CHECKED BY: AKE
DRAWN BY: TWS	ORIG DATE: April 2025

	SECTION NO.	SHEET NO.
	004	1

04/22/25 08:50:45AM J:\Projects\2024\24-154\Dwgs\Elm Street Improvements\24-154_CM_P&P_Elm Improvements.dwg

Industrial Commission
of North Dakota

Kelly Armstrong
GOVERNOR

Drew H. Wrigley
ATTORNEY GENERAL

Doug Goehring
AGRICULTURE COMMISSIONER



Memorandum

To: Industrial Commission: Governor Kelly Armstrong, Attorney General Drew H. Wrigley, Agriculture Commissioner Doug Goehring

From: DeAnn Ament, Executive Director

Date: March 17, 2026

Re: Garrison Rural Water District, Drinking Water State Revolving Fund
City of Kindred, Drinking Water State Revolving Fund
City of Mooreton, Drinking Water State Revolving Fund

Under current policy, the Public Finance Authority can make loans under the State Revolving Fund Program in an amount not to exceed \$2,000,000 and under the Capital Financing Program in an amount not to exceed \$500,000 without seeking the final approval of the Industrial Commission. Within this policy, once the loan has been approved, the Public Finance Authority is required to provide the details of the loan to the Industrial Commission. Accordingly, the Public Finance Authority and its Advisory Committee used this policy to approve the following loans.

The committee reviewed the Garrison Rural Water District's Drinking Water State Revolving Fund (DWSRF) application for a \$396,000 loan towards a \$1,435,00 project. The Department of Water Resources Cost Share will provide \$1,039,000. The project will construct a new #6 pump station and 125,000 gallon tank to address low water pressure and allow for system growth in the western service area. The requested term for the loan is 30 years. The District will issue revenue bonds payable with user fees.

The committee reviewed the City of Kindred' DWSRF application for a \$350,000 loan towards a \$8,155,720 project. The Clean Water State Revolving Fund will lend \$5,300,000, Department of Water Resources Cost Share will provide \$366,995 and the City will issue bonds for the additional \$2,138,725 needed. The project will replace the Elm Street asbestos cement pipe water main and hydrants, gate valves fittings and curb stop with new materials. There will also be construction of sanitary and storm sewer along with a sanitary lift station and storm water pond along with the water and road infrastructure for the Meadow Trails Development Phase 1. The requested term for the loan is 30 years. The City will issue \$185,000 of revenue

bonds payable with water user fees and they will issue \$165,000 of improvement bonds payable with special assessments. The improvement bonds will be a contingent general obligation of the City, backed by the statutory requirement that the City levy a general deficiency tax in the event that the revenues from the collection of special assessments are not sufficient to pay the debt service on the improvement bonds.

The committee reviewed the City of Mooreton's DWSRF application for a \$892,000 loan towards a \$1,039,957 project. The Department of Water Resources Cost Share will provide \$147,957. The project will replace the booster station and associated controls, generator, back flow prevention and bladder storage tank. They will also replace failing gate valves and aged fire hydrants throughout the distribution system. The City will issue revenue bonds payable with water user fees.

The Public Finance Authority's Advisory Committee approved the loans at their March 17, 2026, meeting.

Industrial Commission
of North Dakota

Kelly Armstrong
GOVERNOR

Drew H. Wrigley
ATTORNEY GENERAL

Doug Goehring
AGRICULTURE COMMISSIONER



Memorandum

To: Public Finance Authority Advisory Committee

From: DeAnn Ament, Executive Director

Date: February 20, 2026

Re: Garrison Rural Water District
Drinking Water State Revolving Fund Program Loan

Purpose of the Project:

Construct a new #6 pump station and 125,000 gallon tank to address low water pressure and allow for system growth in the western service area.

Project Amount:

DWSRF Request	\$ 396,000
DWR Cost Share	1,039,000
Total Project Cost	\$1,435,000

Population to Benefit from the Project: 892

Population Served by the System: 1,856

The requested term for the Drinking Water State Revolving Fund (DWSRF) loan is 30 years. The District will issue revenue bonds payable with user fees. The average annual payment for the revenue bonds will be \$16,790. The 110% coverage requirement will be \$18,469 and the required debt service reserve will be \$17,765.

Water Connections and Rates:

The District's monthly base rate for the 910 residential connections is \$62 and the 19 commercial connections is \$75. The volume charge is \$8.30 per 1,000 gallons for all users.

Annual Revenues and Expenditures:	Unaudited			
	2022	2023	2024	2025
Interest Revenue	\$14,965	\$28,885	\$36,352	\$25,592
Operating Revenue	738,241	911,353	1,011,358	924,189
Operating Expenses	616,632	656,846	643,623	530,428
Net Operating Revenue	\$136,574	\$283,392	\$404,087	\$419,354
Depreciation	173,206	175,659	175,490	-
Adjusted Net Operating Revenue	\$309,780	\$459,051	\$579,577	\$419,354
Revenue Bond Payments	\$187,503	\$245,279	\$249,279	\$248,155
Net Operating Coverage	165%	187%	233%	169%
Proforma DWSRF Bond Payment	\$16,790	\$16,790	\$16,790	\$16,790
Proforma Net Operating Coverage	152%	175%	218%	158%

With existing net operating revenue, the District will be able to meet the 110% net operating coverage requirement.

Outstanding Debt as of December 31, 2025

	Original Amount	Outstanding Amount
Revenue Bonds ¹	\$2,713,703	\$1,766,388
Total Debt	\$2,713,703	\$1,766,388

¹ All payments have been made as agree. The District has one DWSRF bond with \$235,000 outstanding.

The average annual payment of all bonded debt will be \$262,944 or \$283 per connection.

Population and Employment

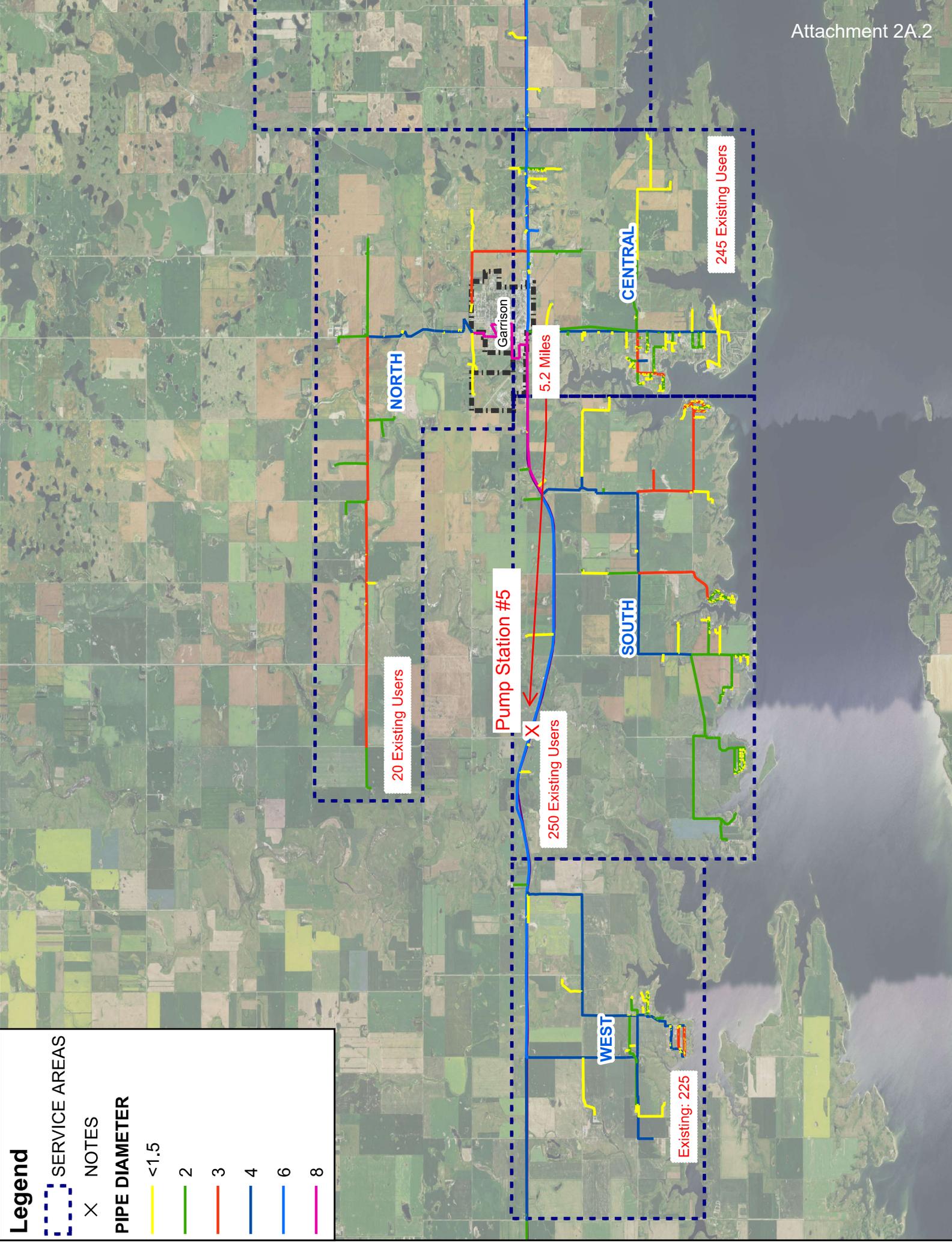
The District is located in McLean County and serves the central portion of the county, but not the city of Garrison. Population served as of 2025 is estimated at 1,856. Population served in 2020 was 1,614; this is an increase of 632 from 2010. The largest employers in the District are Triangle Y Camp with 45 employees, Fort Stevenson State Park with 34 employees, and Camp of the Cross with 30 employees.

District School Enrollment:

				Projected
2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
514	508	492	485	469

Legend

- SERVICE AREAS
- X NOTES
- PIPE DIAMETER
 - <1.5
 - 2
 - 3
 - 4
 - 6
 - 8



Industrial Commission
of North Dakota

Kelly Armstrong
GOVERNOR

Drew H. Wrigley
ATTORNEY GENERAL

Doug Goehring
AGRICULTURE COMMISSIONER



Memorandum

To: Public Finance Authority Advisory Committee

From: DeAnn Ament, Executive Director

Date: March 6, 2026

Re: City of Kindred
Drinking Water State Revolving Fund Program Loan

Purpose of the Project: Replace the Elm Street asbestos cement pipe water main and hydrants, gate valves fittings and curb stop with new materials. Construct sanitary and storm sewer along with a sanitary lift station and storm water pond for the Meadow Trails Development Phase 1.

Project Amount:

DWSRF Request	\$ 350,000
CWSRF	5,300,000
DWR Cost Share	366,995
City Bond Issue	2,138,725
Total Project Cost	\$8,155,720

Population to Benefit from the Project: 55

Population Served by the System: 889

The City will issue \$165,000 of improvement bonds payable with special assessments. The requested term is 30 years. The average annual payment for the improvement bonds will be \$6,934. They will be a contingent general obligation of the City, backed by the statutory requirement that the City will levy a general deficiency tax in the event that the revenues from the collection of special assessments are not sufficient to pay the debt service on the improvement bonds.

The requested term is 30 years for the \$185,000 of revenue bonds payable from water user fees. The average annual payment for the revenue bonds will be \$7,762. The reserve requirement will be \$8,480 and the 110% coverage requirement will be \$8,538.

Water Fund:

The City has 436 water connections which pay a monthly base rate of \$28.23 and a volume charge of \$6.61 per 1,000 gallons.

Water Fund Statement of Revenues and Expenditures:

		Draft Audit	Draft Audit	Unaudited
	2022	2023	2024	2025
Operating Revenue ¹	\$336,553	\$361,616	\$351,855	\$370,337
Operating Expenses	335,090	364,585	402,159 ⁴	398,162
Net Operating Revenue (Expense)	1,463	-2,969	-50,304	-27,825
Bond Payments ²	25,400	25,100	24,800	24,500
Net Operating Coverage	6%	-12%	-203%	-114%
Proforma Payroll Transfer Out ³	\$60,000	\$60,000	\$60,000	\$60,000
Proforma DWSRF Payment	\$7,762	\$7,762	\$7,762	\$7,762
Proforma Net Operating Coverage	185%	174%	30%	100%

¹ Sewer capacity charge has been removed from the water fund added to the sewer fund.

² CWSRF payments have been removed from the water fund added to the sewer fund.

³ Currently the water fund pays all payroll expenses. This demonstrates that future transfers out of payroll expenses will bring net operating coverage closer to the required 110%.

⁴ Gate valve and curb stop repairs of \$18,600 and \$7,500 for new utility billing software caused the increase in expenses.

The City will do a rate study by the summer of 2026 and should meet the 110% net operating coverage requirement.

Outstanding Debt as of December 31, 2025:

	Original Amount	Outstanding Amount
Improvement Bonds	\$ 9,737,814	\$6,598,772
City Sales Tax Revenue Bonds	750,000	290,102
Water/Sewer Revenue Bonds ⁵	3,244,663	3,015,000
Total	\$ 13,732,477	\$9,903,874

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The estimated average annual debt payment including the new State Revolving Fund requests will be \$1,207,985 or \$1,359 per resident.

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The City of Kindred is located in Cass County 13 miles northwest of Fargo. Based on the 2020 census, the total population was 889; this is an increase of 197 from the 2010 census. The estimated 2026 population is 1,080. The largest employers Kindred Public Schools with 130 employees, Superior Grain Equipment (agriculture) with 90 employees, and Lil’ Buckaroos (daycare) with 40 employees.

Kindred Public School Enrollment:

	Projected				
School Year	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
Enrollment	883	877	860	891	900

Tax Information

The City’s 2025 taxable valuation was \$6,048,974. This is an increase of \$2,245,354 from the 2021 taxable valuation.

Property Taxes Levied & Collected 2/28/2026:

Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2025	\$219,681	\$191,707	87%
2024	\$251,387	\$235,375	94%
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Special Assessments Levied & Collected 2/28/2026:

Year	Dollar Amount	Amount Collected to Date of Application	Percentage Collected
2025	\$528,365	\$492,148	93%
2024	\$295,991	\$294,343	99%
2023	\$315,471	\$315,471	100%

City of Kindred Mill Levy History:

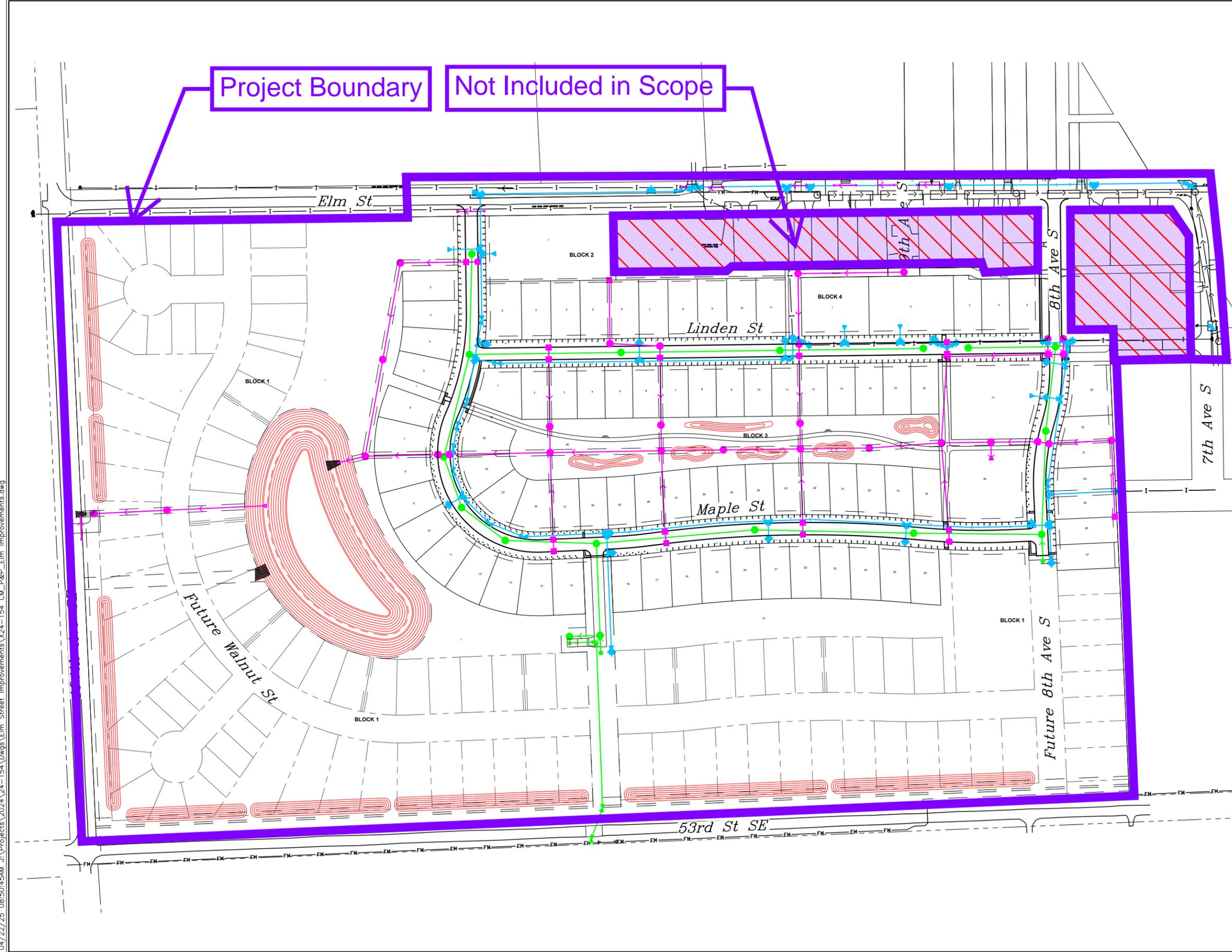
Year	City	School	Park District	State and County	Other	Total for Each Year
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2024	48.90	148.35	21.66	46.00	19.67	284.58
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2022	54.08	152.42	20.72	48.00	20.23	295.45
2021	47.92	95.21	25.76	48.75	20.23	237.87



Project Boundary **Not Included in Scope**

LEGEND:

- FM — EX. SANITARY FORCEMAIN
- >— EX. SANITARY SEWER
- I — EX. WATERMAIN
- NEW MANHOLE
- NEW SANITARY SEWER
- NEW SANITARY FORCEMAIN
- NEW STORM SEWER
- NEW WATERMAIN



ADDENDUM & CONSTRUCTION REVISIONS

③	②	①
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SEAL

This document was originally issued and sealed by ANTHONY W. SAGER Registration Number PE-27421 on 4/1/2025 and the original document is stored at MBN Engineering.

Overall Utility Layout

New Paving & Utility Construction

Improvement District No. 2025-2

DESIGN BY: TWS	CHECKED BY: AKE
DRAWN BY: TWS	ORIG DATE: April 2025

	SECTION NO.	SHEET NO.
	004	1

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Industrial Commission
of North Dakota

Kelly Armstrong
GOVERNOR

Drew H. Wrigley
ATTORNEY GENERAL

Doug Goehring
AGRICULTURE COMMISSIONER



Memorandum

To: Public Finance Authority Advisory Committee

From: DeAnn Ament, Executive Director

Date: February 18, 2026

Re: City of Mooreton
Drinking Water State Revolving Fund Program Loan

Purpose of the Project: Replace booster station and associated controls, generator, back flow prevention and bladder storage tank. Replace failing gate valves and aged fire hydrants throughout the distribution system.

Project Amount:

DWSRF Request	\$ 892,000
DWR Cost Share	147,957
Project Total	\$1,039,957

Population to Benefit from the Project: 177

Population Served by the System: 177

The requested term for the Drinking Water State Revolving Fund (DWSRF) loan is 20 years. The City will issue revenue bonds payable with water fee revenues. The average annual payment for the revenue bonds will be \$6,598. The 110% coverage requirement will be \$7,258 and the required debt service reserve will be \$7,210.

Water Fund:

The City has 84 water connections which pay a monthly base rate of \$22.50 per connection (includes 2,000 gallons) and \$4.25 per 1,000 gallons over 2,000 gallons. The 6 out-of-town customers pay a monthly base rate of \$26.50 (includes 2,000 gallons) and then \$5.75 per 1,000 gallons over 2,000 gallons.

Water Fund Revenues and Expenditures:

				Unaudited
	2022	2023	2024	2025
Interest Revenue	\$125	\$0	\$381	\$216
Operating Revenue	65,633	61,955	78,545	73,904
Operating Expenses	54,545	56,482	66,211	52,336
Net Operating Revenue	\$11,213	\$5,473	\$12,715	\$21,785
Proforma DWSRF Bond Payment	\$6,598	\$6,598	\$6,598	\$6,598
Proforma Net Operating Coverage	170%	83%	193%	330%

With existing net revenues, the City should be able to meet the 110% net operating coverage requirement.

The City has No Outstanding Indebtedness

Population and Employment

The City of Mooreton is located in Richland County approximately 14 miles west of Wahpeton on State Highway 13. The total population according to the 2020 census is 177; this is a decrease of 20 from the 2010 census. The largest employers in the area are Dakota Ag (agriculture) with 10 employees, Cenex (fuel) which employs 8 and Antelope Creek Bar and Grill with 5 employees.

Wahpeton Public Schools Enrollment:

				Projected
2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
1,204	1,186	1,185	1,199	1,214

Tax Information

The City’s 2025 taxable valuation was \$917,341. This is an increase of \$151,443 over the 20201 taxable valuation.

Property Taxes Levied & Collected February 6, 2026:

Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2025	\$23,953	\$5,569	23%
2024	\$32,711	\$32,328	99%
2023	\$29,424	\$29,263	99%

Special Assessment Collections as of February 6, 2026:

Year	Dollar Amount	Amount Collected to Date of Application	Percentage Collected
2025	\$4,461	-	-
2024	-	-	-
2023	-	-	-

City of Mill Levy History:

Year	City	School	Park District	State and County	Other	Total for Each Year
2025	36.24	128.05	6.79	95.94	9.43	276.45
2024	44.01	130.98	7.08	95.15	9.15	286.37
2023	38.14	133.85	6.54	95.35	9.20	283.08
2022	35.43	134.57	6.00	95.44	9.77	281.21
2021	50.07	131.59	5.58	98.44	10.40	296.08

Antelope Creek

169TH AVE SE

ASH DR

APPLE DR

PARK ST

BROADWAY ST

MOORETON AVE N

FIRST AVE N

ELM DR

CHURCH ST

1

SECOND AVE N

FRONT ST

79TH ST SE

City of Mooreton

INDUSTRIAL DR

Booster Pump Replacement

SECOND ST

MOORETON AVE S

FIRST AVE S

Mooreton Twp.

SECOND AVE S

THIRD ST

THIRD ST

Richland County

ENTERPRISE DR

7

1





March 25, 2026

TO: Industrial Commission

FR: Brandon Dettlaff, Executive Director

RE: 2027 Low Income Housing Tax Credit Qualified Allocation Plan

The NDHFA Advisory Board recommends the **Industrial Commission approve the 2027 Low Income Housing Tax Credit Qualified Allocation Plan (attached)**.

Section 42 of the Internal Revenue Code requires that the Agency allocate Low Income Housing Tax Credits in accordance with a Qualified Allocation Plan (QAP).

The initial draft 2027 QAP was published on February 17, 2026, for a 15-day public comment period that ended at 5 pm on March 4, 2026. A public hearing was held on March 6, 2026. Interested parties had the option to attend either in person at NDHFA Executive Board Room or via Microsoft Teams. Below is a summary of the substantive changes to the draft plan and the comments received. A copy of the final red-line draft is provided. Following Industrial Commission approval, the final QAP will be published to the Agency website. The application round will open on September 1, 2026, and close on the last business day in September.

Section 7 Project Ratings (page 10)

B. Redevelopment and Revitalization (page 10)

Proposed revising language to rehabilitation of existing habitable housing is not eligible for points under this category. Previously habitable and occupied were required. By removing this requirement, it will prevent currently habitable properties from being emptied in an attempt to qualify for the points. This category is meant to create additional units by rehabbing and redeveloping currently underutilized properties.

D. Service Coordinator (page 11)

Written comments were received requesting the agency consider reducing the hours per month required from 1 hour to ½ hour per unit per month once a project meets stabilization.

Recommendation

The recommendation is to implement the reduction. The point of the category is to have staffing available based on the needs of the tenant base. A senior property targeting 62 and over may have different service coordination needs than a general occupancy workforce project and the owner/operator should determine what fits the need. The service coordinator's role is to help individual maintain housing stability and reduce eviction/tenant turnover in a property.

E. Design Standards (page 11)

Reduced the number of points provided to this category from 10 to 5.

E. Design Standards	Up to 105 points
1. Elevator in each residential building.....	10 5 points
2. A separate outside main entrance for each unit.....	10 5 points

Comments were received requesting the agency to consider keeping the separate outside main entrance standard at 10 points.

Recommendation

The recommendation is to implement the change as proposed. In reviewing the applications approved, all of the applications submitted for new construction select one of the two design standards. The reduction in the weight of this scoring criteria will not result in projects not pursuing the points but places an emphasis on other point categories such as serving lowest income.

F. Universal Design (page 11)

Reduced overall points available under the category from 12 to 9. The reduction in points was in the available maximum points for individual unit design standards.

3. Greater-than or equal to 5.00% but less than 10.00% of the project's total units.....	3 2 points
4. Greater than or equal to 10.00% but less than 25.00% of the project's total units.....	6 3 points

G. Green Communities (page 12)

Reduced available points under the category from 7 to 5.

Applications involving rehabilitation:	
1. 10 Green Communities' criteria.....	3 2 points
2. 17 Green Communities' criteria.....	5 3 points
3. LEED, Green Communities, or ICC 700 National Green Building Standard Certification.....	7 5 points
Application NOT involving rehabilitation:	
4. 10 Green Communities' criteria.....	1 point
5. 15 Green Communities' criteria.....	3 2 points
6. 20 Green Communities' criteria.....	5 3 points
7. LEED, Green Communities, or ICC 700 National Green Building Standard Certification.....	7 5 points

H. Rent Rebate (page 12)

Clarified requirements of the scoring criteria.

H. Rent Rebate for Homeownership **2 points**

Commitment to set aside tenant-paid rent to assist in the purchase of a primary residence for all tenant household will receive two (2) points. The owner shall enter into a binding contract with all LIHTC unit households, at a household's initial occupancy, agreeing to a rebate of at least five percent (5%) of all tenant-paid rent, should the tenant household move into an owner-occupied primary residence within thirty (30) days after vacating. The accrual of rent rebated must be for the household's entire term of occupancy. Any required vesting period can be no longer than three years. Applications seeking points in scoring category K., Housing for Older Persons, are not eligible for points under this scoring category.

For HUD-assisted projects, a commitment to participate with HUD's Family Self-Sufficiency Program for the entirety of the term of any HUD subsidy contract associated with the project will receive two (2) points.

I. Tenant Ownership (page 12)

Increased total points available from 1 to 2 points.

~~H-I~~ Tenant Ownership **~~1-2~~ points**

To be eligible to earn any points in this scoring category, all residential buildings in the Project must be individually surveyed, platted, separate physical addresses with each having its own LIHTC Building Identification Numbers. Applications seeking points under scoring category K., Housing for Older Persons, are not eligible for points under this scoring category. Applications must include:

1. A feasible plan that sets forth the process for transferring the property in whole.
2. The future purchase price.
3. Homebuyer counseling efforts.
4. Any other information requested by the Agency.

Comments were received supporting this change.

L. Preserving Existing Affordability (page 13)

Reduced the overall points available under the category from 10 to 8 points.

Applications that achieve these points are typically partnered with local housing authorities and recent application rounds show that housing authority projects have a significant advantage with access to the preservation points. This reduction will slightly reduce the advantage.

~~K-L~~ Preserve Existing Affordability **Up to ~~10-8~~ points**

It is highly recommended for applicants seeking scoring under this category begin a dialog with the Agency well ahead of application submission to discuss their proposed scenario to help determine what information and documentation the Agency would expect to be submitted with the application for scoring under this category.

1. Asset Preservation.....	10-8 points
A project proposing the acquisition and/or rehabilitation of a multifamily project currently assisted from a State or Federal affordable housing program in which the applicant can adequately demonstrate the project is at risk of being lost from the State's affordable housing inventory within the next 60-months it shall be eligible for up to 5 points. If the applicant can adequately demonstrate the project is at risk of being lost from the State's affordable housing inventory within the next 30 months. A transfer of an asset between parties with an identity of interest in the proposed project will be eligible for a maximum of five-four (54) points.	
2. LIHTC with waived EUP Asset Preservation.....	5-4 points
A proposed project is an existing LIHTC project past its initial 15-year compliance period which has waived its ability to opt out of the Extended Use Period (EUP).	
3. Subsidy Preservation.....	10-8 points
A project proposing the preservation of a long-term affordable housing subsidy which the applicant can adequately demonstrate is at-risk of being lost to the State, and the applicant has secured, at least conditionally, a transfer of that long-term assistance to subsidize the proposed project. A transfer of a subsidy between parties with an identity of interest in the proposed project will be eligible for a maximum of five-four (54) points.	

Comments were received requesting further reduction in total points to 4 for the category. The commentor indicated that they believed the scoring category provides an unfair advantage to entities that develop and own properties with subsidy. Other commentors respectfully disagreed and requested the category to remain as proposed.

Recommendation

The recommendation is to implement the scoring change as proposed. Staff will monitor the applications approved in the next few application cycles to evaluate the need to revise further.

M. Committed Leverage (page 13-14)

Reduced the total percentage of leverage needed to meet maximum points. Projects have been unable to secure up to 10 percent of total development costs in leverage, reducing the percentage from 10 to 7.5 percent will give more projects an opportunity to maximize points in this category.

1. Applications proposing twin-financed 9% LIHTCs and 4% tax-exempt financing.....	2 points
2. At least 1% but less than or equal to 5% of the total development costs.....	2 points
3. More than 5% but less than or equal to 10-7.50 % of total development costs.....	3 points
4. Greater than 10-007.50 %.....	4 points

Other Comments Received

Section 8 Set-Asides and Targeted Areas

C. New Development/Renovation Parity (page 14)

Received two written comments and verbal consensus from another interested party to eliminate the set-aside. Commentors indicated that this set-aside unfairly by-passes a higher scoring application for the sake of balancing ensuring at least one new construction and one rehabilitation is selected in each funding round.

The Parity Set-Aside was created because New Construction projects have an advantage in other point categories and were primarily rising to the top of the application rounds and therefore, the state was not funding any rehabilitation. The Parity was an effort to at least allow one rehabilitation deal to be funded.

Recommendation

The recommendation is to remove the set-aside as requested. Staff reviewed the past two application rounds and determined that the parity was not used to ensure selection of both a rehabilitation and a new construction application.

Readiness To Proceed-Scoring Consideration

Two written comments were received requesting the agency to consider adding readiness to proceed points to the LIHTC QAP. The commentor indicated that all the other multifamily programs have the scoring criteria but not LIHTC.

Recommendation

The recommendation is not to LIHTC QAP scoring was designed to have the least amount of subjective scoring points possible. The investment required to submit a LIHTC application is significant and a developer's ability to self-score accurately allows them to make financial decisions whether to pursue the application. However, on the HIF, HOME, and HTF these programs function as gap fillers and have time sensitive commitment deadlines, it makes more sense to reward the project for readiness on the gap financing side rather than the LIHTC side.

Persistence Points-Scoring Consideration

Comments were received requesting the agency consider adding points to projects that were the first unfunded in the prior application round. The commentor indicated that there are significant costs associated with application submission and because of the limited funds, good projects are often not selected simply because the funding ran out but lost by 1 or 2 points.

Recommendation

The recommendation is to not implement this request because the agency is making meaningful changes in the amount of maximum HIF available for a 9% LIHTC application with the intent approve one or two more applications in a program year.



2027 ALLOCATION PLAN

Low Income Housing Tax Credit Program



Community Housing and Grants Management Division
2624 Vermont Ave. | PO Box 1535 | Bismarck, ND 58502-1535
800-292-8621 or 701-328-8080 | 800-435-8590 (Spanish) | 711 (TTY)
www.ndhousing.nd.gov | hfainfo@nd.gov

Una traducción al español de este documento está disponible solicitándola en
ndhousing.nd.gov



The information in this plan is provided as a general overview and should not be relied on for tax purposes. Individual applicants are solely responsible for compliance with section 42 of the internal revenue code, as amended. Each applicant will be responsible for the determination of the amount of tax credit for which they apply. Agency recommends that applicants seek professional advice prior to submitting an application.

This recipient does not discriminate in admission or access to, or treatment or employment in, its federally assisted programs and activities. Accommodations: Individuals who require accommodations including translated documents, an alternate format, or to request a copy of the plan may contact:

504 Coordinator:
Jennifer Henderson
North Dakota Housing Finance Agency
2624 Vermont Avenue
Bismarck ND 58504
800-292-8621 or 701-328-8080
800-435-8590 (Spanish)
711 (Voice or TTY)

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SECTION 1: INTRODUCTION

North Dakota Housing Finance Agency (“Agency”) is responsible for the administration of the Low-Income Housing Tax Credit (“LIHTC”) Program for the State of North Dakota. Agency developed a Qualified Allocation Plan (“Plan”) defining the process by which it will distribute housing tax credits. The LIHTC program is regulated by the U.S. Internal Revenue Service Code (“Code”) section 42. Applicants must understand this Plan and follow all its provisions precisely.

SECTION 2: GENERAL PROVISIONS

Agency may modify or waive any condition of this Plan, which is not mandated by the Code, on a case-by-case basis.

For purposes of this Plan, the term Developer is the individual or entity to which the developer fees are paid for promoting the project (“Developer”). The Developer may or may not be the Applicant. The Applicant is either the owner of the project or the entity that has controlling interest in the ownership entity (“Applicant”) (i.e. the general partner, managing member).

- A. **Discretion:** In administering LIHTC and other rental housing programs, Agency will make decisions and interpretations regarding applications and the Plan. Unless otherwise stated, the Agency is entitled to the full discretion allowed by law in making all such decisions and interpretations.
- B. **Basis Boost:** Applicants must provide a narrative explanation justifying the need to increase the eligible basis. Basis boost is not available on 4% acquisition LIHTCs. Non-acquisition eligible basis may be increased by 30% for projects meeting any of the following conditions.

Basis boost under options 1 and 2 are available to tax-exempt bond financed projects.

1. The project is entirely located within a HUD-designated Difficult Development Area (DDA).
2. The project is entirely located within a HUD-designated Qualified Census Tract (QCT).

Basis boost under option 3 is not available to tax-exempt bond financed projects.

3. The project meets one of the following Agency designations:
 - The project is designed to primarily serve special needs populations, (i.e. homeless or those requiring permanent supportive services).
 - The project targets 20% or more of the units at 30% of area median income or less.
 - The project is entirely within the bounds of tribal land (either held in trust or fee-simple), including the Trenton Indian Service Area.
 - The project entails new construction on in-fill lots with existing structures which either need to be demolished or require substantial environmental remediation.
 - The project is entirely located within a rural area without sufficient soft financing to be financially feasible in low market-rent areas. Proposed rents, including utility allowance, must be the lesser of current Fair Market Rents, as published by the U.S. Department of Housing and Urban Development (“HUD”), or a minimum of 20% below LIHTC rent ceilings, either of which will be enforced through a land use restriction agreement (“LURA”). Developments with a project-based federal rent subsidy are not eligible.
 - The project is entirely located within an Opportunity Zone, as defined in Section 1400Z-1 of Code.

- C. **Maximum Developer Fee:** Applications for 9% credits will be limited to maximum Developer fee of 15% of the project’s total eligible basis. A Developer fee for the acquisition portion of an acquisition/rehabilitation project

shall not exceed 5% of acquisition basis. Fees from consultants and all parties with an Identity of Interest with the Developer(s) of the project will be taken into consideration when calculating the maximum Developer fees. If the Developer(s) and the contractor are the same or related entity, in addition to the fee limits stated above, the combined sum of Developer fees and contractor fees may not exceed 20% of the project's total eligible basis. All Developer fees exceeding the established maximums are not able to be included in eligible basis.

Applications for 4% credits will be limited to a maximum Developer fee of 30% of the project's total eligible basis. A Developer fee for the acquisition portion of an acquisition/rehabilitation project shall not exceed 5% of acquisition basis. Fees from consultants and all parties with an Identity of Interest with the Developer(s) of the project will be taken into consideration when calculating the maximum Developer fees. If the Developer(s) and contractor are the same or related entity, the combined sum of Developer fees and contractor fees may not exceed 35% of total eligible basis. As detailed below, the higher the percentage of Developer fees, as a proportion of total eligible basis, the greater the percentage of the Developer Fees must be deferred:

1. If Developer fees, or the combined sum of Developer fees and contractor fees if they are the same or related entities, are greater than 15% but less than 25% of total eligible basis;
 - Developer fees more than 15% of total eligible basis must be deferred.
2. If Developer fees, or the combined sum of Developer fees and contractor fees if they are the same or related entities, are equal to or greater than 25% of total eligible basis;
 - Developer fees more than 10% of total eligible basis must be deferred.

D. Maximum Contractor Fees: Contractor fees may not exceed the following limits:

1. Contractor's Profit, 6% of hard construction costs.
2. Contractor's Overhead, 2% of hard construction costs.
3. General Requirements, 6% of hard construction costs.

Fees in one area may exceed the stated percentage if other areas are not at their maximum, so long as they do not exceed 14% collectively.

E. Average Income (AI):

1. Projects with multiple residential buildings must answer "Yes" to question 8b on IRS Form 8609, thereby designating the development as a multiple building project.
2. AI is not available on resyndication projects which will not have completed their original Extended Use Period prior to the Credit Period Start Date for a new LIHTC Award.
3. Tax-exempt bond financed projects electing AI for LIHTC must also elect a minimum set-aside for the tax-exempt bond financing.
4. Unit Designations within an AI project shall be floating and not fixed to specific units.

F. Extended Low-Income Housing Commitment: The Owner must waive their right to request a qualified contract under Code (IRC § 42(h)(6)(F)) and enter into an Extended Use Agreement which requires the owner and any successors to meet the applicable fraction of low-income occupancy for an extended use period of at least 15 years beyond the initial 15-year compliance period.

G. Compliance Monitoring: Agency will monitor all LIHTC projects through the end of the Extended Use Period. A copy of the Agency LIHTC Compliance Manual is available on the [Agency's website](#) and is incorporated herein by reference.

Applicants, Developers, and Property Managers must remain in compliance with LIHTC program guidelines throughout the agreed upon extended use period. An Applicant, Developer, or Property Manager involved with an existing project that Agency determines is significantly out of compliance may not participate in new LIHTC projects until the issues are resolved to Agency's satisfaction. Relevant noncompliance includes both federal

and state imposed LIHTC requirements (e.g. improperly funded reserves, unpaid fees, not meeting scoring criteria previously promised), as well as noncompliance within any other Agency funded or administered programs.

1. Agency will charge each project an annual monitoring fee, currently set at \$50 per project plus \$40 per LIHTC unit. Projects with multiple buildings located in different municipal jurisdictions shall pay a fee of \$50 per municipal jurisdiction plus \$40 per low-income unit. Agency may adjust the annual fee and assess additional fees to a project in substantial noncompliance to cover added costs of monitoring.
2. Approximately 120 days before placing a project in service, the owner must request and hold a meeting with the individual(s) responsible for processing tenant income certifications and/or approving tenant files; the property management company; Agency compliance and development staff; and other providers of project funding which impose income or other restrictions on the project. The purpose of the meeting is to ensure all parties are aware of all applicable restrictions prior to any lease-up activities.
3. Prior to issuance of the IRS Form 8609, the owner and on-site managers must attend or document that they have recently attended industry recognized training on management and compliance. Agency may require further follow-up training following significant or repeated noncompliance events.

H. **Maximum Credit Limit:** A project may not receive credits more than the lessor of the basis calculation or the gap calculation as determined within their accompanying Exhibit A's "Tax Credit Calc" tab.

No one project will be eligible to receive a conditional Reservation for more than an aggregate 34% of the annual LIHTCs available other than in the following circumstances:

1. If during the regular allocation cycle, the only requests remaining are from Applicants that have not reached the Maximum Credit Limit.
2. If, after the allocation regular cycle, there are recaptured or unallocated LIHTCs, they may be allocated without regard to the Maximum Credit Limit.
3. At Agency's discretion to address an emergent need.

I. **Discrimination:** All housing receiving LIHTCs must be open to all persons regardless of race, color, national origin, religion, creed, sex, disability, or familial status.

J. **ADA, 504 and Fair Housing Acts:** Properties containing facilities that are available to the public must meet the Americans with Disabilities Act (ADA) requirements and, if federal assistance is involved, must also comply with Section 504 of the Rehabilitation Act of 1973. The property must also comply with the Fair Housing Amendments Act of 1988.

K. **VAWA:** All housing receiving LIHTCs must comply with the Violence Against Women Reauthorization Act (VAWA) requirements within 24 CFR 93.356. Guidance is available on the [Agency's website](#).

L. **Tenant Protections:** The ownership entity and management agent shall:

1. Expressly include reasonable accommodation in the application for tenancy.
2. Not ask applicants/residents for medical or other protected information unless and only to the extent legally necessary.
3. Use standard leases with the same rights available to, and responsibilities expected of, all households, including duration of tenancy.
4. Ensure participation in any supportive services is entirely voluntary.
5. Not give a preference based on either disability type, actual or perceived, or being a client of a particular provider.

M. **Reserve Accounts:** Each reserve account identified in this section must be accounted for separately within the project owner's accounting records and held at a federally insured financial institution or the Bank of North Dakota.

All projects shall maintain and regularly fund a Replacement Reserve account through the Extended Use Period. The Replacement Reserve requirement for projects primarily designed for:

1. Seniors will be no less than \$350 per unit per year, inflated at 3% annually.
2. General occupancy will be no less than \$400 per unit per year, inflated at 3% annually.

This account shall not be used for routine maintenance and upkeep expenses or for operating expenses. Project owners must provide Agency with a record of all activity in the Replacement Reserve account during the prior fiscal year in conjunction with submission of the project's annual compliance monitoring materials. The ownership entity agreement must require that the Replacement Reserves may only be used for the funding of capital expenditures and replacement of building and site components and may not be distributed to owners or partners prior to the end of the Extended Use Period.

All projects shall establish and maintain, until the project has achieved a minimum of five years of stabilized operations, an Operating Reserve equal to a minimum of six months of projected operating expenses, must-pay debt service payments, and annual Replacement Reserve payments. This requirement can be met with an up-front cash reserve or a personal guarantee from the developer/general partner with a surety bond to stand behind the personal guarantee.

Projects which have committed to including a Rent Rebate for Homeownership program for its tenants shall be required to include within the ownership entity agreement details regarding the maintenance and funding of a Rent Rebate Reserve.

If not already maintained by the Project's mortgage servicer, an Escrow Reserve shall be maintained and regularly funded.

~~N. **Tax Exempt Financed Projects:** Project applications with tax exempt bond financing are subject to all requirements of this Plan except for the score requirements listed in Section 7 of this Plan.~~

Q.N. Identity of Interest: The Applicant must disclose all relationships, generally based on financial interests or family ties, with others involved in the project [within the Multifamily Application Exhibit A's "SLR & HUD 2880" tab](#). This disclosure is required for all parties which:

1. Have an ownership, development, or financial interest in the project, excluding limited partners with less than a 15% ownership interest.
2. Have current or future management control of the project.
3. Have any current or contingent financial or management liability for the project, including guarantees, letters of credit, takeout agreements, or support agreements.
4. Are involved in the project and have been debarred from any North Dakota program, other state program or any federal program.

This disclosure requires the names and addresses of all parties, including corporate officials, if applicable. Forfeiture of the reserved LIHTCs may result if this information is not adequately disclosed, or if the information changes.

P.Q. Disclosure of Interest: The Applicant must disclose the names and addresses of all parties, including corporate officials, that have a significant role in the project, including but not limited to the general contractor, all subcontractors whose aggregate contract will exceed 10% of the cost of the project (excluding the acquisition of land), accountants, architects, engineers, financial consultants, and any other consultants.

Q.P. Notice to Local Jurisdiction: If required under federal law, the Agency will notify the jurisdiction where the project will be located after application submission. Agency may utilize any responsive comments in its decision-making process.

R.Q. Contingencies: Unspent contingency at the end of the project's construction must be used either to pay down a liability of the Owner or help to fund the project's Replacement or Operating Reserve. Upon request by

the Agency, the Applicant may be required to provide an accounting of a contingency and/or verification of the distribution of any unspent contingency prior to the Agency’s execution of the Project’s IRS form 8609(s).

SECTION 3: TYPES OF DEVELOPMENTS

- A. **Substantial Rehabilitation:** The minimum average rehabilitation is \$15,000 per restricted unit in hard construction costs.
 - 1. Agency may waive the minimum average rehabilitation threshold requirement if a Capital Needs Assessment supports a lower rehabilitation requirement.
 - 2. Projects involving rehabilitation or adaptive reuse must, upon completion, comply with the Agency’s [Minimum Rehabilitation and Property Standards \(Property Standards\)](#), which are hereby incorporated into this Plan by reference. Rehabilitation projects, including adaptive reuse, must, at a minimum, cure all deficiencies identified in Section 15 of the Property Standards upon completion. For projects which include acquisition and/or rehabilitation of occupied housing, any life-threatening health and safety deficiencies, as defined in the Property Standards, must be corrected immediately.
- B. **Ineligible Projects:** Most residential projects qualify for tax credits. Ineligible projects include transient housing (i.e. housing leased for less than 6 months); projects consisting of less than four (4) units, projects with units proposed to be occupied by the owner or a relative of the owner; nursing homes; life care facilities; and mobile home communities [in which the land is not fee-simple owned by the owner of the mobile home](#).

Assisted Living: Assisted living, or projects serving a similar purpose, are not eligible under this Plan.

Agency may reject an application for detrimental characteristics on or adjacent to the proposed project site unless a satisfactory remediation plan and budget are provided. Unsuitable sites include, but are not limited to, those that:

- 1. Are within ½ mile of airports, industrial properties, pipelines, hazardous waste disposal or storage sites, sewage treatment plants, sanitary landfills, commercial junk or salvage yards, wastewater treatment facilities.
- 2. Are within 500 feet of frequently used railroad tracks, electrical substations, power transmission lines or towers.
- 3. Have unsuitable slope, terrain, or physical barriers.
- 4. Are in a flood hazard area or wetlands.

SECTION 4: APPLICATION PROCESS

9% Credits:

Agency forms must be used to apply. The following are the Agency’s anticipated application round(s). Additional application rounds shall be published at the sole discretion of the Agency.

Application Round	Application Closing Date	9% Credits to be Allocated
1	September 30, 2026	\$3,701,073

A fully executed and complete Multifamily Application, including all required application attachments, must be received by the Agency by 5:00 p.m., CT, on the Application Closing Date of any Application Round to be eligible for consideration in that Application Round.

Applications selected for funding will be given a Conditional Commitment which will detail specific requirements

needing to be satisfied for the Agency to Reserve to credits for the Project.

4% Credits:

Proposals for bond-financed projects with an allocation of 4% credits may be submitted to the Agency at any time between January 1st and August 31st.

SECTION 5: THRESHOLD REQUIREMENTS

When an application is received and its corresponding Application Processing Fee has been verified as collected by the Agency, the application shall be issued an application number and reviewed for eligibility to be scored. To be eligible for scoring, an application must be fully executed, fully completed, and satisfy each Threshold Requirement detailed within this section.

An Applicant may request an exemption to the requirement of attaching a CNA to the application if there are other funding sources for the project which would, due to the timing, require additional costs or multiple reports. Any such exemption must be received from the Agency prior to and included within the project’s application. If granted such an exemption(s), the application will not be subject to a scoring deduction for the exempted requirement(s); however, the report(s) are required prior to the issuance of a Carryover Allocation or Equity Closing, whichever occurs first.

- A. **Application:** The Agency’s currently published Multifamily Application must be fully completed and executed. All applicable Exhibits to the application must be fully completed and submitted.

HOME or HTF:

The Applicant, any consultant, developer and any other development team member and all entities which have, or will have, a contract directly with the proposed Final Owner must maintain and provide a Sam.gov Unique Entity Identifier (Sam.gov UEI).

- B. **Demonstrated Site Control:** Applicant shall provide evidence of the Applicant, or Applicant’s affiliate, currently has, and is contractually able to maintain throughout the entirety of the application period, site control for the entirety of the project’s anticipated scope. An as-developed site plan must accompany the application.

- C. **Zoning, Codes, and Ordinances:** Applicant shall provide evidence of current appropriate zoning for the entire scope of the proposed project. If current zoning does not comply, verification must be provided from the jurisdiction-having municipal office verifying, at a minimum, a preliminary review of the project’s plans and proposed land use complies with the zoning type being sought.

Upon completion, the project must meet all applicable State and local codes, ordinances, and requirements as applicable, or, in the absence of a State or local building code, the International Residential Code, International Building Code (as applicable to the type of structure), or the International Existing Building Code (for rehabilitation projects) of the International Code Council.

- D. **Infrastructure and Utility Availability:** Evidence must be provided that appropriate infrastructure (i.e. roads, curb, gutter, etc.) and utilities (i.e. water, sewer, electricity, natural gas, Broadband Infrastructure, etc.) are in-place, or are able to be put in-place, and have adequate capacity to absorb the proposed project. Examples of evidence include letters from the applicable utility company [or municipal office providing the required utility or service](#).

Projects must install Broadband Infrastructure to all units and common area community rooms. A letter from the project architect confirming the inclusion of Broadband Infrastructure is within the project’s plans shall be included.

Broadband infrastructure is defined as cables, fiber optics, wiring, or other permanent and integral infrastructure, including wireless infrastructure, resulting in broadband capability meeting the Federal Communication Commission’s (FCC) definition in effect at the time the pre-construction estimates are

generated. Currently, the FCC defines broadband speeds as 25 Megabits per second (Mbps) download and 3 Mbps upload.

If all required infrastructure is not currently, or will not be, available on the proposed site(s), or on land directly adjacent to the proposed site(s), as of the Application Closing Date, a letter from the local jurisdiction must accompany the application confirming that no adequate infill opportunities exist within the community.

- E. **Development Team:** Application must demonstrate, to the satisfaction of the Agency, all members of the team have the experience, ability, and financial capacity, in their respective roles, to develop, construct, own, operate, manage the project, and are familiar, and prepared to fully comply, with this program's requirements.

9% or 4% LIHTC:

1. Applicants new to LIHTCs must partner with a developer, sponsor, and/or consultant included in a development team which received a LIHTC allocation from a federally approved allocator for a specific project and has placed that project in-service within the prior five years.
2. An Applicant, or closely related party of an Applicant, who has not yet placed a LIHTC project in-service in North Dakota will be ineligible to submit a subsequent application for an additional project until the initial development is, at a minimum, under construction and proceeding on schedule.

HOME or HTF:

3. Application including the use of HOME and/or HTF funding shall include a copy of the Applicant's current Active Registration on Sam.gov.
4. Application should demonstrate the proposed team's experience with, or working knowledge of, all federal cross-cutting requirements including, but not limited to, Section 3, Women-owned and Minority-owned Business Enterprise contracting practices, Davis-Bacon and related acts, environmental review, Section 504 and ADA requirements, lead-based paint mitigation, Uniform Relocation Act, and property condition requirements.
5. An Applicant, or closely related party of the Applicant, who has not yet completed a HOME or HTF project in North Dakota will be ineligible to submit a subsequent application for an additional project until the initial development is, at a minimum, under construction and proceeding on schedule.

Applications including any of the development team with limited experience in the development, construction, ownership, and/or management of an affordable Multifamily Project are encouraged to partner with an experienced developer, party, and/or sponsor. Agency may require the Applicant to provide historical financial statements as deemed necessary.

Applicants who have been convicted of, entered an agreement for immunity from prosecution for or have pleaded guilty, including a plea of nolo contendere, to a crime of dishonesty, moral turpitude, fraud, bribery, payment of illegal gratuities, perjury, false statement, racketeering, blackmail, extortion, falsification, or destruction of records are ineligible. Applicants who have been debarred from any North Dakota program, other state program or any federal program are ineligible. Agency may determine Applicants having an Identity of Interest with any debarred entity are ineligible.

Agency may inquire to other state allocating agencies about the Applicant's or Developer's performance history. Negative performance may result in the application being ineligible.

- F. **Ownership:** The Applicant [shall provide an Organizational Chart listing all proposed Developers, Guarantors, Managers of LLCs and/or General Partners of Partnerships along with proposed entity ownership percentages within the entities.](#)

[must be either the owner or developer of the project. If the Applicant intends to sell or transfer the project within five \(5\) years from the application date, the Applicant shall provide an attestation of the intent, or lack thereof, to transfer any ownership interest held by an entity within the proposed Organizational Chart within five \(5\) years from the Application Date. If known, the names and backgrounds of those who will receive those ownership interest\(s\) shall be disclosed.](#) Failure to provide this information may result in forfeiture of any Conditionally Committed or

Reserved LIHTCs.

Credits are allocated to the proposed project's Owner. A sale or transfer of a controlling ownership interest of the Owner prior to issuance of the Final Allocation requires an amended application and payment of a non-refundable transfer fee of \$2,500, or 1% of the annual credit amount currently allocated to the Owner for the proposed project, whichever is greater. Payment of this fee does not oblige the Agency to approve the transfer.

F.G. Financial Projections: [Applicant shall submit the Agency's](#) currently published Multifamily Application Exhibit A in Excel format. All applicable tabs must be fully completed.

The reasonableness of development costs and operating expenses, in relation to other similar developments, will be assessed when the Agency evaluates a project's financial feasibility.

The Agency reserves the right to decline any application if, during underwriting, the project is determined to have a Hard-Debt-Service Coverage Ratio, or Expense Coverage Ratio for a project which proposed no hard-debt, less than 1.10.

H. Subsidies: [If the applicant anticipates any federal, state, and/or local subsidies](#), a signed [confirmation identifying all anticipated](#) federal, state, and/or local subsidies [must be provided. All federal, state, and/or local subsidies must be listed within the Multifamily Application Exhibit A's "SLR & HUD 2880" tab.](#)

[If no federal, state or local subsidies are anticipated, a signed confirmation from the applicant confirming as such shall be provided.](#)

G.I. Public Housing Waiting List: The Applicant shall provide a copy of a written communication from the Applicant to the [applicable-jurisdiction-having Public Housing Authority](#) (PHA) describing the proposed project. The Applicant's communication shall include a commitment to communicate project completion and work directly with the PHA during the proposed project's lease-up in an attempt to house households on PHA waitlist(s) and, [when allowed](#), granting [PHA](#) waitlisted households' priority in obtaining occupancy within the project.

H.J. Housing Need: Applicant shall provide a comprehensive market study of the housing needs of low-income individuals in the market area to be served by the project. The market study should be completed at the Developer's, or affiliate of the Developer, expense by an acceptable disinterested party to the Agency.

The market study must demonstrate there is sufficient sustained demand in the market area to support the proposed development, and that the development of any additional affordable units will not have an adverse impact on the existing affordable units in the market area. The market study must have been completed within six (6) months of Application Close Date and must contain the National Council of Housing Market Analysts' (NCHMA) current model content standards unless the Agency authorizes deviation from these standards.

H.K. Capital Needs Assessment: A Capital Needs Assessment (CNA) must be submitted with all application packages involving rehabilitation, adaptive reuse, or acquisition of an existing building which will, in-whole or in-part, remain an asset of the project.

The CNA must be completed by a competent, independent third party acceptable to the Agency, such as a licensed architect and/or engineer. The assessment must include a site visit and a physical inspection of the interior and exterior of all units and structures, as well as an interview with available on-site property management and maintenance personnel to inquire about past repairs and improvements, pending repairs, and existing or chronic physical deficiencies.

The assessment must consider the presence of environmental hazards such as asbestos, lead paint and mold on the site. The assessment must include an opinion as to the proposed budget for recommended improvements and should identify critical building systems or components that have reached or exceeded their expected useful lives. If the remaining useful life of any component is less than fifty percent (50%) of the expected useful life, immediate rehabilitation will be required unless capitalized. If the remaining useful life is less than the Affordability Period, the application package must provide a practical way to finance the future replacement.

The assessment must also include a projection of recurring probable expenditures for significant systems and

components impacting use and tenancy, which are not considered operation or maintenance expenses, to determine the appropriate replacement reserve deposits on a per unit per year basis. The assessment will examine and analyze the following:

1. Site, including topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, sewer, storm drainage, gas and electric utilities and their lines.
2. Structural systems, both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system, and drainage.
3. Interiors, including unit and common area finishes (carpeting, tile, plaster walls, paint condition, etc.), unit kitchen finishes, cabinets and appliances, unit bathroom finishes and fixtures, and common area lobbies and corridors.
4. Mechanical systems, including plumbing and domestic hot water, HVAC, electrical, lighting fixtures, fire protection, and elevators.

Application packages involving the demolition and new construction replacement of existing housing units must demonstrate the benefit of such activity over rehabilitation, including an opinion of cost of rehabilitation to assist Agency to determine the cost savings and/or other benefits.

J.L. USDA Financing: An application proposing the inclusion of new or existing USDA debt must include written confirmation from the regional USDA officer which verifies any progress made on an initial transfer request and/or the approval of any proposed debt additional to the existing USDA debt, and any associated lien to the debt, proposed.

K.M. Self-Scoring: The Applicant shall provide a self-scoring narrative indicating the number of points being sought in each scoring category. The narrative should be brief but also explain the Applicant’s justification(s) for the points being sought.

Agency will review application packages’ completeness prior to scoring. Applications missing any Threshold Requirement(s) after an Application Cycle’s Closing Date will have a reasonable time to submit the missing Threshold Requirement(s); however, a *2-point scoring deduction* will be assessed for each missing Threshold Requirement.

Applications may be submitted to the Agency during the calendar month prior to an Application Cycle’s Closing Date for a one-time pre-review and feedback by the Agency. Applications received by the Agency within the calendar month of an Application Cycle’s Closing Date will be considered an Initial Application.

Agency may reject an application if:

1. The qualified basis per square foot exceeds 110% of the median qualified basis per square foot of selected projects in the previous two years.
 - Maximum qualified basis per square foot: [\\$468.25355.79](#)

SECTION 6: APPLICATION AND ALLOCATION FEES

Application Processing Fee: Remittance of a nonrefundable Application Processing Fee, payable to “North Dakota Housing Finance Agency,” in the amount of \$500 shall be received by the Agency prior to 5:00 p.m., CT, on any Application Closing Date for its corresponding application to be reviewed for eligibility and/or considered for funding within any competitive funding round.

For applications of 4% LIHTC received outside a competitive funding round, the Application Processing Fee shall be remitted to the Agency upon the Applicant’s submittal of an Intent to Apply and shall be received by the Agency prior to any consideration of funding.

Allocation Fee: Successful applications will be assessed a nonrefundable Allocation Fee, totaling 10% of the LIHTC Allocation and shall be due and payable as follows:

9% LIHTC

- A. Installment 1: Reservation: Ten percent (10%) of the Allocation Fee shall be paid to the Agency prior to the Reservation of LIHTC(s) for the Project.
- B. Installment 2: Carryover: Projects not able to have all 8609(s) issued prior to December 15th of the LIHTC(s) credit year shall pay to the Agency ten percent (10%) of the Allocation Fee prior to the Agency’s execution of any Carryover Allocation Agreement.
- C. Installment 3: Final Allocation: The balance of the Allocation Fee is due prior to the Agency’s issuance of any 8609(s).

4% LIHTC

- A. Installment 1: Equity Closing: Twenty percent (20%) of the Allocation Fee shall be paid to the Agency at or prior to the transaction’s Equity Closing.
- A-B. Installment 2: Final Allocation: The balance of the Allocation Fee is due prior to the Agency’s issuance of any 8609(s).

SECTION 7: PROJECT RATINGS

Applications for an allocation of competitive 9% LIHTCs must receive a minimum of 55 points as determined by the Agency to be eligible for further consideration. Based on ranking, projects will be selected for Conditional Commitment. In the case of a tie between two or more projects, the project requiring fewer LIHTCs per unit will be selected first. Applications for an allocation of noncompetitive 4% LIHTCs are not subject to a minimum score. Representations made by Applicants will be binding and will be reviewed during ongoing compliance monitoring.

- A. **Serves Lowest Income Groups** **Up to 45 points**
 Points will be awarded to projects with a minimum percentage of units having gross rents based upon 50% or less of AMI. For purposes of this scoring category, gross rent is defined to include the tenant portion plus utility allowance.

Percent of Median Income on Which Gross Rent is Based

50% AMI		40% AMI		30% or less AMI	
<u>% of Total Units</u>	<u>Points</u>	<u>% of Total Units</u>	<u>Points</u>	<u>% of Total Units</u>	<u>Points</u>
20%+	10	20%+	15	50%+	45
10%<20%	5	10%<20%	10	40%<50%	40
5%<10%	4	5%<10%	5	30%<40%	30
1%<5%	3	1%<5%	2	20%<30%	20
0%<1%	0	0%<1%	0	10%<20%	10
				0%<10%	0

- B. **Redevelopment and Revitalization** **5 points**
 Adaptive reuse projects are eligible for points under this scoring category. Rehabilitation of existing habitable ~~and occupied~~ housing is not.

A project will receive 5 points if it meets one of the following conditions:

1. The project is located on a site considered by the Agency to be a previously developed property.
2. The project is in a QCT or city revitalization area established by resolution or other legal action by the city, and the development of the project contributes to a concerted community revitalization plan, including a Main Street Initiative plan. For purposes of this Plan, a concerted community revitalization plan is defined as a locally approved revitalization plan targeting specific existing areas or neighborhoods within the community for housing and economic development including the infill new construction or

rehabilitation of housing. To qualify, the plan must be officially adopted by the local governing body, identify a specific time period, and apply only to a defined geographic area within the community. Local housing needs surveys, consolidated housing or economic development plans, short-term work plans, municipal zoning, or land use plans, or plans which are so broad as to encompass the entire community or so narrow as to encompass only the project’s subject property do not qualify under this definition.

3. The project is entirely located within an Opportunity Zone, as defined in Code Section 1400Z-1.

C. Historic Properties 4 points

Properties that are on the National Register of Historic Places and receiving Historic Rehabilitation Tax Credits, will receive 4 points.

D. Service Coordinator 5 points

Projects which commit to providing, either through direct employment or by contract with an experienced third party, a Service Coordinator for the residents of project. The Service Coordinator must be available to residents on-site at least ~~one hour~~thirty minutes per project unit per month.

The role of a Service Coordinator is to manage and provide access to necessary supportive services in the community, provide proactive case management services as needed and requested, and develop programs and resources that support wellness for the entire resident population.

A Service Coordinator shall fulfill the following core functions:

1. Conducting comprehensive, non-clinical assessments of residents for wellness and social needs; and
2. Helping residents to identify, access, and coordinate services, including monitoring of services provided and follow-up communication with services providers; and
3. Monitoring the receipt and following through of services, including encouraging and motivating residents to engage with providers and participate in their own care/services management; and
4. Proactively developing and arranging educational/preventative health programs and services for residents; and
5. Developing and sustaining partnerships with North Dakota Service Providers ([ND Health & Human Services](#)) and other community stakeholders; and
6. Maintaining an up-to-date resource directory with all local Service Providers and making it available to residents’ use.

HUD’s Service Coordinators in Multifamily Housing (SCMF) Program is the basis for this scoring category. The [SCMF Program Online Learning Tool](#), available on the HUD Exchange website, should be used as a resource for important additional details required to be implemented in order to provide residents with an effective Service Coordinator.

E. Design Standards Up to 10-5 points

1. Elevator in each residential building..... 10-5 points
2. A separate outside main entrance for each unit..... 10-5 points

Projects may score points under only one Design Standard. Projects with multiple buildings must include any anticipated Design Standard, in which the Applicant is seeking points, in all buildings.

F. Universal Design Up to 12-9 points

Applicants seeking Project Standards points are required to provide a written statement from the project’s architect, verifying the architect has fully reviewed the Agency’s current [Universal Design Standards](#) and that 100% of the Project Standards will be implemented within the design of the proposed project.

1. All Project Standards Implemented3-3 points

Applicants seeking Unit Standards points are required to provide a written statement from the project’s architect, verifying the architect has fully reviewed the Agency’s current Universal Design Standards and that 100% of the Unit Standards will be implemented within specific units in the proposed project. The Applicant and architect shall specify which units are proposed to be these Universal Design Units.

- 2. Greater-than 0.00% but less than 5.00% of the project’s total units..... 1 point
- 3. Greater-than or equal to 5.00% but less than 10.00% of the project’s total units.....**3-2** points
- 4. Greater than or equal to 10.00% but less than 25.00% of the project’s total units**6-3** points
- 5. One point for each universal design unit which is two-bedroom or largerUp to 3 points

G. Green Communities Up to 7-5 points

To be eligible to earn any points in this scoring category, Applicants must submit a written development plan outlining the integrated design approach that demonstrates involvement of the entire development team. The plan should provide a statement of the overall green development goals, the expected outcomes from addressing those goals, and the rationale for choosing each of the green features. Green Communities criteria are listed and must be certified via the Multifamily Application Exhibit E.

Applications involving rehabilitation:

- 1. 10 Green Communities’ criteria.....**3-2** points
- 2. 17 Green Communities’ criteria.....**5-3** points
- 3. LEED, Green Communities, or ICC 700 National Green Building Standard Certification.....**7-5** points

Application NOT involving rehabilitation:

- 4. 10 Green Communities’ criteria..... 1 point
- 5. 15 Green Communities’ criteria.....**3-2** points
- 6. 20 Green Communities’ criteria.....**5-3** points
- 7. LEED, Green Communities, or ICC 700 National Green Building Standard Certification.....**7-5** points

H. Rent Rebate for Homeownership 2 points

Commitment to set aside tenant-paid rent [to assist in the purchase of a primary residence for all tenant household](#) will receive two (2) points. The owner shall enter into a binding contract with all LIHTC unit households, at a household’s initial occupancy, agreeing to a rebate [of at least five percent \(5%\) of all tenant-paid rent](#), should the tenant household move into [an owner-occupied primary residence within thirty \(30\) days after](#) vacating. The accrual of rent rebated must be for the household’s entire term of occupancy. Any required vesting period can be no longer than three years. Applications seeking points in scoring category K., Housing for Older Persons, are not eligible for points under this scoring category.

[For HUD-assisted projects, a commitment to participate with HUD’s Family Self-Sufficiency Program for the entirety of the term of any HUD subsidy contract associated with the project will receive two \(2\) points.](#)

H.I. Tenant Ownership 1-2 points

To be eligible to earn any points in this scoring category, all residential buildings in the Project must be individually surveyed, platted, separate physical addresses [with each having its own LIHTC Building Identification Numbers. Applications seeking points under scoring category K., Housing for Older Persons, are not eligible for points under this scoring category.](#) Applications must include:

- 1. A feasible plan that sets forth the process for transferring the property in whole.
- 2. The future purchase price.
- 3. Homebuyer counseling efforts.
- 4. Any other information requested by the Agency.

J.J. Family Housing for Individuals with Children

5 points

At least 20% of the low-income units are three-bedroom or larger. Applications seeking points under scoring category K., Housing for Older Persons, are not eligible for points under this scoring category.

J.K. Housing for Older Persons

6 points

Housing designed for and marketed to households consisting of individuals 55 years of age and over and include a community room with kitchen facilities for the use of the tenants at no charge are eligible for six (6) points. The marketing plan must be consistent with the Fair Housing Act’s “Housing for Older Persons” exemption.

Housing for Older Persons exemptions apply to the following housing:

1. Provided under any state or federal program the Secretary of HUD has determined is specifically designed and operated to assist elderly persons.
2. 100% occupied by persons 62 years of age or older.
3. Houses at least one person 55+ in at least 80% of the occupied units and adheres to a policy that demonstrates an intent to house persons 55+.

K.L. Preserve Existing Affordability

Up to 10-8 points

It is highly recommended for applicants seeking scoring under this category begin a dialog with the Agency well ahead of application submission to discuss their proposed scenario to help determine what information and documentation the Agency would expect to be submitted with the application for scoring under this category.

To be eligible for points the Applicant must provide a narrative with sufficient detail for the Agency to fully understand all aspects of the asset and/or subsidy proposed to be preserved and/or any current affordable housing program(s) associated to the asset which qualify the proposed project for points under this scoring category. Narrative shall also detail the process and timeline for the loss of any current affordable housing program associated to the asset and/or the process and timeline required to facilitate the proposed transfer of any subsidy.

The applicant shall attach to their narrative all documentation required to support that narrative. The Agency will need to be able to understand the terms and requirements of any exiting affordable housing program assisting the current asset and/or subsidy proposed to be preserved. Applicant should include any documentation which verifies details provided within the narrative.

1. Asset Preservation.....**10-8** points
A project proposing the acquisition and/or rehabilitation of a multifamily project currently assisted from a State or Federal affordable housing program in which the applicant can adequately demonstrate the project is at risk of being lost from the State’s affordable housing inventory within the next 60-months it shall be eligible for up to **5-four (4)** points. If the applicant can adequately demonstrate the project is at risk of being lost from the State’s affordable housing inventory within the next 30 months it shall be eligible for up to eight (8) points. A transfer of an asset between parties with an identity of interest in the proposed project will be eligible for a maximum of **five-four (54)** points.
2. LIHTC with waived EUP Asset Preservation **5-4** points
A proposed project is an existing LIHTC project past its initial 15-year compliance period which has waived its ability to opt out of the Extended Use Period (EUP).
3. Subsidy Preservation.....**10-8** points
A project proposing the preservation of a long-term affordable housing subsidy which the applicant can adequately demonstrate is at-risk of being lost to the State, and the applicant has secured, at least conditionally, a transfer of that long-term assistance to subsidize the proposed project. A transfer of a subsidy between parties with an identity of interest in the proposed project will be eligible for a maximum of **five-four (54)** points.

L.M.

ommitted Leverage

Up to 4 points

Applications which provide signed, firm commitments of funding source(s), identified within the Multifamily Housing Application Exhibit A, which reduce the project’s need to carry debt with a reasonable expectation of repayment or subsidize the operations by substantively reducing the project’s operating expenses.

For purposes of scoring in this category, funds which require repayment, are temporary in nature, or do not exist for at least the Compliance Period are not eligible. Only the present value of an operating budget’s reduction which will be realized for the guaranteed term of the subsidy is eligible. A project may receive points under only one of the following:

- 1. Applications proposing twin-financed 9% LIHTCs and 4% tax-exempt financing.....2 points
- 2. At least 1% but less than or equal to 5% of the total development costs2 points
- 3. More than 5% but less than or equal to ~~10~~7.50% of total development costs3 points
- 4. Greater than ~~10.00~~7.50%.....4 points

M-N. Geographic Location

No more than two projects will be approved in any one city during a competitive application round. Projects approved under a prior year which are receiving an additional allocation of LIHTCs in the current year will not trigger this limitation in the current year.

SECTION 8: SET-ASIDES AND TARGETED AREAS

Agency has established the following set-asides and targets:

A. **Non-Profit Participation:** Ten percent of the state's LIHTC allocation will be set aside for projects involving non-profit organizations. To qualify for this set-aside, the Applicant must be a qualified non-profit organization (501(c)(3) or 501(c)(4) status) which has as an exempt purpose of fostering low-income housing; owns an interest in the project (directly or through a partnership); and materially participates on a regular, continuous, and substantial basis in the development and operation of the project throughout the compliance and extended use periods. Ownership interest is defined as a minimum 50% general partner position in a limited partnership.

The initial application must include:

- 1. Explanation illustrating that the non-profit has been actively involved within the community as a non-profit organization.
- 2. Explanation outlining the rights and responsibilities of the non-profit organization including the right of the non-profit to purchase the project in the future.
- 3. Information to show that the non-profit organization is not affiliated with, or controlled by, a for-profit individual or organization.

The highest-ranking non-profit application will be considered a part of the non-profit set-aside. Other non-profit applications more than the set-aside must compete with eligible "for-profit" applications.

B. **Native American Set-Aside:** Agency shall award the highest-scoring qualified application in the first application round located within North Dakota Indian reservations or on tribal land (either held in trust or fee-simple), subject to the Maximum Credit Limit.

~~C. **New Development/Renovation Parity:** For purposes of this section there are two development types:~~

- ~~1. **New Development** is the creation of new housing units (including adaptive reuse).~~
- ~~2. **Renovation** is the substantial rehabilitation or same-site replacement of existing occupied housing.~~

~~Applicants may contact the Agency with any uncertainty as to a proposed project’s construction type.~~

~~Following the project(s) selected for credits under the set-asides, the highest scoring projects will be eligible for~~

~~a conditional commitment of LIHTCs. If the project(s) awarded under the set asides were all New Development, the highest scoring Renovation projects will be the next eligible project to receive a conditional commitment of LIHTCs. If the project(s) awarded under the set asides were all Renovation, the highest scoring New Development projects will be the next eligible project to receive a conditional commitment of LIHTCs. After at least one New Development and one Renovation project has been selected for a conditional commitment of LIHTCs, all New Development and Renovation projects are eligible to receive a conditional commitment of LIHTCs.~~

SECTION 9: CREDIT AWARD PROCESS

Agency will review applications and make awards. Thereafter, the following definitions shall apply:

Conditional Commitment: Agency commitment to reserve LIHTCs for the Applicant conditioned upon the Agency's receipt of required items and documentation within an allotted timeframe.

Reservation: Agency commitment that LIHTCs have been reserved for the Applicant.

Carryover Allocation: Agency's allocation of LIHTCs to the Applicant. Agency shall file an IRS Form 8610.

Final Allocation: Agency's final verification of Applicant's compliance to the Plan's requirements, completion of the development of the Project, and all building(s) have been Placed-in-Service. Agency shall prepare & execute for Owner, IRS Form(s) 8609.

- A. Conditional Commitment:** Agency will determine the amount of LIHTCs to be conditionally committed, which may not equal the amount requested in the application and issue a Conditional Commitment which shall expire on a date identified within the Conditional Commitment and shall not be less than 60 days.

Agency will underwrite applications to determine compliance with federal requirements and the policies in this Plan after an Application Cycle's Closing Date.

4% Tax Credit Applications with Tax-Exempt Bond Financing

Upon satisfactory review of the application, the Agency will issue a letter in accordance with Internal Revenue Code Section 42(m)(2)(D) stating the preliminary amount of 4% LIHTCs Conditionally Committed to the project.

- B. Project Progress Reports:** Owners must regularly submit progress reports (at least quarterly for a Project which has not yet received a Carryover Allocation, monthly for a Project which has completed its equity closing) describing the Applicant's actual progress in comparison to the project development timeline and schedule.

Owners must disclose project development costs which have increased above the contingency provided in the application during the development and construction/rehabilitation of the project along with an explanation of how the gap has been or will be filled.

- C. Reservation:** Projects which have provided the items identified within the Conditional Commitment, and any subsequent documentation or information identified by the Agency to issue a Reservation (Reservation Package), shall be eligible to have the agreed upon number of LIHTCs reserved to the Project. Applications containing material changes must be underwritten and may be ineligible.

Agency shall receive a fully completed Reservation Package prior to the date indicated within the Conditional Commitment. A 10-day late submission window is available for Applicants to submit any missing items, however a late fee of \$200 per calendar day, up to a maximum of \$2,000, will be assessed and must be received by the Agency prior to the Reservation of the Applicant's credits by the Agency. If all required items are not received prior to the expiration of the 10-day late submission window, the Conditional Commitment will expire.

Late fees will not be allowed as an eligible cost in basis and are in addition to the Allocation Fee.

Prior to equity closing, Applicant must proof of the Agency's listing as an additional insured on any builder's risk policy for the construction of the project. as well as on the property's hazard and liability insurance policy. The Agency's insurance clause must be as follows:

North Dakota Housing Finance Agency, ISAOA
[Project ID]
PO Box 1535
Bismarck, ND 58502

D. Carryover Allocation: Projects not able to have all 8609(s) issued prior to December 15th of the tax credit year shall submit a Carryover Package which shall include:

1. Updated-to-current Exhibit A in Excel format.
2. Signed Owner Certification of Costs (Exhibit A "LIHTC 10% Test" tab).
3. If Carryover is to be completed using Incurred Basis, an Independent Accountant's Report (Agency-approved model letter is available upon request) verifying the results of the CPA's Examination and/or Agreed Upon Procedures (AUP) of the Owner's Actual Basis Incurred shall be provided.
4. If Carryover is to be completed using Anticipated Basis, the Owner will have 12 months from the Allocation Date to provide an Independent Accountant's Report verifying either:
 - a. The results of the CPA's Examination and/or AUP of the Owner's Actual Basis Incurred verifying at least 10% of the Project's Reasonably Expected Basis has been Incurred by the Owner.
 - b. The results of the CPA's Examination of Actual Costs and Eligible Basis of the Final Cost Certification.
5. Receipt of Allocation Fee Installment 2: Carryover by the Agency.

Upon receipt and acceptable review of the Carryover Package, the Agency shall prepare for execution a Carryover Allocation Agreement and once fully executed, file IRS Form 8610.

Agency shall receive a fully complete Carryover Package no later than the close of the credit allocation year's December 15th business day. A late submission window is available for Applicants to submit any missing items, however a late fee of \$500 plus \$200 per calendar day, up to a maximum of \$3,500, will be assessed and must be received by the Agency prior to the last business day of the calendar year. If all required items are not received by the Agency on or prior to the last business day of the calendar year, the Conditional Commitment or Reservation will be allowed to expire, and all credits shall return to the Agency.

Late fees will not be allowed as an eligible cost in basis and are in addition to the Allocation Fee.

E. Final Allocation: Agency shall receive all items necessary to prepare all 8609(s) for the Project (Final Allocation Package) which shall include:

1. Updated-to-final Exhibit A in Excel format.
2. Owner's Final Cost Certification in PDF format (Exhibit A "Development Budget" tab).
3. An Independent Accountant's Report verifying the results of the CPA's Examination of Actual Costs and Eligible Basis of the Final Cost Certification.
4. Receipt of Allocation Fee Installment 3: Final Allocation by the Agency.
5. Proof of sufficient property and liability insurance coverage listing Agency as a Certificate Holder (Acord 25 and Acord 27 or 28)

The Agency's insurance clause must be as follows:

North Dakota Housing Finance Agency, ISAOA
[Project ID]

PO Box 1535
Bismarck, ND 58502

4% LIHTC:

6. An Independent Accountant's Report verifying the results of the CPA's determination of the Aggregate Basis financed by Tax-Exempt Bonds.

Upon receipt and acceptable review of the Final Allocation Package, the Agency shall provide the Applicant a copy of each IRS Form 8609. Applicant is responsible for the review and approval of all 8609(s). All information in all Parts of the 8609(s) shall be fully completed and the form(s) returned to the Agency. Agency shall execute and provide all originally executed 8609(s) to the Applicant.

Agency shall receive a fully completed Final Allocation Package no later than 180 calendar days after the last building is Placed-in-Service. Late submission of a fully completed Final Allocation Package will result in the assessment of a late fee of \$200 per calendar day. The Agency shall receive all assessed late fees prior to the issuance of any 8609 for a Project.

For projects intending to Place-in-Service in the year of allocation and do not intend to complete a Carryover Allocation, the Agency shall receive a completed Final Allocation Package on or prior to the end of the November 15th business day. If the Final Allocation Package is not received by the deadline or if the Final Allocation Package received is insufficient or missing any items required by the Agency to issue all required 8609's, the Applicant shall be required to complete a Carryover Allocation. If, for any reason, the Agency is not able to issue all 8609(s) required for the Project prior to December 15th, the Applicant shall be required to complete a Carryover Allocation.

If the Agency is asked to reissue an 8609 after a fully executed copy has been provided to the Applicant, the Agency may assess a processing fee of \$50 per reissued 8609.

- F. Credit Return or Cancellation:** If, at any time after issuance of a Reservation of credits, an Applicant is unable to complete the project within the LIHTC Program's requirements, the Applicant shall voluntarily return all credits.
- G. Additional Credits:** If an Applicant is awarded additional credits from a subsequent allocation year for the same Project, it is the Agency's preference for the Applicant to voluntarily return all credits Conditionally Committed, Reserved, or Allocated for the Project in exchange for a new Conditional Commitment, Reservation, or Allocation, whichever milestone the returning credits have obtained, of credits from the subsequent allocation year. The new Conditional Commitment, Reservation, or Allocation shall not be less than the sum of the credits returned plus the additionally awarded credits. Fees for the new allocation will follow the same fee structure outlined in Section 6. All fees previously paid are non-refundable and forfeited.

SECTION 10: RESPONSIBILITY OF APPLICANT

The Applicant has the responsibility to abide by the representations made in the LIHTC application and in the LURA. Failure to abide by these representations may result in sanctions against the Applicant, including but not limited to, the inability to apply for LIHTCs in the future and participate in other Agency administered programs.

SECTION 11: RESPONSIBILITY OF AGENCY

Agency review of documents submitted in connection with the allocation is for its own purpose. The Agency makes no representations to the Applicant or anyone else regarding adherence to the Internal Revenue Code, Treasury regulations, or any other laws or regulations governing LIHTCs.

No member, officer, agent, or employee of the Agency shall be personally liable concerning any matters arising out of, or in relation to, the allocation of the LIHTCs.

Projects awarded LIHTCs will be subject to compliance monitoring by the Agency for the duration of the period of affordability plus the extended use period.

SECTION 12: MODIFICATION TO THE QUALIFIED ALLOCATION PLAN

To the extent necessary to facilitate the award of LIHTCs, Agency may modify this Plan from time to time, including minor modifications necessary to facilitate the administration of the LIHTC Program or to address unforeseen circumstances and waiving any conditions not mandated by the Code. For example, in the event of a major natural disaster, the Agency may disregard any section of the Plan, including point scoring and evaluation criteria, that interferes with an appropriate response. Agency will document any waivers from the established priorities and selection criteria of the Plan and will make this documentation available to the public upon request.

To the extent that anything contained in this Plan does not meet the minimum requirements of federal law or regulation, such law or regulation shall take precedence over this Plan.

North Dakota Housing Finance Agency

2624 Vermont Avenue

PO Box 1535

Bismarck, ND 58502-1535

800/292-8621 or 701/328-8072

800/366-6888 (TTY)

www.ndhousing.nd.gov · hfainfo@nd.gov



March 25, 2026

TO: Industrial Commission

FR: Brandon Dettlaff, Executive Director

RE: 2026 Housing Incentive Fund Allocation Plan

The NDHFA Advisory Board recommends the **Industrial Commission approve the 2026 Housing Incentive Fund Allocation Plan (attached)**.

Annually the agency is responsible for developing a Housing Incentive Fund Allocation Plan (the Plan). The plan identifies the process for which eligible applicants must apply for HIF funding including the scoring criteria that will be used to rank, score, and select successful applications for multifamily projects. The 2026 Plan made available public comment February 17-March 4, 2025. A public hearing was held on March 6th, 2026 at NDHFA's office and via Microsoft Teams.

The 69th Legislative Assembly HIF appropriation included \$25 million for housing and \$10 million of ND Homeless Grant to be transferred to HIF to be used for homeless activities. \$20 million was set aside for multifamily activities, a total of \$4,506,000 is expected to be available for the September 2026 multifamily round.

Attached is a copy of the draft 2026 HIF multifamily allocation plan with a summary of the substantial changes proposed and public comments received below.

Section 3.04 Maximum Award

Proposed to increase maximum award thresholds from \$1 million to \$2 million for projects with 9% tax credit allocations and increase the overall maximum award from \$3 million to \$4 million.

3.04 Maximum Award

Award allocations from HIF for any single Multifamily Project will be limited to the lesser of:

- A. An amount required to secure project financing and make the project financially feasible.
- B. If the project is located entirely within a Developing Rural Community, fifty percent (50%) of the project's Development Costs. For all other projects, thirty percent (30%) of the project's Total Development Costs.
- C. If the project is applying for or has been awarded nine percent (9%) tax credits from the federal Low Income Housing Tax Credit program, ~~\$1,000,000~~2,000,000.
- D. ~~\$3,000,000~~4,000,000

Comments were received concurring that the agency consider increases to the maximum award. On further review staff determined that the following changes would have allowed for one more project in the 2025 application round to be funded and is recommending the maximum award be as follows:

3.04 Maximum Award

Award allocations from HIF for any single Multifamily Project will be limited to the lesser of:

- A. An amount required to secure project financing and make the project financially feasible; or
- B. ~~If the~~ A project is located entirely located entirely within a Developing Rural Community, fifty percent (50%) of the project's Development Costs; or
- ~~B.C. A project not located entirely within a Developing Rural Community, For all other projects,~~ thirty percent (30%) of the project's Total Development Costs; or
- ~~C.D. If the project is~~ A project applying for or ~~has been~~ awarded ~~nine percent (9%)~~ tax credits from the federal Low Income Housing Tax Credit program, twenty percent (20%) of the project's Total Development Costs; or \$1,000,000.
- ~~D.E. \$3,000,000~~ \$4,000,000

Section 7: Scoring Criteria

I. Universal Design (page 11)

Lowered the percentage range of units necessary to receive points in each scoring range. This aligns with the LIHTC QAP.



Attachment 4A

2026 ALLOCATION PLAN

Housing Incentive Fund



Community Housing and Grants Management Division
2624 Vermont Ave. | PO Box 1535 | Bismarck, ND 58502-1535
800-292-8621 or 701-328-8080 | 800-435-8590 (Spanish) | 711 (TTY)
www.ndousing.nd.gov | hfainfo@nd.gov

Una traducción al español de este documento está disponible solicitándola en
ndhousing.nd.gov



This recipient does not discriminate in admission or access to, or treatment or employment in, its federally assisted programs and activities. Accommodations: Individuals who require accommodations including translated documents, an alternate format, or to request a copy of the plan may contact:

504 Coordinator:

Jennifer Henderson

North Dakota Housing Finance Agency

2624 Vermont Avenue

Bismarck ND 58504

800-292-8621 or 701-328-8080

800-435-8590 (Spanish)

711 (Voice or TTY)

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SECTION 1: DEFINITIONS

Affordability Period: A specific starting and ending date range, communicated to the awardees of HIF program funds after a project's completion, during which the project is to comply with program rent and income restrictions.

Agency: North Dakota Housing Finance Agency.

Area Median Income (AMI): The midpoint of a county's income distribution. Half of families in a county earn more than the median and half earn less than the median. The Agency publishes Income Limits, based on household size, annually and from time-to-time as necessary.

BND: Bank of North Dakota.

Broadband Infrastructure: Cables, fiber optics, wiring, or other permanent infrastructure, including wireless infrastructure, resulting in broadband capability meeting the Federal Communication Commission (FCC) definition in effect at the time the pre-construction estimates are generated.

Developing Community: An incorporated city with a population less than 20,000 per the most recently available Annual Estimate of Residential Population for Incorporated Places provided by U.S. Census Bureau.

Developing Rural Community: An incorporated city with a population less than 5,000 per the most recently available Annual Estimate of Residential Population for Incorporated Places provided by U.S. Census Bureau.

Eligible Applicants: Units of local, state, and tribal government; local and tribal housing authorities; community action agencies; regional planning councils; and nonprofit organizations and for-profit developers. Individuals are not eligible to receive direct assistance from HIF.

Extremely Low Income: Households with incomes of not more than thirty percent (30%) of AMI.

HIF: Housing Incentive Fund.

HIF Assisted Unit Calculation: HIF Assisted Units is calculated as a percentage of a project's Gross HIF Award in relation to the project's certified Total Development Costs. This percentage multiplied by the total number of units within the project (rounded-up to the nearest whole number) is the number of HIF Assisted Units within that project.

Income Limit(s): Agency published maximum annual household income limits, published annually and from time-to-time as necessary. HIF income limits are calculated using data published by the U.S. Department of Housing and Urban Development and U.S. Department of Health and Human Services.

Income Restricted: A household or unit which is subject to a specified annual household Income Limit. Household income is calculated using the rules and guidelines of the U.S. Department of Housing and Urban Development's Part 5 Income Determination.

Low Income: Households with incomes of not more than eighty percent (80%) of AMI.

Moderate Income: Households with incomes of not more than one-hundred forty percent (140%) of AMI.

Multifamily Project/Property: Any building or group of buildings totaling four (4) or more permanent residential rental units operated as a single rental housing project.

Plan: This current HIF Allocation Plan, when not preceded by a year. When preceded by a year or biennial year range, refers to that year's HIF Allocation Plan.

Rent Limit(s): Agency published maximum gross monthly rent limits, published annually and from time-to-time as necessary. HIF Rent limits are calculated using an average occupancy per unit, the jointly-published Income Limits, and/or current Fair Market Rents as published from the U.S. Department of Housing and Urban Development.

Rent Restricted: A maximum allowable gross monthly rent able to be charged/collected from a HIF restricted unit's tenant(s). Maximum monthly rents are published by the Agency annually, and from time-to-time as necessary, and are calculated as the sum of all tenant-paid rent, any applicable utility allowances, and all tenant-based rental assistance.

Restricted Unit: A housing unit subject to income and/or rent restrictions enforced through the HIF Land Use Restrictive Agreement. The number of Restricted Units will always be equal-to, or greater-than, the HIF Assisted Unit Calculation.

Single-Family Project/Property: Any singular building containing four (4) or less permanent residential units.

Total Development Cost: The all-in cost of developing a rental housing project including pre-development, acquisition, hard and soft construction, hard and soft rehabilitation, and financing costs, as well as developer fees, and reserve accounts capitalization. Costs associated with commercial construction shall not be included.

Very Low Income: Households with incomes of not more than fifty percent (50%) of AMI.

SECTION 2: INTRODUCTION

The North Dakota Housing Finance Agency (Agency) is responsible for the administration of the Housing Incentive Fund program (HIF) for the State of North Dakota.

The program was established by the sixty-second (62nd) Legislative Assembly under chapter 54-17 of the North Dakota Century Code (NDCC).

The Agency is responsible for developing guidelines for the use of HIF. These guidelines were developed with input from Agency partners, stakeholders, and finalized through a formal public hearing process.

Available Housing Incentive Fund State Tax Credit

This Plan does not include an allocation of Housing Incentive Fund State Tax Credits. The Agency is not currently authorized to accept North Dakota State Taxpayer contributions to HIF.

Housing Incentive Fund State Tax Credit availability is contingent on legislative authority.

Chapter 57-38 and Section 57-35.3-05 of NDCC allow for a credit against state income taxes and financial institution taxes equal to a contribution to HIF.

The 2011 special legislative session amended NDCC, allowing a taxpayer to claim a credit equal to the amount contributed into the fund in the year of the contribution. If the amount of the credit exceeds the taxpayer's tax liability for the taxable year, the excess may be carried forward to each of the ten (10) succeeding taxable years.

Within thirty (30) days of the taxpayer contribution to HIF, the Agency will issue a Tax Credit Certificate to the taxpayer and a copy to the State Tax Commissioner.

Contributions into the fund may be made on a project-specific basis or on a general pool basis to be used to fund projects statewide. Once a Tax Credit Certificate has been issued, the contribution is irrevocable and non-transferable.

The contributor identified on the documentation required to be submitted with a contribution shall be the taxpayer to whom the Tax Credit Certificate shall be issued. Once a Tax Credit Certificate has been issued, the contribution is irrevocable and non-transferable. Potential contributors are advised to consult with their tax counsel and/or accountant prior to making a contribution to HIF.

SECTION 3: GENERAL PROVISIONS

3.01 Eligible Uses

The Agency will evaluate the financial feasibility of each project to ensure assistance provided does not exceed an amount necessary to qualify for lending using generally acceptable underwriting standards.

Eligible uses of assistance from HIF are limited to:

- A. Multifamily Project:
 1. Costs associated to on-site development, construction, rehabilitation, acquisition, renovation, accessibility improvements, and/or adaptive reuse of a Multifamily Project.
 2. Development and/or construction cost gap assistance.
 3. Retirement of market rate debt.
- B. Single-Family Project:
 1. New construction, rehabilitation, preservation, and/or acquisition of a single-family housing project in a Developing Community or a Community Land Trust.
- C. Homelessness Prevention:
 1. Rental Assistance, emergency assistance, barrier mitigation, or services designated to prevent or end homelessness.

Single-Family and Homelessness Prevention uses will be strictly interpreted by the Agency. Applicants considering these uses should contact the Agency and refer to the applicable HIF Homeless or HIF Single-family Program Addendums for application information.

3.02 Eligible Projects

HIF proceeds may be used for expenses related to any of the following:

- A. New construction of multifamily rental housing units.
- B. Rehabilitation of an existing multifamily building(s) containing one or more uninhabitable rental unit(s).
- C. Acquisition, rehabilitation, and/or preservation of Rent Restricted housing at risk of becoming uninhabitable or obsolete.
- D. Acquisition, rehabilitation and/or preservation of an existing affordable housing project which is subject to and will continue receiving project-based rental assistance payments from a federal affordable housing program.
- E. Adaptive reuse of existing non-residential building(s).
- F. Retirement of market rate debt and conversion of non-Restricted Units to Restricted Units or conversion of current Restricted Units to Income and Rent limits which allow financial feasibility.
- G. The purchase of existing publicly owned housing, resulting in divestiture by the public entity.

Eligible Projects F and G will be strictly interpreted by the Agency. Applicants considering these projects are advised to contact the Agency well in advance of submitting an application.

3.03 Ineligible Projects

Projects under construction or renovation which has an existing funding commitment from the Agency or other similar funding source are not eligible unless at least one of the following are present:

- A. The applicant adequately demonstrates the newly requested funding from HIF's effect on presently proposed rents which improve rent affordability to households at or below Moderate Income.

- B. The applicant adequately demonstrates a change in circumstance such that the newly requested funding from HIF is now needed to ensure the project's financial feasibility.

3.04 Maximum Award

Award allocations from HIF for any single Multifamily Project will be limited to the lesser of:

- A. An amount required to secure project financing and make the project financially feasible; or
- ~~B. If the~~A project is located entirely within a Developing Rural Community, fifty percent (50%) of the project's Development Costs; or
- ~~B-C. A project not located entirely within a Developing Rural Community, For all other projects,~~ thirty percent (30%) of the project's Total Development Costs; or
- ~~C-D. If the project is~~A project applying for or ~~has been~~ awarded ~~nine percent (9%)~~ tax credits from the federal Low Income Housing Tax Credit program, twenty percent (20%) of the project's Total Development Costs; or \$1,000,000.
- ~~D-E. \$3,000,000~~\$4,000,000

Exceptions to these maximums may be made on a case-by-case basis, at the sole discretion of the Agency, to accomplish overall program goals.

3.05 Set-Aside(s)

Developing Community: On a biennial basis, a minimum of ten percent (10%) of HIF's legislatively authorized funds will be used to assist Developing Communities to address an unmet housing need or alleviate a housing shortage.

~~**Homelessness Prevention:** On a biennial basis, ten percent (10%) of HIF's legislatively authorized funds will be used for Rental Assistance, emergency assistance, barrier mitigation, or targeted supportive services designated to prevent homelessness. A separate allocation plan will be developed to address this set aside.~~

Substantial Rehabilitation

Projects involving the acquisition of an existing building, rehabilitation or adaptive reuse must, upon completion, comply with the Agency's published Minimum Rehabilitation and Property Standards (Property Standards), which are hereby incorporated into this Plan by reference. Rehabilitation projects, including adaptive reuse, must address, at minimum, all deficiencies identified in Section XV of the Property Standards as part of the project's scope of work so that, upon completion, all such deficiencies are cured. For projects which include acquisition and/or rehabilitation of occupied housing, any life-threatening health and safety deficiencies, as defined in the Property Standards, must be addressed and corrected immediately. The Minimum Rehabilitation and Property Standards Manual can be found on the Agency's website.

3.06 Recognizable Costs

The Agency reserves the right to decline any application in which projected Total Development Costs exceed \$300,000 per unit. Upon the applicant's request and acceptable explanation, the Agency, in its sole discretion, may waive this limit.

Builder/General Contractor fees may not exceed a combined fourteen percent (14%) of the project's hard construction costs. These costs must be separately identified within the HIF Application: Exhibit A.

- Builder/General Contractor's Profit
- Builder/General Contractor's Overhead
- General Requirements

A project utilizing the Agency's 4% LIHTCs:

Maximum Developer Fees detailed within the applicable LIHTC QAP shall apply to HIF.

A project not utilizing the Agency’s 4% LIHTCs:

The combined sum of Developer Fees, fees of all parties with an Identity of Interest with the Developer, and fees paid to consultants, may not exceed fifteen percent (15%) of Total Development Cost net of those same fees.

If the project developer and builder/contractor are the same entity or, at the sole discretion of the Agency, are closely enough related, in addition to the aforementioned fee limits, the combined sum of developer fees, fees of all parties with an identity of interest with the developer, and fees paid to consultants, builder/contractor profit, builder/contractor overhead, and general requirements may not exceed twenty percent (20%) of the project’s Total Development Cost, net of those same fees.

3.07 Reserves

Replacement Reserves: The project will be required to fund a Replacement Reserve account, accounted-for separately from the project’s operational funds, in a federally insured financial institution or BND, to be adequately funded for the entirety of the project’s Affordability Period.

The Replacement Reserve account shall be funded in regular increments, monthly is recommended, not less than annually. At or prior to the end of the project’s first fiscal year in which the project is subject to its Affordability Period an amount equal-to, or greater-than, the sum of four hundred dollars (\$400) per unit shall be contributed to the project’s Replacement Reserve Account. Each subsequent minimum annual contribution to the Replacement Reserve account shall increase at a rate of three percent (3%) per year in which the project is subject to its Affordability Period.

Replacement Reserves shall not be used for operations, routine maintenance, or upkeep expenses. It is to be used for the replacement of short-lived capital assets including, but not limited to, the replacement of a roof, window(s), heating system, parking surfaces, and/or similar capital assets. Approval must be received from the Agency prior to any decrease in the fiscal year-end’s Replacement Reserve account’s minimum balance.

Operating Reserve: At or prior to the issuance of any held-back funds, as described in Section VIII Access to HIF Funds, the project shall fully fund an Operating Reserve account, set aside in a federally insured financial institution or BND, to be adequately funded for the entirety of the project’s Affordability Period. The initial funding balance of this account shall be an amount equal-to, or greater-than, the sum of two (2) months of each, project’s reasonable annual operating expenses and annual hard debt-service as determined by the Multifamily Application Exhibit A executed in conjunction with the HIF Loan’s closing. Operating Reserve funds are encouraged to be accounted for separately from other project operational funds.

SECTION 4: APPLICATION PROCESS

Agency forms must be used to apply. The following application cycles have been set for the next calendar years. Funds available will be determined following the 2025 Legislative Session. Total funds available will be announced in May. Additional application rounds shall be published at the sole discretion of the Agency.

Application Round	Application Closing Date	Amount of HIF Available to Award
<u>1</u>	September 30, 2026	Remaining funding

Program income, repayments and recaptured funds received by the Agency will be available for reallocation.

After Application Round 1 the Agency will entertain, on an as-needed basis, applications for projects located in a Developing Community [or Developing Rural Community](#) until [June 30th of the following calendar year](#).

A fully executed and complete Multifamily Application, including all required application attachments, must be received by the Agency by 5:00 p.m., CT, on the Application Closing Date of any Application Round to be eligible for consideration in that Application Round.

Applications selected for funding will be given a Conditional Commitment which will detail specific requirements needing to be satisfied to receive a Financial Award and proceed to closing.

4.01 Fees

Application Processing Fee: Remittance of a nonrefundable Application Processing Fee, payable to “North Dakota Housing Finance Agency,” shall be received by the Agency prior to 5:00 p.m., CT, on any Application Closing Date for its corresponding application to be reviewed for eligibility and/or considered for funding within any competitive funding round.

- For an application in which HIF is the only Agency-funded program being applied for in the Application Round, the Application Processing Fee shall be \$500.
- For an application in which more than one Agency-funded program is being applied for in the Application Round, the Application Processing Fee shall \$500 for the primary program and an additional \$250 for any subsequent Agency-funded program being sought by the Applicant for the Project in the Application Round.

HIF Origination Fee: Five percent (5%) of the project’s gross HIF Award. This HIF Origination Fee is due at the time the first draw on the HIF Award is processed by the Agency.

SECTION 5: THRESHOLD REQUIREMENTS

When an application is received and its corresponding Application Processing Fee has been verified as collected by the Agency, the application shall be issued an application number and reviewed for eligibility to be scored. To be eligible for scoring, an application must be fully executed, fully completed, and satisfy each Threshold Requirement detailed within this section.

An applicant may request an exemption to the requirement of attaching a CNA to the application if there are other funding sources for the project which would, due to the timing, require additional costs or multiple reports. Any such exemption must be received from the Agency prior to and included within the project’s application. If granted such an exemption(s), the application will not be subject to a scoring deduction for the exempted requirement(s); however, the report(s) are required prior to the issuance of a Financial Award to the applicant.

- A. **Application:** The Agency’s currently published Multifamily Application must be fully completed and executed. All applicable Exhibits to the application must be fully completed and submitted.
- B. **Demonstrated Site Control:** Applicant must provide evidence that the Applicant, or Applicant’s affiliate, currently has, and is contractually able to maintain throughout the entirety of the application period, site control for the entirety of the project’s anticipated scope. An as-developed site plan must accompany the application.
- C. **Zoning, Codes, and Ordinances:** Applicant must provide evidence of current appropriate zoning for the entire scope of the proposed project. If current zoning does not comply, verification must be provided from the jurisdiction-having municipal office verifying, at a minimum, a preliminary review of the project’s plans and proposed land use complies with the zoning type being sought.

Upon completion, the project must meet all applicable State and local codes, ordinances, and requirements as applicable, or, in the absence of a State or local building code, the International Residential Code, International Building Code (as applicable to the type of structure), or the International Existing Building Code (for rehabilitation projects) of the International Code Council.

- D. **Infrastructure and Utility Availability:** Evidence must be provided that appropriate infrastructure (i.e. roads, curb, gutter, etc.) and utilities (i.e. water, sewer, electricity, natural gas, Broadband Infrastructure, etc.) are in-place, or are able to be put in-place, and have adequate capacity to absorb the proposed project. Examples of evidence include letters from the applicable utility company [or municipal office providing the utility or](#)

[service.](#)

Projects must install Broadband Infrastructure to all units and common area community rooms. A letter from the project architect confirming the inclusion of Broadband Infrastructure is within the project's plans shall be included.

Broadband infrastructure is defined as cables, fiber optics, wiring, or other permanent and integral infrastructure, including wireless infrastructure, resulting in broadband capability meeting the Federal Communication Commission's (FCC) definition in effect at the time the pre-construction estimates are generated. Currently, the FCC defines broadband speeds as 25 Megabits per second (Mbps) download and 3 Mbps upload.

If all required infrastructure is not currently, or will not be, available on the proposed site(s), or on land directly adjacent to the proposed site(s), as of the Application Closing Date, a letter from the local jurisdiction must accompany the application confirming that no adequate infill opportunities exist within the community.

- E. **Development Team:** Application must demonstrate, to the satisfaction of the Agency, all members of the team have the experience, ability, and financial capacity, in their respective roles, to develop, construct, own, operate, manage the project, and are familiar, and prepared to fully comply, with this program's requirements.

9% or 4% LIHTC:

1. Applicants new to LIHTCs must partner with a developer, sponsor, and/or consultant included in a development team which received a LIHTC allocation from a federally approved allocator for a specific project and has placed that project in-service within the prior five years.
2. An Applicant, or closely related party of the Applicant, who has not yet placed a LIHTC project in-service in North Dakota will be ineligible to submit a subsequent application for an additional project until the initial development is, at a minimum, under construction and proceeding on schedule.

HOME or HTF:

3. Application including the use of HOME and/or HTF funding shall include a copy of the Applicant's current Active Registration on Sam.gov.
4. Application should demonstrate the proposed team's experience with, or working knowledge of, all federal cross-cutting requirements including, but not limited to, Section 3, Women-owned and Minority-owned Business Enterprise contracting practices, Davis-Bacon and related acts, environmental review, Section 504 and ADA requirements, lead-based paint mitigation, Uniform Relocation Act, and property condition requirements.
5. An Applicant, or closely related party of the Applicant, who has not yet completed a HOME or HTF project in North Dakota will be ineligible to submit a subsequent application for an additional project until the initial development is, at a minimum, under construction and proceeding on schedule.

Applications including any of the development team with limited experience in the development, construction, ownership, and/or management of an affordable Multifamily Project are encouraged to partner with an experienced developer, party, and/or sponsor. Agency may require the Applicant to provide historical financial statements as deemed necessary.

Applicants who have been convicted of, entered an agreement for immunity from prosecution for or have pleaded guilty, including a plea of nolo contendere, to a crime of dishonesty, moral turpitude, fraud, bribery, payment of illegal gratuities, perjury, false statement, racketeering, blackmail, extortion, falsification, or destruction of records are ineligible. Applicants who have been debarred from any North Dakota program, other state program or any federal program are ineligible. Agency may determine Applicants having an Identity of Interest with any debarred entity are ineligible.

Agency may inquire to other state allocating agencies about the Applicant's or Developer's performance history. Negative performance may result in the application being ineligible.

F. Ownership: The Applicant shall provide an Organizational Chart listing all proposed Developers, Guarantors, Managers of LLCs and/or General Partnerships of Partnerships along with proposed entity ownership percentages within the entities.

must be either the owner or developer of the project. If the Applicant intends to sell or transfer the project within five (5) years from the application date, tThe Applicant shall provide an attestation of the intent, or lack thereof, to transfer any ownership interest held by an entity within the proposed Organizational Chart within five (5) years from the Application Date. If known, the names and backgrounds of those who will receive those ownership interest(s) shall be disclosed. Failure to provide this information may result in forfeiture of any Conditionally Committed or Reserved LIHTCs.

Credits are allocated to the proposed project's Owner. A sale or transfer of a controlling ownership interest of the Owner prior to issuance of the Final Allocation requires an amended application, Agency approval and payment of a non-refundable transfer fee of \$2,500, or 1% of the annual credit amount currently allocated to the Owner for the proposed project, whichever is greater. Payment of this fee does not oblige the Agency to approve the transfer.

F.G. Financial Projections: Applicant shall submit the Agency's currently published Multifamily Application Exhibit A, must be submitted in Excel format. All applicable tabs must be fully completed.

The reasonableness of development costs and operating expenses, in relation to other similar developments, will be assessed when the Agency evaluates a project's financial feasibility.

The Agency reserves the right to decline any application if, during underwriting, the project is determined to have a Hard-Debt-Service Coverage Ratio, or Expense Coverage Ratio for a project which proposed no hard-debt, less than 1.10.

H. Subsidies: If the Applicant anticipates any federal, state, and/or local subsidies, a signed confirmation identifying all anticipated federal, state, and/or local subsidies must be provided. All federal, state, and/or local subsidies must be listed within the Multifamily Application Exhibit A's "SLR & HUD 2880" tab.

If no federal, state, or local subsidies are anticipated, a signed confirmation from the applicant confirming as such shall be provided.

G.I. Public Housing Waiting List: The application package must include a copy of a written communication from the Applicant to the applicable-jurisdiction-having Public Housing Authority (PHA) describing the proposed project. The Applicant's communication shall include a commitment to communicate project completion and work directly with the PHA during the proposed project's lease-up in an attempt to house households on PHA waitlist(s) and, when allowed, granting PHA waitlisted households' priority in obtaining occupancy within the project.

H.J. Housing Need: Applications must include a comprehensive market study of the housing needs of low-income individuals in the market area to be served by the project. The market study should be completed at the Developer's, or affiliate of the Developer, expense by an acceptable disinterested party to the Agency.

The market study must demonstrate there is sufficient sustained demand in the market area to support the proposed development, and that the development of any additional affordable units will not have an adverse impact on the existing affordable units in the market area. The market study must have been completed within six (6) months of Application Close Date and must contain the National Council of Housing Market Analysts' (NCHMA) current model content standards unless the Agency authorizes deviation from these standards.

H.K. Capital Needs Assessment: A Capital Needs Assessment (CNA) must be submitted with all application packages involving rehabilitation, adaptive reuse, or acquisition of an existing building which will, in-whole or in-part, remain an asset of the project.

The CNA must be completed by a competent, independent third party acceptable to the Agency, such as a licensed architect and/or engineer. The assessment must include a site visit and a physical inspection of the

interior and exterior of all units and structures, as well as an interview with available on-site property management and maintenance personnel to inquire about past repairs and improvements, pending repairs, and existing or chronic physical deficiencies.

The assessment must consider the presence of environmental hazards such as asbestos, lead paint and mold on the site. The assessment must include an opinion as to the proposed budget for recommended improvements and should identify critical building systems or components that have reached or exceeded their expected useful lives. If the remaining useful life of any component is less than fifty percent (50%) of the expected useful life, immediate rehabilitation will be required unless capitalized. If the remaining useful life is less than the Affordability Period, the application package must provide a practical way to finance the future replacement.

The assessment must also include a projection of recurring probable expenditures for significant systems and components impacting use and tenancy, which are not considered operation or maintenance expenses, to determine the appropriate replacement reserve deposits on a per unit per year basis. The assessment will examine and analyze the following:

1. Site, including topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, sewer, storm drainage, gas and electric utilities and their lines.
2. Structural systems, both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system, and drainage.
3. Interiors, including unit and common area finishes (carpeting, tile, plaster walls, paint condition, etc.), unit kitchen finishes, cabinets and appliances, unit bathroom finishes and fixtures, and common area lobbies and corridors.
4. Mechanical systems, including plumbing and domestic hot water, HVAC, electrical, lighting fixtures, fire protection, and elevators.

Application packages involving the demolition and new construction replacement of existing housing units must demonstrate the benefit of such activity over rehabilitation, including an opinion of cost of rehabilitation to assist Agency to determine the cost savings and/or other benefits.

J.L. USDA Financing: An application proposing the inclusion of new or existing USDA debt must include written confirmation from the regional USDA officer which verifies any progress made on an initial transfer request and/or the approval of any proposed debt additional to the existing USDA debt, and any associated lien to the debt, proposed.

K.M. Self-Scoring: The Applicant must provide a self-scoring narrative indicating the number of points being sought in each scoring category. The narrative should be brief but also explain the Applicant's justification(s) for the points being sought.

SECTION 6: SCORING DEDUCTIONS

Applications not meeting a minimum amount of Additional Leverage (Scoring Criteria G) will be subject to a point reduction.

Applications failing to satisfy a Threshold Requirement as of the application deadline will be a 5-point scoring deduction for EACH unsatisfied Threshold Requirement and be given a reasonable amount of time to submit any missing items required to satisfy the Threshold Requirement(s).

SECTION 7: SCORING CRITERIA

Applications meeting Threshold Requirements will be reviewed and assigned points based on Scoring Criteria expounded upon below. Representations made within successful applications will be bound by those representations within a Loan Agreement and/or a recorded Land Use Restrictive Agreement.

Applications must achieve a minimum score of one hundred twenty (120) points to be considered for funding.

Successful applications for a Project located within a Developing Rural Community will be bound to Rent Restrictions but will not be bound to Income Restrictions represented and awarded points under Scoring Criteria A, B, and C.

The most restrictive Income and Rent Limits for all anticipated project funding sources will be used to evaluate points awarded under Scoring Criteria A, B, and C. A project unit is able to receive points under only one Restricted Unit type (Scoring Criteria A, B, or C).

The Agency, at its sole discretion, shall determine the amount of funds to award. The award may not equal the amount requested in the application. All applicants will be notified of their respective project(s) approval or denial.

In the event of a scoring point tie between two (2) or more projects during a competitive application round when insufficient program funds remain to adequately fund each project, the first tiebreaker will be for the project(s) which satisfies any applicable Set-Aside(s) within this HIF Allocation Plan which has not yet been satisfied by other approved applications; the second tiebreaker will be the project with the highest score under Category F, Readiness to Proceed.

A. Serves Extremely Low-Income Households **5 points**
Points awarded based on the percentage of total project units which are Restricted Units which are Income Restricted and Rent Restricted at, or below, thirty percent (30%) AMI. Projects are able to receive points for a unit under only one Restricted Unit type (Scoring Criteria A, B, or C).

- 1. 10% to 50% of total project units serve Extremely Low-Income Households5 points

For 30% AMI Restricted Units only: Gross monthly rent collected is allowed to exceed the Agency published thirty percent (30%) AMI rent limit so long as the unit is receiving a project-based rental assistance payment. This exception does not apply for any Tenant-Based rental assistance source.

B. Serves Low Income Households **Up to 40 points**
Points awarded based on the percentage of total project’s Restricted Units which are Income Restricted at, or below, eighty percent (80%) AMI and Rent Restricted at, or below, fifty percent (50%) AMI. Projects are able to receive points for a unit under only one Restricted Unit type (Scoring Criteria A, B, or C).

- 1. 20% of total project units serve Low Income Households10 points
- 2. 40% of total project units serve Low Income Households25 points
- 3. 60% of total project units serve Low Income Households40 points

C. Serves Moderate Income Households **Up to 15 points**
Points awarded based on the percentage of total project units which are Restricted Units which are Income Restricted at, or below, one hundred forty percent (140%) AMI and Rents Restricted at, or below, eighty percent (80%) AMI. Projects are able to receive points for a unit under only one Restricted Unit type (Scoring Criteria A, B, or C).

- 1. 10% of total project units serve Moderate Income Households5 points
- 2. 25% of total project units serve Moderate Income Households10 points
- 3. 50% of total project units serve Moderate Income Households15 points

D. Serves a Developing Community **Up to 25 points**
Points awarded when the proposed project is located an incorporated city with a population meeting the definition of a Developing Community or Developing Rural Community.

- 1. Located within a Developing Community15 points
- 2. Located within a Developing Rural Community25 points

- E. Need for HIF Funds** **Up to 30 points**
 The applicant must demonstrate the proposed project would not be financially feasible without the applied-for HIF award. Financial evaluation will include, but is not limited to, any construction or permanent financing gap(s), and the project’s projected ability to maintain an even-trending debt-service coverage.
- F. Readiness to Proceed** **Up to 25 points**
 Applicants must provide 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 interest or commitment for all sources of project financing; ownership of the land; and availability of infrastructure will be considered in the award of points. Points will be awarded at the sole discretion of the Agency in comparison to other projects competing in the application round.
- G. Additional Leverage** **Up to 50 points**
 Points awarded for applications which include additional funding source(s), identified within the Multifamily Housing Application Exhibit A, that reduce the project’s need to carry debt which has a reasonable expectation of repayment or are an operating subsidy which substantively reduces the project’s operating expenses (such as a PILOT).
 For purposes of scoring in this category, funds which reasonable expectation of repayment, are temporary in nature, or do not exist for at least the first 15-years of the project’s HIF Affordability Period are not eligible. Only the present value of an operating budget’s reduction which will be realized for the guaranteed term of the subsidy is eligible.
1. Combined value less than 20% of Total Development Costs 20 point reduction
 2. Combined value of at least 20% of Total Development Costs..... 20 points
- Applications proposing to utilize and have submitted a North Dakota 4% LIHTC application at or prior to this application round will receive an additional 30 points. A 42m letter is not required to have been issued.
- H. Rehabilitation** **Up to 30 points**
 Points awarded for applications which propose to rehabilitate existing structure(s) that are currently, or at-risk of becoming, uninhabitable or obsolete.
1. \$15,000 per unit in hard construction costs 10 points
 2. \$30,000 per unit in hard construction costs 20 points
 3. \$45,000 per unit in hard construction costs 30 points
- For purposes of scoring within this category: Proposals in which an appropriate project-specific level of due diligence (which shall be included within the application package) has led to the development team’s determination that demolition and replacement of existing structure(s) is a more appropriate and/or cost-effective development approach than rehabilitating the existing structure(s) shall qualify for scoring within this category. While one-for-one unit replacement is not a requirement, the agency encourages applicants to seek this replacement ratio whenever able.
- I. Universal Design** **Up to ~~10-9~~ points**
 Applicants seeking Project Standards points are required to provide a written statement from the project’s architect, verifying the architect has fully reviewed the Agency’s current Universal Design Standards and that 100% of the Project Standards will be implemented within the design of the proposed project.
1. All Project Standards implemented..... ~~31~~ point
- Applicants seeking Unit Standards points are required to provide a written statement from the project’s architect, verifying the architect has fully reviewed the Agency’s current Universal Design Standards and that 100% of the Unit Standards will be implemented within specific units the proposed project. The Applicant and architect shall specify which units are proposed to be these Universal Design Units.

- 2. Greater-than 0.00% but less than 5.00% of the project’s total units..... 1 point
- 3. Greater-than or equal to 5.00% but less than 10.00% of the project’s total units ~~3-2~~ points
- 4. Greater-than or equal to 10.00% but less than 25.00% of the project’s total units ~~6-3~~ points
- 5. One point for each Universal Design Unit which is two-bedroom or larger Up to 3 points

J. Impact of HIF Award Up to 10 points

Applications will receive 0.50 points for each Restricted Unit in the project.

SECTION 8: AWARD PROCESS

Proposals received by the due date will be reviewed and ranked within an approximate 60-day timeframe. Successful proposals will be issued a conditional commitment of financial assistance from HIF. Applicants will be required to reach certain benchmarks during this timeframe identified in the Agency’s conditional commitment letter. An extension of the conditional commitment period may be granted, at the sole discretion of the Agency. Upon satisfactory review of these items, a Financial Award will be issued.

Progress reports from Conditional Commitment to Financial Award.

To ensure HIF funding is conditionally committed to projects which are proceeding according to the schedule presented in the application, each applicant receiving a conditional commitment will be required to submit monthly progress reports. The report must describe the Applicant’s actual progress to date together with an estimated timeline for future project activity.

Progress reports from Financial Award to Stabilized Occupancy.

Upon the Agency’s issuance of a Financial Award to the project, the borrower must submit quarterly progress reports until the project has reached stabilized occupancy. The report must describe actual development progress to-date, identify changes to the development budget or scope of the project, and contain an estimated timeline for future activity and lease-up. Development costs which increase above the contingency listed in the HIF application must be disclosed in the progress reports along with an explanation as to how the gap is being filled. At the Agency’s discretion, information submitted with draw requests, such as site reports, may serve to satisfy the quarterly reporting requirement.

SECTION 9: ACCESS TO HIF FUNDS

Draws against a Financial Award can be made for costs incurred upon firm commitment of all other funding sources such as construction financing. For Multifamily Project, a mortgage with recapture provisions, deed restriction, loan agreement, and promissory note must be executed prior to release of any HIF funds.

The borrower may request one or more draws of available HIF proceeds for payment or reimbursement of costs incurred toward the development of the project. Draws are requested by submitting to Agency a completed HIF Draw Request form together with an electronic transfer authorization, documentation supporting the expenses claimed, general contractor’s sworn construction statement, and architect’s inspection or trip report. All disbursements are made by electronic funds transfer to the borrower’s authorized account or designated escrow agent.

Disbursement of up to ninety-five percent (95%) of the HIF proceeds may be made during construction of the project. A hold-back amount of five percent (5%) of the HIF proceeds will be retained until project completion. Disbursement of the hold-back amount will be made upon satisfaction of all conditions identified on the Borrower’s Post-Closing Requirements document signed at closing including but not limited to final sworn total development cost certification, certificate of occupancy, completion certification, final lien waivers, and executed loan or grant agreements for all other permanent funding sources.

SECTION 10: REPAYMENT OR RECAPTURE OF FUNDS

All HIF awards will be structured as a forgivable zero-interest loan, unless an associated interest rate is requested from the awardee, with repayment terms determined on a project specific basis as necessary to achieve project feasibility. The term of the HIF loan shall be, at a minimum, fifteen (15) years, but no less than the term of the affordability period of any other affordable housing program funding provided to the project by or through the Agency. Annual repayment of HIF funds may be calculated as all, or a percentage of, the project's net cash flow above a 1.30 hard-debt-service coverage ratio remaining after payment of reasonable operating expenses, cash-flow dependent (soft) debt service, and HIF-required reserve capitalization.

Income targeting and/or rent restriction requirements will remain with the project for the duration of the Affordability Period and will be enforced through a deed restriction on the land. In the event of a prepayment of the loan, the deed restriction will ensure the Income and Rent Restrictions remain in place for the remainder of the Affordability Period, unless waived by the Agency.

If a project can demonstrate to the Agency's satisfaction that it is not able to maintain occupancy in a Restricted Unit by income-eligible households, and there exists a threat of chronic vacancy of the Restricted Unit, the vacant unit may, with the prior express written consent of the Agency, be granted a temporary exception to certain aspects of the deed restriction.

A recapture of the HIF funds from the borrower will occur at any time during the term of the loan if the borrower fails to abide by the representations made in the application, unless waived by the Agency. In the event of recapture of the HIF funds, the deed restriction will remain in place for the remainder of the original term of the HIF loan.

SECTION 11: COMPLIANCE MONITORING

Owners of HIF-assisted properties must remain in compliance with program guidelines throughout the term of the HIF agreement. Agency will monitor all properties for compliance with HIF program requirements including those related to income and rent limits, cash flow, reserve accounts, insurance coverage, and property condition. Annual compliance monitoring will consist of a desk review of information provided by the project owner and/or a property inspection and review of documentation at the project location. A copy of the HIF Ongoing Compliance Monitoring Manual is provided to all HIF award recipients and is also available on the Agency website.

On a quarterly basis, owners of HIF-assisted properties must provide the Agency the following:

- HIF Quarterly Vacancy Report, provided to the Owner and/or Property Management by the Agency.

On an annual basis, owners of HIF-assisted properties must provide the following to Agency, at a minimum:

- Annual Rental Compliance Report (SFN 60046).
- Documentation supporting the current utility allowance(s) being used (i.e. a copy of the current utility allowance table from the local public housing authority).
- Property Expense Statement (SFN 61073) and attach a copy of any financial document(s) used to complete this document (i.e. Year-over-Year Balance Sheet, Income Statement, Statement Cash Flows).
- Reserve account statements, if not already documented within the Balance Sheet.
- Proof of sufficient property and liability insurance coverage listing Agency as mortgagee (Acord 25 and Acord 27 or 28)

Agency will charge each HIF-assisted property an annual fee to cover expenses incurred during normal and routine monitoring activities. The fee is currently set at \$50 per property, plus \$40 per Restricted Unit. Agency reserves the right to adjust the annual fee as necessary. Additional fees may be assessed to properties determined to be in substantial noncompliance in order to cover the expense of additional monitoring. The HIF compliance monitoring fee should be included in the operating budget of applications for HIF assistance.

Developments which are subject to annual compliance monitoring fees for other programs administered by the Agency may be eligible for a reduction in their HIF compliance monitoring fee at the sole discretion of the Agency.

SECTION 12: DISCLAIMER OF AGENCY LIABILITY

Agency seeks to allocate sufficient HIF assistance to a project to make the project economically feasible. Such decision shall be made solely at the discretion of Agency but in no way represents or warrants to any Applicant, investor, lender, or others that the property is feasible, viable, or of investment quality.

No member, officer, agent, or employee of Agency shall be personally liable concerning any matters arising out of, or in relation to, the allocation of HIF assistance.

SECTION 13: MODIFICATION TO THE ALLOCATION PLAN

The Agency Executive Director may make minor modifications deemed necessary to facilitate the administration of HIF or to address unforeseen circumstances. Further, the Executive Director is authorized to waive any conditions on a case-by-case basis for good cause shown. As a matter of practice, the Agency will document any waivers from the established priorities and selection criteria of the Plan and will make this documentation available to the public, upon request.



March 25, 2026

TO: Industrial Commission

FR: Brandon Dettlaff, Executive Director

RE: Report 2026 HOME Investment Partnership Program Allocation Plan and 2026 National Housing Trust Fund Allocation Plan

HOME Allocation Plan for 2026

The HOME Investment Partnership Program (HOME) is a permanent federal program, established under Title II of the Cranston-Gonzalez National Affordable Housing Act and codified under 24 CFR part 92. Unlike Housing Trust Fund, HOME eligible activities include more than affordable multifamily production and rehabilitation such as rehabilitation of homeowner housing, homebuyer assistance, and tenant based rental assistance. Distribution of HOME funds must be consistent with the goals identified in the State Consolidated Plan and Annual Action Plan (AAP). North Dakota receives the small state minimum allocation of \$3 million annually.

As drafted the 2026 HOME Allocation plan (Plan) makes available a total of \$3,014,372 (estimated) plus program income and any unobligated funds which are set aside as follows \$840,000 to single family homeowner rehabilitation programs, \$500,000 for homebuyer downpayment assistance, allowable administration and planning funds, and the remainder for multifamily rental production and rehabilitation. Final program income and prior year's unobligated funds will be determined at a later date.

The Plan was published for public comment February 17 - March 4, with a public hearing held March 6, 2026. The Plan will now be incorporated into the development of the 2025-2029 Consolidated plan and the 2026 State Annual Action Plan (AAP) and a 30-day public comment period is planned in April. Following the comment period, the AAP will be submitted to HUD for approval. HUD has 45 days to review the plan and provide feedback or it becomes final. Comments may be received for any part of the AAP including the HOME allocation plan.

There were no substantial changes made to the Homeowner Rehabilitation program or the Homebuyer Down Payment Assistance program except updating the plan with HOME 2025 regulatory changes including adjustments to the required period of affordability.

Rental Production and Rehabilitation

C. Scoring Criteria (Page 22)

Removed the limitation that applicants may request no more than 70 percent of the projects proposed hard construction costs in HOME funding.

The maximum HOME funds are determined through a cost allocation calculation based on number of HOME units committing and HUD maximum subsidy calculations.

7. Preserve Existing Affordability (page 23)

Reduced overall point allowance for the scoring category. This matches the scoring in LIHTC QAP.

8. Service Coordinator (page 24)

Reduced the time commitment for the coordinator to be on side from one hour per unit, per month, to thirty minutes per unit, per month. This aligns with the LIHTC QAP.

Housing Trust Fund Allocation Plan for 2026

The National Housing Trust Fund (HTF) is a permanent federal program, established as part of the Housing and Economic Recovery Act of 2008 and codified in the Code of Federal Regulations, Title 24, Parts 91 and 93. The primary purpose of the HTF is to provide grants to state governments to increase and preserve the supply of affordable rental housing for extremely low income (ELI) households, defined as those earning less than 30% of the area median income (AMI), including homeless families. The HTF is funded by an assessment of the percentage of new business booked by Fannie Mae and Freddie Mac. North Dakota receives the small state minimum allocation of \$3 million annually.

The HTF allocation plan compliments the Federal Low Income Housing Tax Credit Qualified Allocation Plan (LIHTC QAP). The plan was published on February 17, 2026 opening a 15-day public comment period. The public input hearing was held on March 6, 2026.

HTF plan will incorporated into the 2026 State Annual Action Plan. A 30-day public comment period for action plan and consolidated plan begins April 12th. Following completion, the plan will be submitted to HUD for approval. HUD has 45 days to review the plan and provide feedback or it becomes final. Comments may be received for any part of the Annual Action Plan including the HTF plan. The redline draft plan is attached for review.

Section 5: Application Process and Scoring

Proposed scoring changes align with the proposed changes in the LIHTC QAP.

A. Serves Extremely Low-Income Households (page 10)

Reduced the percentages of total units committed to receive points.

A. Serves Extremely Low-Income Households	Up to 50 points
Awarded to properties with units both income and rent restricted for ELI households. Elections made in this category will be incorporated into the Land Use Restrictive Agreement and will be binding, at a minimum, for the term of the HTF loan.	
1. 35 <u>30</u> % of total units are income and rent restricted at or below ELI	50 points
2. 30 <u>25</u> % of total units are income and rent restricted at or below ELI	40 points
3. 25 <u>20</u> % of total units are income and rent restricted at or below ELI	30 points
4. 20 <u>15</u> % of total units are income and rent restricted at or below ELI	20 points

C. Committed Non-Federal Leverage (page 11)

Aligning with LIHTC, reduced the percentage of leverage needed to earn points in each category.

C. Committed Non-Federal Leverage

Up to 20 points

An applicant who provides signed, firm commitments for contributions or incentives from state or local government, private parties and/or philanthropic, religious, or charitable organizations, excluding entities with an identity of interest or those with a significant role in the property (e.g. contractors, accountants, architects, engineers, consultants, etc.), will receive points in this category. Not eligible as sources of leverage under this category are interest bearing loans to the project, LIHTCs, HRTCs, HOME, CDBG, NAHASDA, or any other federal source of funding. Also, not eligible as leverage under this category is project-based rental assistance which earns points in scoring category D.

- 1. Leverage of at least ~~50~~30% of total development cost 20 points
- 2. Leverage of at least ~~40~~20% of total development cost 15 points
- 3. Leverage of at least ~~30~~10% of total development cost 10 points
- 4. Leverage of at least ~~20~~5% of total development cost 5 points

F. Service Coordinator (page 11)

Aligning with the LIHTC QAP, the total hours required for the service coordinator to be on site was reduced to from one hour to thirty minutes per unit, per month.

F. Service Coordinator

5 points

Projects which commit to providing, either through direct employment or by contract with an experienced third party, a Service Coordinator for the residents of project. The Service Coordinator must be available to residents on-site at least ~~one hour~~ thirty minutes per project unit per month.

G. Universal Design (page 12)

Aligning with LIHTC, the total points achievable in the category was reduced.

G. Universal Design

Up to ~~14~~9 points

Applicants seeking Project Standards points are required to provide a written statement from the project's architect, verifying the architect has fully reviewed the Agency's current Universal Design Standards and that 100% of the Project Standards will be implemented within the design of the proposed project.

- 1. All Project Standards implemented ~~5~~3 points

Applicants seeking Unit Standards points are required to provide a written statement from the project's architect, verifying the architect has fully reviewed the Agency's current Universal Design Standards and that 100% of the Unit Standards will be implemented within specific units the proposed project. The Applicant and architect shall specify which units are proposed to be these Universal Design Units.

- 2. Greater-than 0.00% but less than 5.00% of the project's total units 1 point
- 3. Greater-than or equal to 5.00% but less than 10.00% of the project's total units ~~3~~2 points
- 4. Greater-than or equal to 10.00% but less than 25.00% of the project's total units ~~6~~3 points
- 5. One point for each Universal Design Unit which is two-bedroom or larger Up to 3 points



March 25, 2026

TO: Industrial Commission

FR: Brandon Dettlaff, Executive Director

RE: Report 2026 Emergency Solutions Grant and 2026 ND Homeless Grant Allocation Plan

The agency serves as the administrator for the Federal Emergency Solutions Grant (ESG) and the state appropriated ND Homeless Grant (NDHG). Similar to the multifamily programs, the funds are allocated to recipients through the allocation plan which details the eligible activities and the selection criteria for each program. The ESG allocation plan is then incorporated into the HUD Annual Action plan for submission to HUD for approval.

Emergency Solutions Grant

PROGRAM OVERVIEW

Emergency Solutions Grants will be utilized to provide services to homeless and those at risk of becoming homeless in the following eligible activities.

- Street Outreach;
- Emergency Shelter;
- Homelessness Prevention;
- Rapid Re-housing Assistance; and
- Homeless Management Information System- HUD required homeless data repository.

Selection Criteria (pages 8-12)

A complete update to the scoring criteria was proposed. Changes include providing scoring tiers to indicate how an applicant will earn points in certain categories, including performance measurements and having different scoring categories for emergency shelter application versus homeless prevention and rapid rehousing.

Applications will be competitively scored based on the following criteria. Highest scoring applications will be first selected. An emphasis in scoring includes renewing existing performing projects.

Proposed Criteria

Emergency Shelter Selection Criteria

Total points available 147

A. Need for funding. Up to 10 points

Clearly identify need for funding. This can be supported through information provided on the Emergency Shelter Addendum-Shelter Budget form and through the narrative. Use Point-in-time count, school district

homeless data, HMIS data, and housing needs assessments to clearly articulate specific target population needs.

B. Local support Up to 20 points

Applications that provide letters of community for operational financial support from local government (City or County) will receive 10 points.

Applications that provide proof of ongoing support from ongoing donor commitments or foundations will receive 10 points.

C. Collaboration efforts with other targeted homeless services and mainstream resources. Up to 10 points

- a. Applications with partnerships identified but no formal documentation will receive 5 points.
- b. Applications with formal agreements will receive 10 points

D. The applicant's active involvement in CoC, CARES, and HMIS, including signed partnership agreements Up to 25 points

- a. The application will receive 5 points if the applicant participated in the HUD Point in Time Count.
- b. The application will receive 5 points if the applicant participated in all the monthly CoC trainings.
- c. The application will receive 5 points if the applicant maintained a data quality error rate (ADD Score)
 - i. 2% or Less = 5
 - ii. 3-5% = 3
 - iii. 6-10% = 2
 - iv. Higher than 10% = 0
- d. The application will receive 5 points if they are a HMIS participating agency.
- e. The application will receive 5 points if they participated in HMIS/ESG/NDHG Annual training.

E. The applicant's plan to involve, to the maximum extent practicable, persons with lived experience in constructing, renovating, maintaining, and operating facilities assisted under ESG, and in providing services for occupants of these facilities. Up to 5 points

F. The applicant's shelter operations policy has minimal participant selection criteria. Up to 25 points

- a. The application will receive 10 points if policies do not require a fee for stay.
- b. The application will receive 5 points if policies do not require drug testing at entry.
- c. The application will receive 5 points if policies do not require a criminal background check at entry.
- d. The application will receive 5 points if policies do not prohibit pets.

G. Spending and performance monitoring, FY25 recipients with 80 percent of their 2025 awards expended, timely reimbursement request history, reporting, and no outstanding monitoring findings will receive. Up to 25 points

- a. The application will receive 10 points for spending history.
- b. The application will receive 5 points for timely reimbursement history.
- c. The application will receive 5 points for no outstanding monitoring findings.
- d. The application will receive 5 points for timely reporting history.

H. Shelter Performance Measures Up to 27 points

Scoring will be based on information from the HMIS Annual Performance Report for period of performance from 07/01/2025-05/30/2026.

- a. What is the percentage of program participants who exited to positive housing destinations.

Calculation-APR 23c.

- i. 15 points for percentages between 81-100%
- ii. 10 points for percentages between 60-80%
- iii. 5 points for percentages between 59-40%

- b. What is the percentage of adult stayers/leavers with increased total income from entry to exit?

Calculation -APR 19a2 Performance measure: number of adults with total income , percentage of persons who gained or increased total income from start to exit.

- i. 55% or higher will receive 5 points
- ii. 40-54% will receive 4 points
- iii. 30-39% will receive 3 points
- iv. 20-29% will receive 2 points
- v. 15-19% will receive 1 point
- vi. Less than 15% will receive 0 points

- c. What is the percentage of people who exited into homelessness?

Calculation-APR 23c – Subtotal of Exits to Homeless/Total Exits.

- i. 0-5% will receive 7 points
- ii. 6-10% will receive 5 points
- iii. 11-15% will receive 3 points
- iv. 16-20% will receive 1 point
- v. More than 20% will receive 0 points

Homeless Prevention and Rapid Rehousing Scoring Criteria

Total points available 148

- A. Need for funding. Up to 10 points

Clearly identify need for funding thorough a narrative to describe the proposed project aligns with demonstrated local need for the service area proposed. Data sources such as the Point-in-time count, school district homeless data, HMIS data, and local and state housing needs assessments should be used clearly articulate specific target population needs.

- B. Collaboration efforts with other targeted homeless services and mainstream resources. up to 10 points
- a. Applications with partnerships identified but no formal documentation will receive 5 points.
 - b. Applications with formal agreements will receive 10 points
- C. The applicant has been actively involved in CoC, CARES, and HMIS, including signed partnership agreements and use of CARES for housing referrals Up to 10 Points
- a. The application will receive 5 points for participation in CoC membership meetings.
 - b. The Application will receive 10 points for participation in local coordinated entry meetings.
- D. Local support Up to 20 points
- a. Applications that provide letters of financial support for homeless prevention/rapid rehousing programs from local government (City or County) will receive 10 points. Support can include either administrative assistance or funding for direct client supports.
 - b. Applications that provide proof of ongoing support from ongoing donor commitments or foundations will receive 10 points.

- E. Spending and performance monitoring, FY25 recipients with 80 percent of their 2025 awards expended, timely reimbursement request history, reporting, and no outstanding monitoring findings will receive up to 25 points
 - c. The application will receive 10 points for spending history.
 - c. The application will receive 5 points for timely reimbursement history.
 - d. The application will receive 5 points for no open monitoring reports.
 - e. The application will receive 5 points for timely reporting history.

- F. Participation in CoC, NDHG, and ESG required training, including, but not limited to, monthly training and annual in-person HMIS training. Up to 10 points

G. Performance Benchmarks for Evaluation Up to 42 points

Scoring will be based on information from the HMIS Annual Performance Report for period of performance from 07/01/2025-05/30/2026.

- a. Percentage of persons exiting to positive housing destinations.

Calculation-(APR 23c)

- i. 15 points for percentages between 81-100%
- ii. 10 points for percentages between 60-80%
- iii. 5 points for percentages between 59-40%

- b. What is the percentage of people who exited into homelessness?

Calculation-APR 23c – Subtotal of Exits to Homeless/Total Exits.

- i. 7 points for percentages between 0-5% will receive 7 points
- ii. 6-10% will receive 5 points
- iii. 11-15% will receive 3 points
- iv. 16-20% will receive 1 point
- v. More than 20% will receive 0

- c. Job and Income Growth

Applications will receive 10 points if they can demonstrate the percentage of participants who had an increase in income from employment was 20 percent or higher.

Calculation- APR 19a2 Performance measure: number of adults with earned income , percentage of persons who gained or increased earned income from start to exit.

- d. Non-Cash Benefits Access

Applications will receive points for increasing the number of individuals earning non-cash benefits. (Add 20B Benefit at annual and exit divided by total persons served)

- i. 20% 10 points,
- ii. 15% 5 points.

- H. Landlord recruitment and retention strategies 5 points

Describe the strategies used to engage, recruit and maintain ongoing landlord relationships.

- I. Geographic Service Area up to 16 points

The application will receive 2 points for each region covered by their service area. To be eligible for points, there must be access to in-person housing stability and case management services in that region.

ND Homeless Grant Allocation Plan Review

Funding Level (page 2)

For FY 2025 funding has not yet been determined. Currently, NDHFA's budget reflects a \$10 million appropriation for the biennium. NDHFA will allocate half of the appropriation each year. NDHFA will use a portion of the funds available to provide 100 percent of the ESG match liability. This total is approximately \$386,494 subject to the final 2026 ESG allocation from HUD. Match is calculated based on the total ESG allocation minus \$100,000. Additionally a portion of the appropriation will be used for administrative functions.

Section 1 Program Overview (page 1)

C. Arrears

Staff is recommending to increase the allowance of arrears to be up to 12 months, an increase from the 6 months. This recommendation is based on feedback from providers. Federal regulations do not allow arrears to be paid on more than 6 months.

E. Hotel Vouchers

Staff is recommending the eligibility of NDHG funds to be used for hotel/motel vouchers in cases where there are no emergency shelter beds available and the individual is unable to qualify for a rental property.

Scoring criteria for NDHG has been revised substantially, similar to Emergency Solutions Grant.

Section 7. Scoring Criteria (page 9-13)

Emergency Shelter Selection Criteria

Total points available 147

A. Need for funding. Up to 10 points

Clearly identify need for funding. This can be supported through information provided on the Emergency Shelter Addendum-Shelter Budget form and through the narrative. Use Point-in-time count, school district homeless data, HMIS data, and housing needs assessments to clearly articulate specific target population needs.

Comments received requesting consideration to add objective indicators into the need such as eviction data, unsheltered counts, highest cost burden, and demonstrated concentration of homelessness.

Response

These are indicators that would be encouraged to be included in the narrative provided by the applicant and would be taken into consideration in scoring.

B. Local support Up to 20 points

Applications that provide letters of community for operational financial support from local government (City or County) will receive 10 points.

Applications that provide proof of ongoing support from ongoing donor commitments or foundations will receive 10 points.

Comments were received to consider allowing in kind support, policy alignment, and data sharing agreements in addition to direct financial contributions.

Response

The scoring was created to reward projects that are receiving financial support as a way to continue to show operational diversity and buy in from local community.

- C. Collaboration efforts with other targeted homeless services and mainstream resources. Up to 10 points
- a. Applications with partnerships identified but no formal documentation will receive 5 points.
 - b. Applications with formal agreements will receive 10 points

Comments were received to ensure that collaboration points be only provided to partnerships external to the applicant organization. Divisional or interdepartmental agreements should not qualify for scoring.

Response

That is how the scoring is intended to function. An organization with a different TIN, 501c3 status, etc. will count.

- D. The applicant's active involvement in CoC, CARES, and HMIS, including signed partnership agreements Up to 25 points
- a. The application will receive 5 points if the applicant participated in the HUD Point in Time Count.
 - b. The application will receive 5 points if the applicant participated in all the monthly CoC trainings.
 - c. The application will receive 5 points if the applicant maintained a data quality error rate (ADD Score)
 - i. 2% or Less = 5
 - ii. 3-5% = 3
 - iii. 6-10% = 2
 - iv. Higher than 10% = 0
 - d. The application will receive 5 points if they are a HMIS participating agency.
 - e. The application will receive 5 points if they participated in HMIS/ESG/NDHG Annual training.

Comments were received requesting the agency reconsider giving points for participation in the point in time count. The commentor indicated that in some areas there are enough volunteers certain agencies may not be needed and awarding points for participation do not provide meaningful impact.

Response

In Homeless Prevention and Rapid rehousing there is not an inclusion in PIT participation, this is specifically for Emergency shelters to participate in the point in time count and we do want to reward participating shelters for counting.

- E. The applicant's plan to involve, to the maximum extent practicable, persons with lived experience in constructing, renovating, maintaining, and operating facilities assisted under NDHG, and in providing services for occupants of these facilities. Up to 5 points

Comments were received requesting this category be added to rapid rehousing and homeless prevention as well as ensuring points are awarded for representation in governance or advisory roles, paid lived experience roles in program implementation, and documented consultation of individuals with lived experience.

Response

The point category will be added to homeless prevention and rapid rehousing scoring.

- F. The applicant's shelter operations policy has minimal participant selection criteria . Up to 25 points

- e. The application will receive 10 points if policies do not require a fee for stay.
- f. The application will receive 5 points if policies do not require drug testing at entry.
- g. The application will receive 5 points if policies do not require a criminal background check at entry.
- h. The application will receive 5 points if policies do not prohibit pets.

- G. Organizational Capacity- Spending and performance monitoring, FY25 recipients with 80 percent of their 2025 awards expended, timely reimbursement request history, reporting, and no outstanding monitoring findings will receive. Up to 25 points
- a. The application will receive 10 points for spending history.
 - b. The application will receive 5 points for timely reimbursement history.
 - c. The application will receive 5 points for no outstanding monitoring findings.
 - d. The application will receive 5 points for timely reporting history.

H. Shelter Performance Measures Up to 27 points

Scoring will be based on information from the HMIS Annual Performance Report for period of performance from 07/01/2025-05/30/2026.

- a. What is the percentage of program participants who exited to positive housing destinations.

Calculation-APR 23c.

- i. 15 points for percentages between 81-100%
- ii. 10 points for percentages between 60-80%
- iii. 5 points for percentages between 59-40%

- b. What is the percentage of adult stayers/leavers with increased total income from entry to exit?

Calculation -APR 19a2 Performance measure: number of adults with total income , percentage of persons who gained or increased total income from start to exit.

- i. 55% or higher will receive 5 points
- ii. 40-54% will receive 4 points
- iii. 30-39% will receive 3 points
- iv. 20-29% will receive 2 points
- v. 15-19% will receive 1 point
- vi. Less than 15% will receive 0 points

- c. What is the percentage of people who exited into homelessness?

Calculation-APR 23c – Subtotal of Exits to Homeless/Total Exits.

- vi. 0-5% will receive 7 points
- vii. 6-10% will receive 5 points
- viii. 11-15% will receive 3 points
- ix. 16-20% will receive 1 point
- x. More than 20% will receive 0 points

Comments were received requesting the agency review the metrics used and ensure the measurements are attainable.

Response

Staff will review a number of APRs for currently funded shelters and review the performance percentages for attainability.

Homeless Prevention and Rapid Rehousing Scoring Criteria

Total points available 148

J. Need for funding. Up to 10 points

Clearly identify need for funding thorough a narrative to describe the proposed project aligns with demonstrated local need for the service area proposed. Data sources such as the Point-in-time count, school district homeless data, HMIS data, and local and state housing needs assessments should be used clearly articulate specific target population needs.

Comments received requesting consideration to add objective indicators into the need such as eviction data, unsheltered counts, highest cost burden, and demonstrated concentration of homelessness.

Response

These are indicators that would hope to be included in the narrative provided by the applicant and would be taken into consideration in scoring.

K. Collaboration efforts with other targeted homeless services and mainstream resources up to 10 points

- d. Applications with partnerships identified but no formal documentation will receive 5 points.
- e. Applications with formal agreements will receive 10 points

Comments were received to ensure that collaboration points be only provided to partnerships external to the applicant organization. Divisional or interdepartmental agreements should not qualify for scoring.

Response

That is how the scoring is set up. An organization with a different TIN, 501c3 status, etc. will count.

L. The applicant has been actively involved in CoC, CARES, and HMIS, including signed partnership agreements and use of CARES for housing referrals Up to 10 Points

- a. The application will receive 5 points for participation in CoC membership meetings.
- b. The Application will receive 10 points for participation in local coordinated entry meetings.

M. Local support Up to 20 points

- a. Applications that provide letters of financial support for homeless prevention/rapid rehousing programs from local government (City or County) will receive 10 points. Support can include either administrative assistance or funding for direct client supports.
- b. Applications that provide proof of ongoing support from ongoing donor commitments or foundations will receive 10 points.

Comments were received to consider allowing in kind support, policy alignment, and data sharing agreements in addition to direct financial contributions.

Response

The scoring was created to reward projects that are receiving financial support as a way to continue to show operational diversity and buy in from local community.

N. Organizational Capacity- Spending and performance monitoring, FY25 recipients with 80 percent of their 2025 awards expended, timely reimbursement request history, reporting, and no outstanding monitoring findings will receive Up to 25 points

- a. The application will receive 10 points for spending history.
- b. The application will receive 5 points for timely reimbursement history.
- c. The application will receive 5 points for no open monitoring reports.
- d. The application will receive 5 points for timely reporting history.

O. Participation in CoC, NDHG, and ESG required training, including, but not limited to, monthly training and annual in-person HMIS training. Up to 10 points

P. Performance Benchmarks for Evaluation Up to 42 points

Scoring will be based on information from the HMIS Annual Performance Report for period of performance from 07/01/2025-05/30/2026.

a. Percentage of persons exiting to positive housing destinations.

Calculation-(APR 23c)

- i. 15 points for percentages between 81-100%
- ii. 10 points for percentages between 60-80%
- iii. 5 points for percentages between 59-40%

b. What is the percentage of people who exited into homelessness?

Calculation-APR 23c – Subtotal of Exits to Homeless/Total Exits.

- vi. 7 points for percentages between 0-5% will receive 7 points
- vii. 6-10% will receive 5 points
- viii. 11-15% will receive 3 points
- ix. 16-20% will receive 1 point
- x. More than 20% will receive 0

c. Job and Income Growth

Applications will receive 10 points if they can demonstrate the percentage of participants who had an increase in income from employment was 20 percent or higher.

Calculation- APR 19a2 Performance measure: number of adults with earned income , percentage of persons who gained or increased earned income from start to exit.

d. Non-Cash Benefits Access

Applications will receive points for increasing the number of individuals earning non-cash benefits. (Add 20B Benefit at annual and exit divided by total persons served)

- iii. 20% 10 points,
- iv. 15% 5 points.

Q. Landlord recruitment and retention strategies 5 points

Describe the strategies used to engage, recruit and maintain ongoing landlord relationships.

R. Geographic Service Area up to 16 points

The application will receive 2 points for each region covered by their service area. To be eligible for points, there must be access to in-person housing stability and case management services in that region.

Comments were received requesting a revision to the geographic service area points or ensure if points are awarded they are for demonstrated use of CARES coordinated entry system, documented participation on coordinated entry and performance outcomes.

Response

The intent of this scoring criteria is to encourage services to be provided in multiple regions. It is a requirement to utilize coordinated entry and HMIS as a part of the grant agreement.

Several of the comments received were procedural and administrative requests and unrelated to the scoring. These comments will be considered as we update the administrative manual. Comments regarding changes to specific point categories were addressed in the applicable scoring criteria and below.

Additional Comments

Comments were received requesting Lived Experience Participations points be added to rapid rehousing and homeless prevention as well as ensuring points are awarded for representation in governance or advisory roles, paid lived experience roles in program implementation, and documented consultation of individuals with lived experience.

Performance Accountability and Reallocation

Comments were received requesting the agency to reaffirm that it NDHG funds may be subject to reallocation if there is a failure to meet projected service targets, delayed reimbursement requests, or consistently under expended awards.

Response

This can be incorporated into the administrative manual.

2025 ANNUAL REPORT

Thank you, Dave Flohr

NDHFA Executive Director – 2020-2025

After 41 years of service to the State of North Dakota, Dave Flohr retired in June of 2025. Dave made his career with NDHFA, starting in 1984 in the Jamestown field office within the Housing Assistance Program division of the agency. He served as NDHFA’s homeownership division director for 14 years. During this time Dave administered the agency’s homeownership programs, helping North Dakotans, primarily first-time buyers, become successful homeowners.

As executive director, Dave was instrumental in developing and implementing strategic plans and providing program direction for the agency. Under his leadership, the agency worked to streamline government operations by assuming the administration of the North Dakota Homeless Continuum of Care, Emergency Solutions Grant, North Dakota Homeless Grant and the Bank of North Dakota’s residential loan portfolio. The Housing Incentive Fund was expanded to include single-family activities to provide much-needed new housing in smaller communities to boost stagnant housing markets. Extensive housing reports, including the Statewide Housing Needs Assessment, were published to address housing options, affordability barriers and the needs of the state’s population.



Dave with the North Dakota Industrial Commission.



Dave at the grand opening of Lantern Light.

New Leadership, Same Mission



*NDHFA Executive Director,
Brandon Dettlaff*

Time is an interesting thing. Hours turn into days, days into weeks, weeks into months, and before you know it, 41 years have passed in what feels like the blink of an eye. “Where did the time go?” Dave Flohr, our outgoing executive director, asked just before he retired. He’s right; where did it go?

As I reflect on this past year, I find myself thinking about that question. For the past 18 years, I have had the privilege of working closely with Dave, and I truly don’t know where those years went. Every now and then, life gives you moments when you pause and look back. Maybe that comes with age; maybe it comes with responsibility. Either way, this is one of those moments.

I remember when I started at the agency 18 years ago. I was one of the “kids,” the new ones. Not anymore. When recent team members join and you realize they were born many years after you graduated high school, or even college, you feel that shift. You recognize that you have become the one carrying institutional knowledge, passing down what was once passed to you. It’s a humbling transition. Mention something like using a rotary phone, and you’ll see the puzzled look that tells you just how much time has moved.

This year, as I stepped into the role Dave once held, I did so with deep humility and gratitude. I don’t take this responsibility lightly. While the title may be new, our mission remains constant: to provide safe, stable, and affordable housing for all North Dakotans. That mission is reflected in the work highlighted throughout this report.

I’ve had the privilege of working with incredible teams over the years, and that continues today. A good leader surrounds themselves with a great

team and gives them room to do what they do best. That’s exactly the kind of team I’m fortunate to lead, dedicated, talented professionals who care deeply about the people we serve.

Of course, none of this happens on our own. Our success has always been built on strong partnerships with lenders, developers, local leaders, service providers, and many others who share our commitment to solving housing challenges. These relationships remain essential, and we look forward to strengthening them in the years ahead. If you’re reading this and are not yet partnering with us, I encourage you to reach out. The more voices at the table, the better the outcomes for our communities.

You might wonder how all this talk about time and reflection connects to housing. The truth is that the connection is simple. Like life, housing is about transitions. It’s about building something meaningful over time, brick by brick, family by family, community by community. A home is not just a structure; it’s the backdrop for milestones, quiet mornings, challenges, and new beginnings. Time moves, needs shift, neighborhoods evolve, but housing remains the thread that helps tie those moments together.

Our work is not just about programs or policies. It’s about people. And people, like time, are always moving forward. The reflections, memories, and lessons we gather shape how we build, how we serve, and how we prepare the next generation to carry the mission forward.

So, when we ask, “Where did the time go?” We know exactly where it went. It went into building and financing homes, supporting communities, and helping thousands of North Dakotans write the stories of their lives, one chapter and one home at a time.

Here’s to the next chapter and the meaningful work ahead. I’m honored to walk this journey with all of you.

About North Dakota Housing Finance Agency

North Dakota Housing Finance Agency is a self-supporting and mission-driven state agency dedicated to making housing affordable for all North Dakotans.

We are guided by our values of Service, Teamwork, Integrity and Compassion.

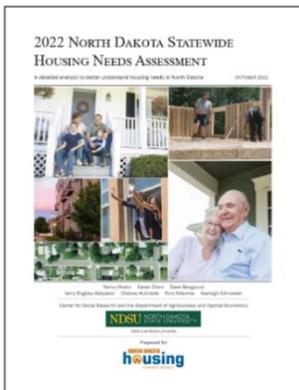


Addressing State Housing Needs

Baby boomers are projected to drive housing needs in North Dakota in the coming years, according to a Statewide Housing Needs Assessment released by researchers at North Dakota State University’s Center for Social Research in partnership with NDHFA.

Growth in the number of householders aged 65 and older is projected to increase substantially by 22%, from 78,047 in 2022 to 95,277 in 2027 – and growth in this cohort is expected in all eight planning regions of the state.

One major takeaway from this study is the increased need for housing available to meet the needs of an aging population.



Across the state, higher wages and salaries have resulted in higher household and family incomes. Despite the rise in incomes, there has been little overall change in the number of moderate-income households. While there has been an increase in the number of households who earn more than \$125,000 annually, 51% of North Dakota households earn less than \$75,000, and 33% earn less than \$50,000. Housing is needed for all income levels, but the study projects the most significant need will be affordable housing for lower-income households. Further, despite growth in incomes across North Dakota during the past decade, there was little change in the state’s poverty rate.

Barring any major shifts in the economy that might alter migration patterns, the assessment projects the state’s population will increase by 4%, or about 28,000 people, by 2027. Based on this estimate and additional factors, including the number of baby boomers aging in place, the state would need to add an additional 20,000 single- and multifamily units by 2027, a 6% increase from 2022.



Homeownership

Making Homeownership a Reality

NDHFA's homeownership programs are available to a broad range of potential buyers, and we strive to make the goal of homeownership attainable for many North Dakotans. This goal could not be achieved without the dedicated lenders and real estate agents who promote our programs, working hard to make the dream of homeownership a reality.

First-Time Homebuyer Story

Meet Jessica and Noah, first-time homebuyers, who learned of NDHFA's homeownership programs through Jarrod Auer of Kirkwood Bank, one of NDHFA's participating lenders. Jarrod walked them through the qualification process and after many years of renting, Jessica and Noah got to make this home their own.



Video: <https://vimeo.com/1115143043/6b9539649e>

Spending the first night in your home, it was kind of surreal. It was very peaceful. It was just full of joy and kind of like a feeling of I made it.

Homeownership Program Eligibility Limits Updated

The North Dakota Industrial Commission approved new eligibility limits for programs that assist state residents, typically first-time buyers, with a home purchase. Administered by NDHFA, the programs provide low-cost financing and downpayment and closing cost assistance.

Through NDHFA's FirstHome™ program, low- to moderate-income buyers who have not owned a home in the last three years can receive assistance. The agency's HomeAccess program provides single parents, veterans, and families with disabled or elderly household members who may have previously owned a home with the same assistance.

The commission approved maximum income limits for the programs of \$93,500 to \$110,000. The acquisition cost limits remain at \$481,176 for a single-family home with higher limits for existing two- to four-unit properties. The program limits vary depending on household size and the county in which a financed home is located.

NDHFA has helped more than 56,000 households achieve homeownership. The support has enabled individuals and families to put down roots, which, in turn, has strengthened their local communities.

NDHFA Supports Network of Participating Lenders

NDHFA hosted participating lender training to provide mortgage lenders who are new to our programs with an introduction to the assistance we provide to first-time buyers, and an overview of how the agency helps households who don't qualify for our standard program.

The agency also hosts Home Talk, a monthly 20-minute webinar, about the agency's mortgage loan programs. Program changes, resources and upcoming events are shared with attendees.



Kim Becker, NDHFA Mortgage Acquisition Administrator, at spring lender training.



Community Housing and Grants Management



Nex Senior, Fargo.

NDHFA works with development partners to create and preserve affordable multifamily housing in urban and rural communities. Federal and state-funded programs administered by the agency provide equity to reduce debt, which results in more affordable rents for low- to moderate-income wage earners, older adults, persons with disabilities and individuals experiencing or at-risk of homelessness.

Creating and Preserving Multifamily Housing

Projects Completed in 2025

Avalon at Mandan is a 25-unit, two-story rowhome catering to households with children. This infill development received \$975,000 in 9% tax credits through NDHFA.

NEX Senior offers 40 1- and 2-bedroom homes to seniors 55 and older. NEX Senior was made possible through the Low Income Housing Tax Credit program, HOME Program and Housing Trust Fund, all administered by NDHFA.

Missouri River Flats is the rehabilitation of Washington Court Apartments in Bismarck, preserving 96 units of affordable housing occupied by individuals and families. This project received \$918,750 in 9% tax credits through NDHFA.

Veterans Village is 20 units of 1- and 2-bedroom homes for individuals and families in Belcourt. This project aims to address the housing needs of Turtle Mountain veterans, providing them with comfortable and affordable living spaces in their community. Turtle Mountain Housing Authority was awarded \$537,716 in 9% tax credits through NDHFA.

Agency Makes Affordable Housing Funding Commitments

A partnership between Fargo Housing Redevelopment Authority (FHRA) and Blueline Development, Inc. was awarded \$1.3 million in tax credits that will provide an estimated \$11 million in project equity and \$1 million from the Housing Incentive Fund (HIF) for 14-4 Apartments. This **Fargo** project will demolish existing public housing to construct a 65-unit complex for individuals and families. FHRA is also committing project-based vouchers to the units to further affordability for tenants. The total project cost is \$17.3 million.

Beyond Shelter, Inc. (BSI) was awarded \$1.1 million in tax credits that will provide an estimated \$9.2 million in project equity, \$3.1 million from the Housing Trust Fund, \$711,372 from HOME, and \$1 million from HIF for Harvest Acres in **Fargo**, creating 39 new units for seniors. Total project cost is \$15.6 million.

BSI was also awarded \$1.4 million in tax credits that will provide an estimated \$11 million in project equity, \$1.6 million from HOME, and \$1 million from HIF for Buffalo Manor Apartments in **Jamestown**, a new 39-unit complex for seniors. The total project cost is \$16 million.

Annex Group was awarded \$4.3 million in 4% tax credits that will provide an estimated \$35 million in project equity and \$3 million from HIF for the construction of Central at the Horizon, a 262-unit development located in downtown **Fargo** to provide general workforce housing. The total project cost is \$93 million.

Through HIF, Dakota Commercial was awarded \$1.5 million for Kingsview Apartments in **Grand Forks**, a 45-unit 1- and 2-bedroom apartment complex for individuals and families. The total project cost is \$12.4 million.

Dakota Commercial was also awarded \$1.6 million in 4% tax credits providing an estimated \$12 million in project equity and \$5.4 million from HIF to support the construction of Brookstone Apartments in **Grand Forks**, 160 new units for individuals and families. The total project cost is \$33 million.

Addressing Homelessness

Agency Awards Funds to Support Homelessness Initiatives in North Dakota

NDHFA administers the federal Emergency Solutions Grant (ESG) and the state-funded North Dakota Homeless Grant (NDHG). These programs focus on providing funding for emergency shelters, outreach services, the prevention of homelessness and rapid re-housing assistance. During the 69th legislative session, NDHG was allocated a total of \$10 million for the biennium. In July, NDHFA awarded a total of \$731,980 in ESG and \$5 million through NDHG to organizations across the state of North Dakota.

While homelessness is a complex challenge with various contributing factors, housing is the essential first step.

Homeless Continuum of Care Receives Competitive Grant

The U.S. Department of Housing and Urban Development awarded a \$3.3 million competitive grant to North Dakota's Homeless Continuum of Care (CoC) in January.

The HUD grant supports:

- Twenty-one projects that provide housing and services to individuals and families experiencing homelessness, including seven projects at domestic violence agencies, and seven projects for youth under the age of 25.
- A Homeless Management Information System used to collect housing and services data to help guide CoC efficacy.
- Funding for CoC planning to support coordination and system development as well as administrative activities.

Armstrong issues executive order establishing ND Interagency Council on Homelessness

Gov. Kelly Armstrong issued an executive order establishing the North Dakota Interagency Council on Homelessness to coordinate relationships among state agencies and homelessness service providers and develop strategies and best practices for preventing and ending homelessness in North Dakota.

NDHFA Community Housing and Grants Management Director Jennifer Henderson will chair the 12-person Council.

The panel will report annually on its progress in preventing and ending homelessness in North Dakota, including recommendations for executive and legislative action.



NDHFA hosted its first “Partnerships for Progress” homeless conference in October.

This event brought together service providers, housing professionals, advocates, government agencies, and community partners to tackle one of our state's most pressing issues.



By the Numbers

As a self-funded agency, NDHFA does not receive any general fund dollars for its operations. Revenue generated through the servicing of mortgage loans covers the cost of salaries, operational expenses, professional service contracts, technology and equipment. Fees received for administering federal programs also cover salaries and operational expenses. Any excess agency revenue is reinvested into grants specifically created to address housing challenges for residents and communities. The following information highlights programs administered in 2025.

Homeownership Report



3,962 individuals started their homeownership journey



\$11.6 million in downpayment and closing costs assistance to 1,034 households



Since 1982, we have provided 56,787 home loans

Total Mortgage Loan Portfolio as of Dec. 31, 2025

14,155 loans internally serviced by NDHFA.

15,842 loans held by NDHFA with an outstanding principal balance of \$2.5 billion.

FirstHome™

32 years
average age

\$74,336
average income

\$236,669
average purchase price

59% are using downpayment and closing cost assistance.

Roots

36 years
average age

\$130,329
average income

\$307,529
average purchase price

69% are using downpayment and closing cost assistance.

HomeAccess

44 years
average age

\$75,970
average income

\$266,358
average purchase price

72% of program users are single parents.

Community Housing and Grants Management Report



80 homes received accessibility upgrades or repairs through Helping HAND and the Rehab Accessibility Program



Since 2019, 72 individuals have enrolled, and 16 claims have been paid through Opening Doors Landlord Risk Mitigation Fund



658 rental units received funding commitments
Oversaw compliance for 10,000 units

Contract Administration	\$14,124,407	Rental subsidy payments on behalf of HUD
Helping HAND	\$240,000	NDHFA-funded grant
HOME Program	\$3,014,372	HUD program administration
Housing Incentive Fund	\$25,000,000	2025-2027 biennium allocation from the state of ND
Low Income Housing Tax Credit	\$3,455,000	U.S. Department of Treasury allocation
Moderate Rehabilitation	\$262,934	Rental subsidy payments on behalf of HUD
National Housing Trust Fund	\$3,134,373	HUD program administration
Opening Doors	\$300,000	NDHFA-funded grant
Rehab Accessibility Program	\$300,000	NDHFA-funded grant
Emergency Solutions Grant	\$486,140	HUD program administration
ND Continuum of Care	\$3,345,820	HUD program administration
ND Homeless Grant	\$9,850,000	2025-2027 biennium allocation from the state of ND

Leadership



*Brandon Dettlaff,
Executive Director*



*Kayla Axtman,
Chief Financial
Officer*



*Jennifer Henderson,
Director, Community
Housing and Grants
Management*



*Anita Hoffman,
Director,
Administrative Services*



*Terri Mollman-Larson,
Director,
Homeownership*

NDHFA is overseen by the North Dakota Industrial Commission.

Governor Kelly Armstrong
Agriculture Commissioner Doug Goehring
Attorney General Drew H. Wrigley

NDHFA's advisory board is made up of representatives of the mortgage lending, residential real estate, mobile home and manufactured housing industries. The board advises the Industrial Commission on the agency's business activities.

Ninetta Wandler, Chairwoman
RE/Max Realty, Dickinson

Lisa Rotvold, Vice Chairwoman
Red River Regional Community Housing
Development Organization, Hillsboro

Jim Farnsworth, Board Member
Retired, Bismarck

Joe Sheehan, Board Member
Granite Bank, Bismarck

Kevin Hanson, Board Member
Gate City Bank, Fargo

Larry Nygard, Board Member
Crown Development, Fargo

NORTH DAKOTA
housing
FINANCE AGENCY

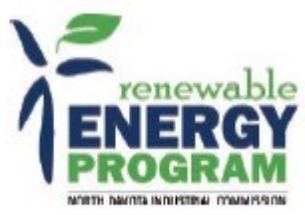
North Dakota Industrial Commission Agency
2624 Vermont Ave, PO Box 1535
Bismarck, ND 58502-1535
hfainfo@nd.gov • ndhousing.nd.gov



RENEWABLE ENERGY PROGRAM PROJECT MANAGEMENT REPORT

Jordan Kannianen, Deputy Executive Director, NDIC

March 2026

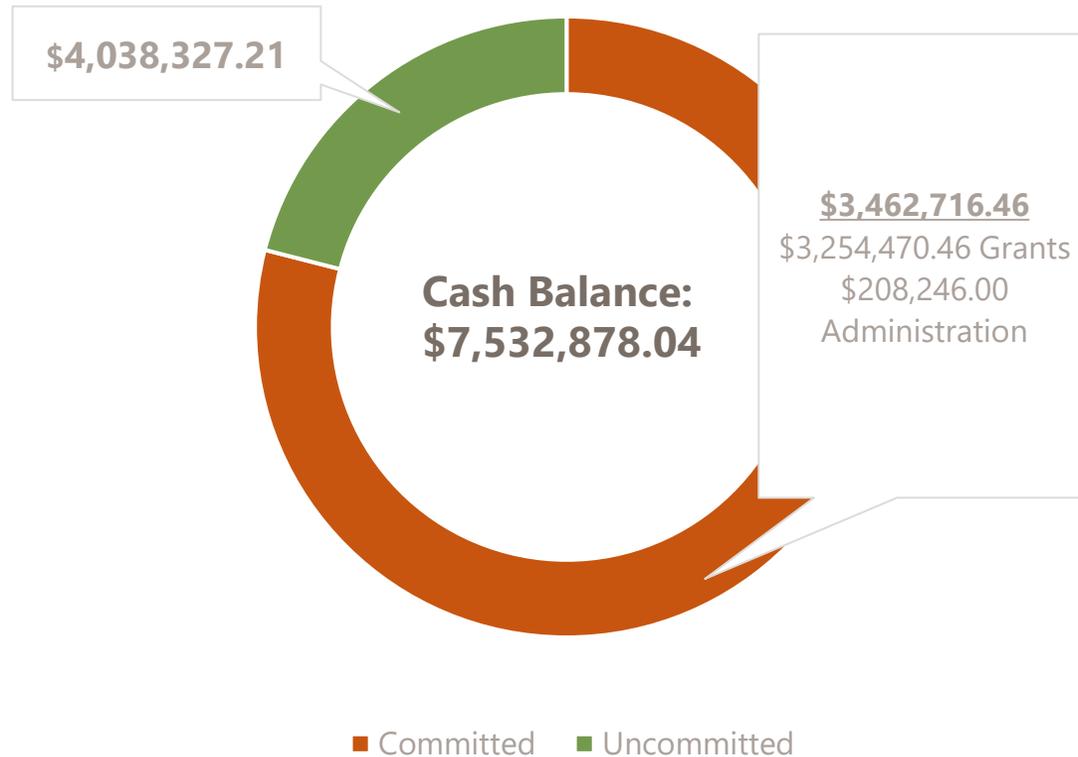


Be Legendary.™

RENEWABLE ENERGY FUND BALANCE

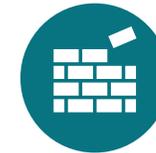
MARCH 2026

Renewable Energy Fund



Funding Source:

- \$3 million oil production taxes



76 Cumulative Projects



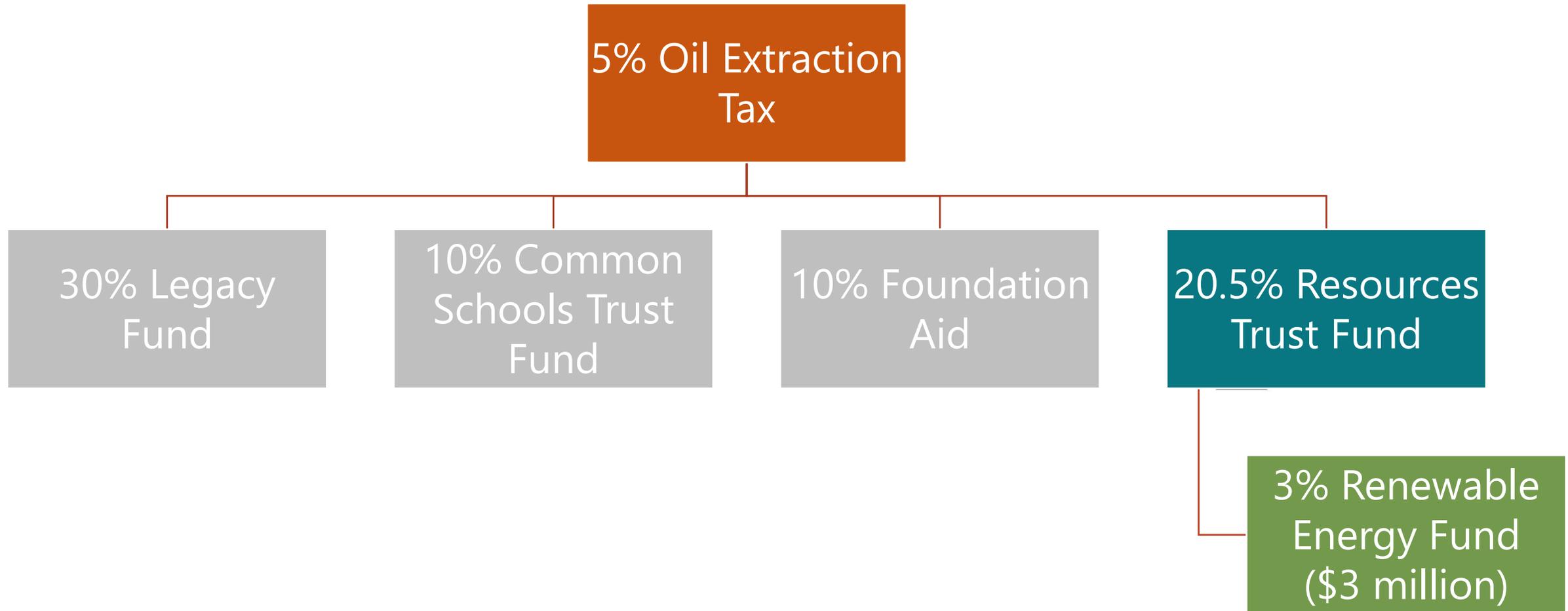
11 Active Projects



Cumulative Value:

- \$27.63 million granted
- \$170.94 million project value

2025-2027 BIENNIUM APPROPRIATION AND FORECASTED INCOME



REP-57-A

Title: Valorization of Bakken Produced Water: A Pilot Project for Domestic Rubidium Production and Oilfield Revenue Enhancement

Submitted By: Xylion Technologies, Inc.

Principal Investigator: Marty Scase

Duration: 9 months

Purpose:

To pilot, validate, demonstrate and de-risk a proprietary ion exchange technology (Xy-lect Rb 100) for the economic extraction of rubidium carbonate, a USGS federally designated critical mineral, from the Bakken/Three Forks formation produced water and possibly other formations. This project will be conducted in direct partnership with a North Dakota oil and gas producer or saltwater disposal (SWD) operator, establishing a new model for waste stream valorization within the state's energy sector. Beyond technical validation, the business model development will focus on modular, scalable and repeatable facilities utilizing existing infrastructure thereby building on North Dakota's current energy success and longevity.

Funding: \$500,000 NDIC grant; \$1,000,000 cash and in-kind match from Xylion Technologies, Inc.; \$1,500,000 total project cost

Technical Reviewers' Score and Recommendation:

Average Weighted Score: 155/250

Overall Recommendation: Funding May Be Considered

REC Vote:



INDUSTRIAL COMMISSION OF NORTH DAKOTA
RENEWABLE ENERGY PROGRAM

TECHNICAL REVIEWERS' RATING SUMMARY

R-57-A

**VALORIZATION OF BAKKEN PRODUCED WATER: A PILOT PROJECT FOR
DOMESTIC RUBIDUM PRODUCTION AND OILFIELD REVENUE
ENHANCEMENT**

Principal Investigator: Dr. John McEwen

Request for \$500,000; Total Project Costs \$1,500,000

TECHNICAL REVIEWERS' RATING SUMMARY					
R-57-A					
VALORIZATION OF BAKKEN PRODUCED WATER: A PILOT PROJECT FOR DOMESTIC RUBIDUM PRODUCTION AND OILFIELD REVENUE ENHANCEMENT					
Principal Investigator: Dr. John McEwen					
Request for \$500,000 Total Project Costs \$1,500,000					
Rating Category	Weighting Factor	Technical Reviewer			Average Weighted Score
		1A	2A	3A	
		Rating			
1. Objectives	9	3	3	4	30.00
2. Achievability	9	4	2	3	27.00
3. Methodology	7	3	2	4	21.00
4. Contribution	7	3	2	3	18.67
5. Awareness	5	2	3	4	15.00
6. Background	5	4	3	3	16.67
7. Project Management	2	4	2	4	6.67
8. Equipment Purchase	2	4	2	4	6.67
9. Facilities	2	4	2	4	6.67
10. Budget	2	4	2	4	6.67
Average Weighted Score		167	119	179	155.00
Maximum Weighted Score					250.00

Overall Recommendation:-

If > 170	Fund
130 – 170	Funding May Be Considered
< 130	Do Not Fund

- 1. The objectives or goals of the proposed project with respect to clarity and consistency with North Dakota Industrial Commission/Renewable Energy Council goals are: 1 – very unclear; 2 – unclear; 3 – clear; 4 – very clear; or 5 – exceptionally clear.**

Reviewer 1A (Rating 3)

This proposal really does not relate to the renewable energy sector in North Dakota but it is utilizing a waste product from the energy sector to produce a viable product. It can be noted that the product extracted from the oil field wastewater may be used in solar panels and electric vehicle batteries. This project produces jobs, may reduce the costs of oil production, can help provide some economic stability, introduces new technologies and can add some wealth to area. It can also produce a vital element to the US market that, at this time, is imported (which can be a matter of national security). But, this project is not about the production of renewable energy.

Reviewer 2A (Rating 3)

The goal of this project is to pilot, validate, demonstrate and de-risk a proprietary ion exchange technology (Xy-lect Rb 100) for the economic extraction of rubidium carbonate from the Bakken/Three Forks formation produced water. I believe this would be a worthwhile project but question the applicability of this work to the goals of the Renewable Energy Program.

Reviewer 3A (Rating 4)

Clearly pursuing economically viable extraction of Rubidium from produced water. That project would help reduce technical and economic uncertainties prior to moving forward commercially.

- 2. With the approach suggested and time and budget available, the objectives are: 1 – not achievable; 2 – possibly achievable; 3 – likely achievable; 4 – most likely achievable; or 5 – certainly achievable.**

Reviewer 1A (Rating 4)

Most of the budget and time will be spent setting up a pilot skid to test this new technology on a larger scale. Once set up, the actual testing will only take an estimated 30 days.

Reviewer 2A (Rating 2)

The proposal has limited information on the details of their budget. It mentions discussions with North Dakota producers but has not identified specific partners that would provide water or access to their produced water. In addition, they mention they have had conversations with the EERC about partnering but no role is outlined nor commitment from them is included.

Reviewer 3A (Rating 3)

The project itself should be achievable. More information on the concentration of rubidium expected in the produced water and the overall economics anticipated would be valuable.

- 3. The quality of the methodology displayed in the proposal is: 1 – well below average; 2 – below average; 3 – average; 4 – above average; or 5 – well above average.**

Reviewer 1A (Rating 3)

The methodology contained within the proposal is rather simplistic as it only involves setting up a portable unit for testing Xy-lect Rb 100 media efficiency on a continuous basis, operating for a 30 day run.

Reviewer 2A (Rating 2)

The lack of details in the submission is problematic for this reviewer. It appears that they are asking the Renewable Energy Council to join an activity already underway and to fund activity that they have already completed. No information on what the result of the already completed work is given in the proposal.

Reviewer 3A (Rating 4)

The methodology appears to be very sound and should provide results made it to move forward.

- 4. The scientific and/or technical contribution of the proposed work to specifically address North Dakota Industrial Commission/Renewable Energy Council goals will likely be: 1 – extremely small; 2 – small; 3 – significant; 4 – very significant; or 5 – extremely significant.**

Reviewer 1A (Rating 3)

If the captured rubidium carbonate can be utilized for the development of improved solar panels and batteries, this project supports several of the goals and purposes of the NDIC Renewable Energy Council.

Reviewer 2A (Rating 2)

Although this reviewer believes the proposed work could be valuable, as stated above, I don't believe it meets the requirements of the Renewable Energy Program.

Reviewer 3A (Rating 3)

The technology and the project should provide information needed. Based on my limited understanding of this state-of-the-art it appears that technology is more proven for lithium extraction so this project should provide additional information related to rubidium.

It would be good to ask the project team for a more thorough status update the maturity of the Rubidium extraction technology, Rubidium concentration anticipated, market prices for Rubidium carbonate sale, and initial expectations for rate of return for the investments in a forecast for a commercial plant.

- 5. The principal investigator's awareness of current research activity and published literature as evidenced by literature referenced and its interpretation and by the reference to unpublished research related to the proposal is: 1 – very limited; 2 – limited; 3 – adequate; 4 – better than average; or 5 – exceptional.**

Reviewer 1A (Rating 2)

I had not heard of the process of extracting rubidium from oil field wastewater before I reviewed this proposal.

Reviewer 2A (Rating 3)

The team assembled has considerable experience in this technical area. That leads me to believe they are aware of the current research and literature in this area.

Reviewer 3A (Rating 4)

Very strong project team with extensive expertise.

6. **The background of the investigator(s) as related to the proposed work is: 1 – very limited; 2 – limited; 3 – adequate; 4 – better than average; or 5 – exceptional.**

Reviewer 1A (Rating 4)

I have had experience in the outline processes. As a chemical engineer, the ion exchange, elution, precipitation and purification processes stated in this proposal are well understood.

Reviewer 2A (Rating 3)

The background of the principal investigator is adequate to complete the proposed work.

Reviewer 3A (Rating 3)

The background references Lithium extraction. Information on how the technology will apply to Rubidium should be requested.

7. **The project management plan, including a well-defined milestone chart, schedule, financial plan, and plan for communications among the investigators and subcontractors, if any, is: 1 – very inadequate; 2 – inadequate; 3 – adequate; 4 – very good; or 5 – exceptionally good.**

Reviewer 1A (Rating 4)

There are not any subcontractors in this project. Contacts are in place for the applicant to acquire oil field wastewater for rubidium collection. There is not an itemized list of equipment and pricing in the proposal. The request for funding is only on two line items in the budget where the NDIC Renewable Energy Council's share is 50%. I would suggest, if funded, that these two line items are supported as the project progresses up to the dollar value cited as the Council's share.

Reviewer 2A (Rating 2)

The lack of details such as no communication until the final report to the sponsor is problematic.

Reviewer 3A (Rating 4)

The project management plan appears to be solid. The schedule does appear to be aggressive, but it sounds like most of the equipment includes standard items.

8. **The proposed purchase of equipment is: 1 – extremely poorly justified; 2 – poorly justified; 3 – justified; 4 – well justified; or 5 – extremely well justified. (Circle 5 if no equipment is to be purchased.)**

Reviewer 1A (Rating 4)

The equipment required for this project is not cited in this proposal other than a test unit which will need some stuff in it. The proposal states that the equipment for this project is readily available so fabrication does not seem to be necessary, only assembly. An itemized list of equipment and associated costs should be provided to the Renewable Energy Council to justify the budgeted amount cited.

Reviewer 2A (Rating 2)

The budget provided provides no details on the budget for the proposed work. There is only a lump sum listed for each phase. This reviewer expects to see details including a listing of the equipment to be purchased as well as details of existing equipment that would be critical to the successful completion of this activity. At a minimum, the proposers need to provide significantly more details.

Reviewer 3A (Rating 4)

Well justified – purchase of components for the test unit.

9. The facilities and equipment available and to be purchased for the proposed research are: 1 – very inadequate; 2 – inadequate; 3 – adequate; 4 – notably good; or 5 – exceptionally good.

Reviewer 1A (Rating 4)

The applicant cites in this proposal that all of the required equipment necessary for this project is “off the shelf” so there should not be any delays due to the manufacturing of equipment.

Reviewer 2A (Rating 2)

The lack of details on equipment to be purchased as well as the existing facilities leads to the low rating of this reviewer.

Reviewer 3A (Rating 4)

They are splitting equipment costs for the test unit (50:50) with a total cost of \$375,000.

10. The proposed budget “value”¹ relative to the outlined work and the financial commitment from other sources² is of: 1 – very low value; 2 – low value; 3 – average value; 4 – high value; or 5 – very high value. (See below)

Reviewer 1A (Rating 4)

The applicant is providing 2/3's of what is their determined overall cost of this project with their own cash and in-kind value. A means to determine the in-kind value needs to be established. Being the required equipment has not been specified (largest budgeted expense), it is more difficult to critique what the work might cost in a research setting.

Reviewer 2A (Rating 2)

The short comings identified in this proposal greatly affect this reviewer’s assessment of the proposed works value. Without significantly more details in the budget and partnerships needed to complete this work I question the value of an Industrial Commission investment in this activity. That conclusion is based on a lack of information. The goal of the proposed work has value but with the information provided this reviewer questions if the requested investment is justified.

Reviewer 3A (Rating 4)

The total cost for the project is \$1,500,000 including \$500,000 requested from the NDIC. The budget appears in line with the proposed work.

Section C. Overall Comments and Recommendations:

Please comment in a general way about the merits and flaws of the proposed project and make a recommendation whether or not to fund.

Reviewer 1A

The major flaw in this proposal is that there is not any detail as to how the million dollars of cash and in-kind contributions has been determined. More detail should be required before this project is provided with funding. That being noted, this proposal does contain an interesting perspective that meets many of the goals set forth by the Renewable Energy Council. If the extraction of rubidium from oil field wastewater could be considered renewable energy (being it can be utilized as a material for the construction of solar panels), this project would viable for support. The applicant cites that an ensuing

commercial operation will provide jobs (projected at 15) at each location generating millions of dollars of annual income which increases sales tax revenue and income tax (whatever this is) revenue for the State of North Dakota. The extraction of rubidium profitably from the oil field wastewater can also lead to enrichment of the landowners and the oil companies.

If the applicant provides the Council with a bit more detail on the project cash flow and how the in-kind values are determined, I would strongly recommend that this project be funded.

Reviewer 2A

The lack of details in the budget is a major problem for this reviewer. IN addition, a lack of any commitment from a ND producer to partner by providing the necessary produced water and a site for the work makes it hard for this reviewer to be comfortable that the project would be completed with the time line and budget noted in North Dakota. They mention they have been in discussions with the EERC and North Dakota producers, but no commitments have been made. A commitment from a North Dakota Producer with produced water and a site in ND for this activity is critical. A commitment to and definition of a partnership with the EERC could greatly enhance this reviewer's view of the activity.

The proposed activity has significant potential value for the state of North Dakota. With a rework of the proposal to address the issues noted it could be a good investment for the North Dakota Industrial Commission. As it stand today, this reviewer would recommend to NOT fund this proposal

Reviewer 3A

I would recommend that the project be funded contingent on the project team providing additional information related to the technology readiness and the anticipated economics of a commercial system. Based on my limited understanding of the state-of-the-art, it appears that the technology is more proven for lithium extraction so this project should provide additional information related to rubidium. It would be good to ask the project team for a more thorough status update the maturity of the Rubidium extraction technology, Rubidium concentration anticipated, market prices for Rubidium carbonate sale, and initial expectations for rate of return for the investments in a forecast for a commercial plant.

REP-57-B

Title: Biomass to Negative Carbon Intensity Energy Products

Submitted By: Flickertail Resources, LLC

Principal Investigator: Kurt Swenson

Duration: 10 months

Purpose:

Flickertail Resources LLC is developing a North Dakota (ND) based biomass to negative carbon intensity (CI) energy products facility. The objective of this grant request is to support Flickertail's phased project development process to commercialize the deployment of the Sandwich Gasifier technology developed at the EERC (now being licensed through Singularity Energy Technologies (SET)) into a ND processing facility that converts biomass to negative carbon intensity energy products. Primary activities being performed include:

- Front End Engineering and Design (FEED) stage FEL-2
- Regulatory Analysis
- Permitting Analysis
- GREET Analysis
- Site Selection
- Interconnect Study (pending site-specific need)
- Community Engagement Activities
- Feedstock / Products Market Analysis and Agreements
- Project De-Risking, Feasibility, and Readiness Activities
- Pre-Investment Development, Stakeholder Engagement and Financial Readiness
- Total Installed Cost Estimate
- Overall Level 1 Project Schedule

Funding: \$500,000 NDIC grant; \$2,300,000 cash match from Flickertail Resources, LLC;
\$2,800,000 total project cost

Technical Reviewers' Score and Recommendation:

Average Weighted Score: 186/250

Overall Recommendation: Fund

REC Vote:



INDUSTRIAL COMMISSION OF NORTH DAKOTA
RENEWABLE ENERGY PROGRAM

TECHNICAL REVIEWERS' RATING SUMMARY

R-57-B

BIOMASS TO NEGATIVE CARBON INTENSITY ENERGY PRODUCTS

Principal Investigator: Kurt Swenson

Request for \$500,000; Total Project Costs \$2,800,000

TECHNICAL REVIEWERS' RATING SUMMARY					
R-57-B					
BIOMASS TO NEGATIVE CARBON INTENSITY ENERGY PRODUCTS					
Principal Investigator: Kurt Swenson					
Request for \$500,000 Total Project Costs \$2,800,000					
Rating Category	Weighting Factor	Technical Reviewer			Average Weighted Score
		1B	2B	3B	
		Rating			
1. Objectives	9	5	3	4	36.00
2. Achievability	9	5	4	3	36.00
3. Methodology	7	4	4	3	25.67
4. Contribution	7	4	2	3	21.00
5. Awareness	5	3	4	3	16.67
6. Background	5	4	4	4	20.00
7. Project Management	2	3	3	3	6.00
8. Equipment Purchase	2	5	5	5	10.00
9. Facilities	2	4	3	3	6.67
10. Budget	2	5	2	5	8.00
Average Weighted Score		215	171	172	186.00
Maximum Weighted Score					250.00

Overall Recommendation:

If > 170	Fund
130 – 170	Funding May Be Considered
< 130	Do Not Fund

- 1. The objectives or goals of the proposed project with respect to clarity and consistency with North Dakota Industrial Commission/Renewable Energy Council goals are: 1 – very unclear; 2 – unclear; 3 – clear; 4 – very clear; or 5 – exceptionally clear.**

Reviewer 1B (Rating 5)

Flickertail proposes a project to carry out an assessment necessary to determine the feasibility and a go/no go decision to move forward with plans to establish a facility in ND that converts low value biomass to negative carbon intensity energy projects. This leverages a sandwich gasifier technology developed at the EERC that is currently licensed by SET. Such a facility aligns exceptionally well with NDIC REC goals.

Reviewer 2B (Rating 3)

This proposal was clear in its request for partial funding of a FEED study, FEL-2 stage.

Reviewer 3B (Rating 4)

The title really says it all. Converting biomass into “negative” carbon energy products. The project goals are consistent with the mission statement of the NDIC-REC for promoting development of biomass resources, jobs, stability, and promoting new technologies. Project is requesting funding assistance for the FEL 2 stage in development, identifying the conceptual process design, equipment needs, site selection, permitting along with a TIC in additions to the economics.

- 2. With the approach suggested and time and budget available, the objectives are: 1 – not achievable; 2 – possibly achievable; 3 – likely achievable; 4 – most likely achievable; or 5 – certainly achievable.**

Reviewer 1B (Rating 5)

Flickertail proposes a 10-month effort for the project. Given the partner entities listed on page 5, and expertise described on pages 15-17 of the application, it is highly likely that the proposed project can be completed within the proposed time frame. Key milestones and dates are provided in the timeline table on page 18 of the application. The proposed budget appears suitable for the work, totaling \$2.8M. Given the noted partners and budget, the objectives of the project seem certainly achievable.

Reviewer 2B (Rating 4)

In the proposal, several of the necessary tasks for the completion of this project are outsourced and the participants are cited.

Reviewer 3B (Rating 3)

The suggested approach is typical. The reviewer does think that the feedstock/products & GREET analysis will be a larger factor in the engineering deliverables than the schedule suggests. Would have liked to have seen a Gantt chart to verify that the market/GREET analysis and design overlap. The total project cost listed is misleading, it the estimated cost for this phase of the project.

- 3. The quality of the methodology displayed in the proposal is: 1 – well below average; 2 – below average; 3 – average; 4 – above average; or 5 – well above average.**

Reviewer 1B (Rating 4)

The methodology of the project is not described in significant detail, but this is understandable given that it is a standard assessment effort. It constitutes a FEL-2 Engineering effort, and the team appears to have a very strong understanding of the typical methodologies associated with each of the key elements and associated deliverables with such an effort.

Reviewer 2B (Rating 4)

The outsourced participants appear to be well experienced along with the principle investigator and lead for engineering. Otherwise, this project only involves the gathering of information for economic evaluation and practical applications.

Reviewer 3B (Rating 3)

The project management methodology appears to be very standard for this type of project.

4. **The scientific and/or technical contribution of the proposed work to specifically address North Dakota Industrial Commission/Renewable Energy Council goals will likely be: 1 – extremely small; 2 – small; 3 – significant; 4 – very significant; or 5 – extremely significant.**

Reviewer 1B (Rating 4)

The project itself has limited focus on scientific or technical advancement. Rather, it is focused on the translation of the Sandwich Gasifier system developed at EERC into commercial use, with a focus on low carbon index energy production. Much of the work centers around feasibility assessment and risk-based analysis that are critical to move towards the FEL-3 engineering and design phase. I consider this a valuable effort that is a natural evolution for technology that is working towards implementation in the market, particularly in fostering realization of NDIC REC goals.

Reviewer 2B (Rating 2)

This proposal as a stand along project does not support the NDIC REC's goals. However, pending the outcome of this project, this information may lead to an engineering design and eventual construction of a biomass industry that would support several of these goals.

Reviewer 3B (Rating 3)

The result of the FEL-2 study and subsequent decisions will be telling as to the market viability of a number of projects. Developing a ND grown technology to the next scale step with the apparent flexibility of feedstock and product is valuable to multiple industries in the state.

5. **The principal investigator's awareness of current research activity and published literature as evidenced by literature referenced and its interpretation and by the reference to unpublished research related to the proposal is: 1 – very limited; 2 – limited; 3 – adequate; 4 – better than average; or 5 – exceptional.**

Reviewer 1B (Rating 3)

Given that this project does not focus specifically on basic research or technology development, this criterion does not really apply very well. As a feasibility study that includes key assessment, I do believe the listed parties are aware of current and latest assessment methods that are important in driving towards an informed go/no-go decision point. My rating here is aligned with the level of confidence demonstrated on that front.

Reviewer 2B (Rating 4)

This is not the first proposal that I have reviewed that has involved the proposed sandwich gasifier owned entirely by Singularity Engineering Technologies. This invention, though impressive, appears to be an invention in search of an application. Perhaps this could be it. The proposed utilization of degraded railroad ties as the biomass fuel in North Dakota has also been cited before. Though these may be in good supply at this time, they cannot be considered a "renewable" resource as there is a finite supply with the railroads no longer using this type of railroad ties due, in part, to the carcinogenic preservatives involved.

Reviewer 3B (Rating 3)

The project team's awareness of the current renewables environment appears to be adequate. The application mentions various carbon credit evaluation boards along with the Minnesota SAF Hub.

- 6. The background of the investigator(s) as related to the proposed work is: 1 – very limited; 2 – limited; 3 – adequate; 4 – better than average; or 5 – exceptional.**

Reviewer 1B (Rating 4)

The listed partners in the project appear to have a strong knowledge of their respective areas and are well-positioned to carry out the proposed FEL-2 effort. The experience of key individuals at Flickertail are provided on pages 12-15, and additional industry partners are described on pages 15-17.

Reviewer 2B (Rating 4)

I have written, evaluated and managed scores of industrial project over my engineering years. This project involves only gathering some information in order to decide if the project has the economics to warrant the expense of engineering an actual project. I would like to note that relying on federal tax credits (as it appears that this project will do) as a positive income for a project is not a reliable means to calculate potential rate of returns.

Reviewer 3B (Rating 4)

The project team has sufficient experience to complete this phase of the project. Technology, Engineering, Finance, Regulatory appear to be covered.

- 7. The project management plan, including a well-defined milestone chart, schedule, financial plan, and plan for communications among the investigators and subcontractors, if any, is: 1 – very inadequate; 2 – inadequate; 3 – adequate; 4 – very good; or 5 – exceptionally good.**

Reviewer 1B (Rating 3)

The management plan is rather short and lacks detail (page 17). The team notes it will create a project schedule for the FEL-2 effort in the early stage of the project (though this is not listed in the milestone chart on Page 18). Key milestones align with what would be expected for the program.

Reviewer 2B (Rating 3)

The project is only for a feasibility study of the process of taking used rail road ties and converting them into carbon dioxide and hydrogen – both having potential markets in North Dakota. The main process equipment is to be a sandwich gasifier that has not yet been built to a commercial scale. This phase is only 9 months long according to the provided schedule. The key milestones have been cited in this proposal. Communications of the many participants is to be coordinated by the requestor.

Reviewer 3B (Rating 3)

The application included a milestone chart/schedule, a project budget, and a meeting plan for the duration of the project. Again, a Gantt chart would have been nice.

- 8. The proposed purchase of equipment is: 1 – extremely poorly justified; 2 – poorly justified; 3 – justified; 4 – well justified; or 5 – extremely well justified. (Circle 5 if no equipment is to be purchased.)**

Reviewer 1B (Rating 5)

No equipment purchase is proposed as part of the project.

Reviewer 2B (Rating 5)

At this stage of this overall proposed project, there is not any equipment required to be purchased.

Reviewer 3B (Rating 5)

No Equipment is expected to be purchased

- 9. The facilities and equipment available and to be purchased for the proposed research are:
1 – very inadequate; 2 – inadequate; 3 – adequate; 4 – notably good; or
5 – exceptionally good.**

Reviewer 1B (Rating 4)

The project does not rely heavily on facilities or equipment, as much of the work is a feasibility study. The listed partners appear to be well-versed in their respective element of the project, and it is assumed they have the necessary software and other similar assets necessary to carry out the proposed work.

Reviewer 2B (Rating 3)

The facilities for this FEL-2 (front end loading, step 2) are in place with the offices of the many participants (8) cited in this proposal.

Reviewer 3B (Rating 3)

The investigator and sub-contractors listed appear to have adequate equipment and resources required for an FEL-2.

- 10. The proposed budget “value”¹ relative to the outlined work and the financial commitment from other sources² is of: 1 – very low value; 2 – low value; 3 – average value; 4 – high value; or 5 – very high value. (See below)**

Reviewer 1B (Rating 5)

The proposed work is largely a feasibility study necessary to reach a go/no-go decision point. The cost appears rather large but is perhaps reasonable given the large number of parties involved that each have strong expertise in their respective facets (regulatory analysis, tax assessment, cost estimates, etc.). The financial commitment from Flickertail Resources is quite strong. The \$500k request is matched by a \$2.3M investment from the applicant. This is far above the 50% minimum noted in the opportunity and represents a significant commitment by the applicant.

Reviewer 2B (Rating 2)

The requestor is willing to provide 82% of their claim total cost of this FEL-2 project of possible economic feasibility. The proposed budget states that all cash flow for this project is cash without any in-kind contributions at all. However, for each line item, the budget does not cite which ones of the 8 participants is paid this amount. It may be a percentage as there is overlap of services cited between the participants. Without that information, on a 9 month project that only involves company time, it is difficult to say this budget has a great deal of value based on my experience.

Reviewer 3B (Rating 5)

The project will provide significant insight into bio-mass to energy project economics and regulatory/subsidy environment. The applicant is also requesting less than 20% of the FEL-2 estimate. This is a 4:1 leverage for the use of NDIC-REC funding.

Section C. Overall Comments and Recommendations:

Please comment in a general way about the merits and flaws of the proposed project and make a recommendation whether or not to fund.

Reviewer 1B

This project is quite different that many of the prior projects I have reviewed in that it is less of a technology development or demonstration effort and largely a feasibility study for implementation of the sandwich gasifier technology. I consider such efforts very important in ensuring that prior technical work realizes translation to utilization in the marketplace. Given that this is to be situation in ND, it seems to be a valuable effort.

I do have two comments for consideration, both curiosities rather than critical concerns. First, I am not sure if the ND has alternate sources for commercialization feasibility studies that might be better suited for such an effort. I am assuming this project falls within the REC focus, but it would seem valuable to consider if there are better vehicles for support in ND that are more geared towards supporting feasibility studies that lead to commercialization. Second, I am not sure how valuable the \$500k investment requested is. Given the very large total cost of \$2.8M, it is not clear how critical the NDIC REC funds are in order for the project to proceed. It would be a shame to fund something that is going to happen anyhow and does not really need this support. I do not have any reservations in supporting funding of this project but felt it useful to bring these two curiosities to light.

Reviewer 2B

First of all, this proposal does not support the goals and purposes set forth by the NDIC Renewable Energy Council. It will probably support most of these goals once the applicant decides the project is economically worth perusing. One of the issues I have is the lack of justification for so many participants in a FEL-2 project, particularly with so much overlap of Company skill sets. Also, it appears that only three of the participants has an office in North Dakota. With the exception of the patent holder of the sandwich gasifier (an LLC), all of the participants corporate offices are elsewhere (two in foreign countries). The participant that holds the patent on the sandwich gasifier has not yet developed a model large enough for an industrial application. Only pilot and demonstration scale testing has been conducted to my knowledge which is cited in this proposal. It is a stretch to think of used railroad ties as a renewable resource. The budget needs to cite where the money is distributed to which participant for accountability purposes. The dependency of tax credits for a revenue stream is not a guaranteed income and should not be part of the fiscal viability as they can be eliminated readily. This has become the reality of the wind turbines.

Given the above along with the applicant's request for only 18% of what they believe is the cost of the various analyses required for this FEL-2 project, I believe they can come up with the capital necessary to conduct this study. I recommend that the Renewable Energy Council **does not** fund this request.

Reviewer 3B

The project is a standard technology to scale study. From the NDIC-REC's standpoint, the results will be very telling as to the future of biomass to renewables, especially SAF and renewable diesel for emerging technologies. This portion of the applicants project will be successful, however, the identification of a buyer is critical to the next step.

Recommend funding the project, and yes, a Gnatt Chart should be required.

NDIC – Department of Mineral Resources – Director’s Report - 3/25/2025

North Dakota Oil & Gas Production & Activity Level Summary

1. Oil production decreased from December to January by ~1,393 bbls/day or about -0.12%.
2. January oil production was at 1,124,766 bbls/day, gas production at 3.34 bcf/d. ND oil revenue forecast at 1,150,000 bbls/day at \$59/bbl ND realized price for year 1 of the bi-ennium.
3. ~66% of new wells are 2-miles, ~22% are 3-miles & ~12% are 4-mile laterals.
4. Operators are innovating with longer laterals and U-style laterals to gain operational efficiencies in this sustained soft price environment. This technology is directly contributing to the resiliency of ND production, keeping ND production relatively flat.
5. ND January received oil price, from ND Tax, is \$53.27 (revenue forecast at \$59).
6. ND currently has 25 drilling rigs and 8 frac crews.
7. Recent operator meetings have indicated a desire to hold ND production flat in 2026. 4 operators expect slight increases in production, but most will hold flat.

Legislation

A stripper well study was presented to the Tax Reform and Relief Advisory Committee on 3/17/26.

DMR budget and oil and gas update was presented to Legislative Budget Section, Regulatory Division on March 18, 2026.

Deputy Director

Tara Vesey started at the Deputy Director of the DMR on 3/23/26. We welcome her to the team.

Geological Survey

Ed Murphy Retirement - After nearly 46 years with the state, Ed Murphy has announced his retirement on or around July 1, 2026. The process of finding Ed’s successor is ongoing.

Preparing for critical mineral drilling project in summer/fall of 2026. Survey is preparing for woolly mammoth excavation during May and June 2026. Juvenile T-Rex excavation will be in the fall of 2026.

Succession Planning

The DMR has a few critical roles where succession planning is occurring, specifically related to roles where existing employees are planning for retirement.

Williston Basin Petroleum Conference

DMR focus group preparing for the WBPC May 19-21st.

North Dakota Industrial Commission

Justin J. Kringstad
Geological Engineer
Director
North Dakota Pipeline Authority



March 25, 2026

A Complete Natural Gas Solution



Production

- Technology
- Markets
- Forecasting



Gathering

- Capacity
- Connections
- Compression



Processing

- Capacity
- Location
- Configuration

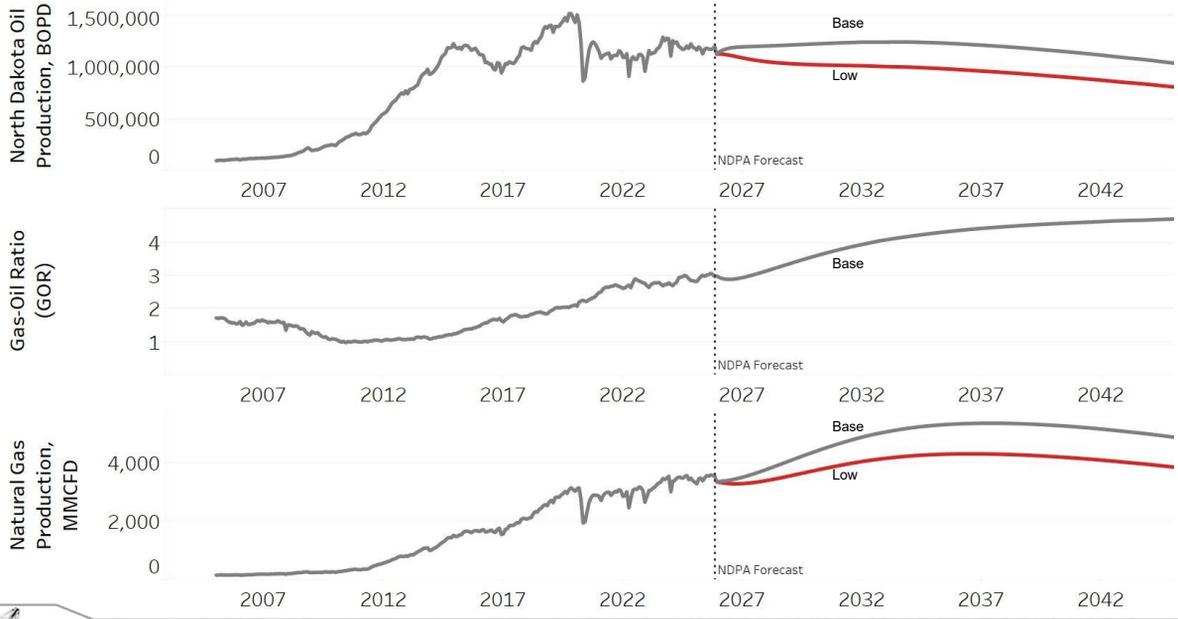


Transmission

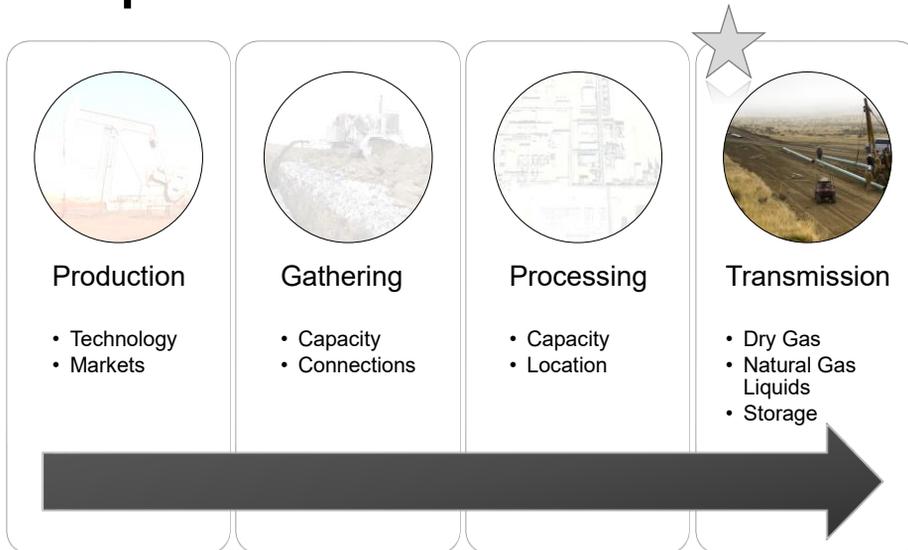
- Dry Gas
- Natural Gas Liquids
- Storage



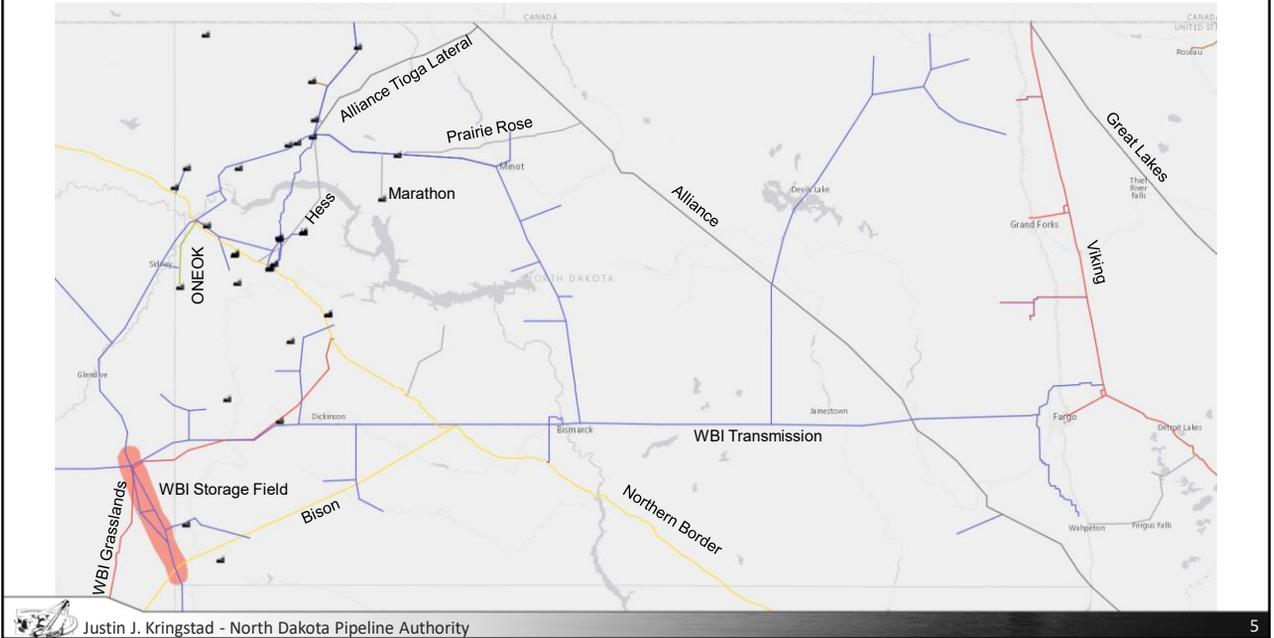
ND Production Forecast: EIA Price Deck



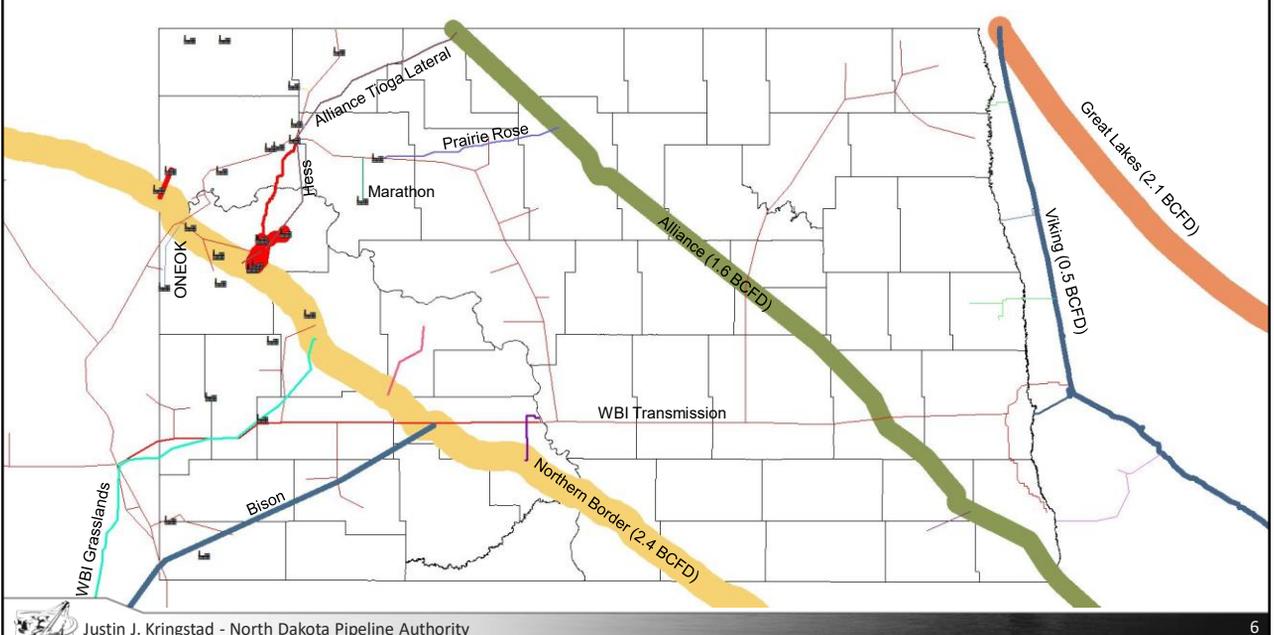
A Complete Natural Gas Solution



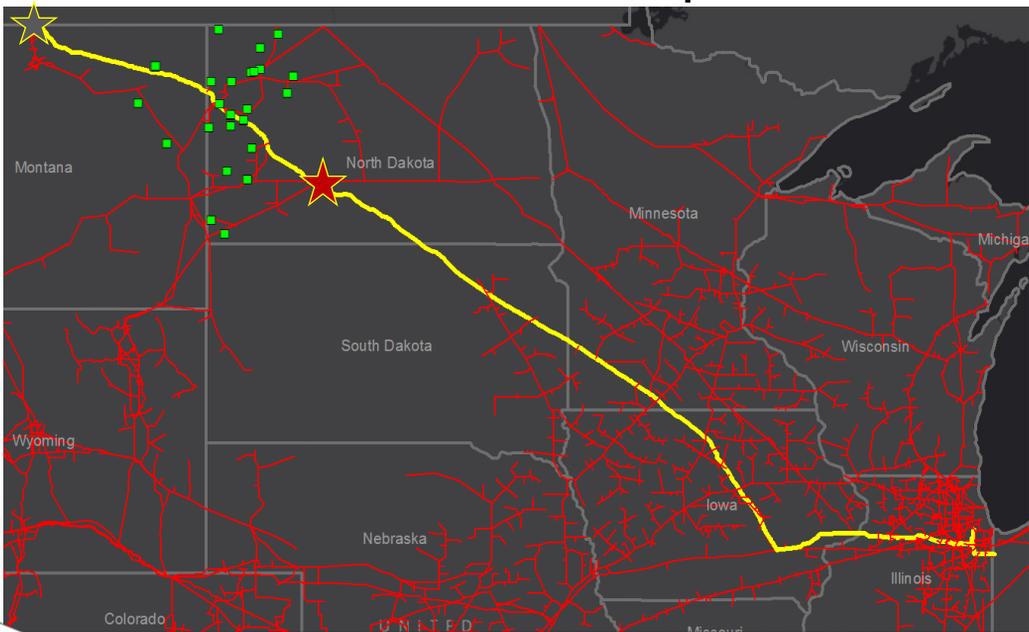
Major Residue Gas Pipeline Infrastructure



Residue Gas Pipeline Capacity Visualization

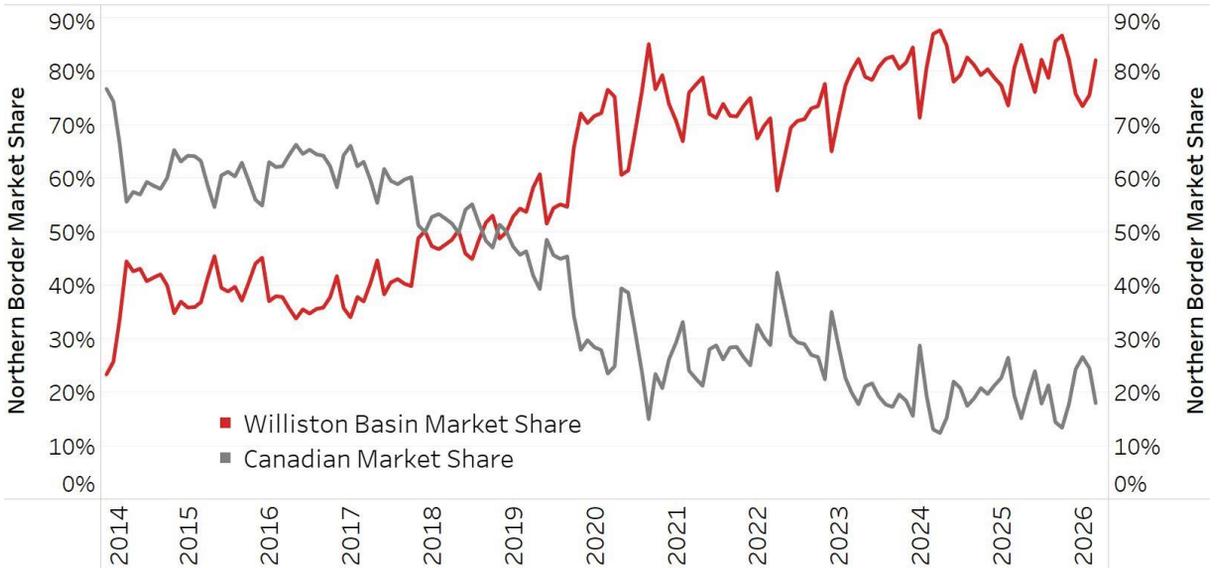


Northern Border Pipeline



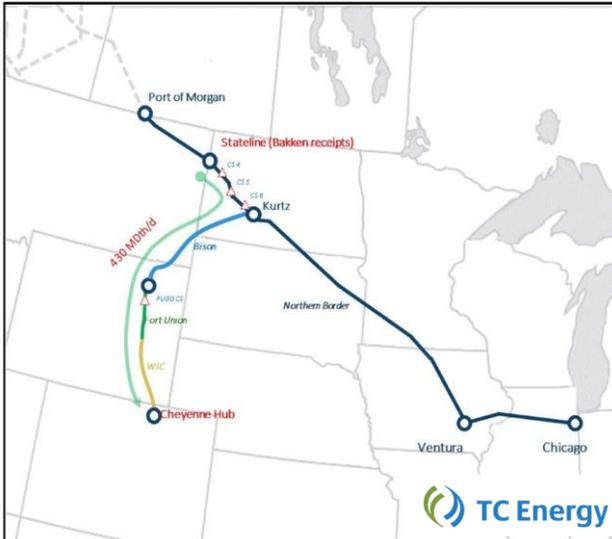
Justin J. Kringstad - North Dakota Pipeline Authority

Northern Border Pipeline Market Share



JJ Kringstad - North Dakota Pipeline Authority

TC Energy / Kinder Morgan: Bakken xPress Project



Project Highlights

- Non-binding open season April 4 - May 6, 2022
- Binding Open Season: June 1-30, 2023
- Three compressor upgrades in North Dakota
- Reverse the idle Bison Pipeline (30" – 302 Mile)
- Capacity 300,000 Dth/Day (430,000 Offered)
- **May 2026** targeted in-service date
- Fort Union Gas Gathering and Wyoming Interstate Company provide further transport to Cheyenne hub.
- Seeking commitments 10yrs or Longer
- \$555 million: \$347 Replacement/\$208 Expansion

Proposed Rates

- NBPL/Bison \$0.45/Dth + Fuel/Elec to WIC/FUG Interconnect
- WIC/FUG to Cheyenne \$0.30/Dth + Fuel/Elec
- Anchor Shipper Minimum: 50,000 Dth/Day



Options Beyond 2026: The 5 “C’s”

Construction (Interstate)

- Long-haul Pipe to New or Expanded Markets

Compete

- Price Canadian Volumes to Flow Elsewhere

Compression

- Increase Capacity on Existing Interstate Systems

Consumption

- Intra Region Gas Demand Expansion

Contraction

- Reduce E&P Activity to Meet Limited Gas Options



Options Beyond 2026: The 5 “C’s”

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Driving Forces for New Gas Pipelines



Supply Push



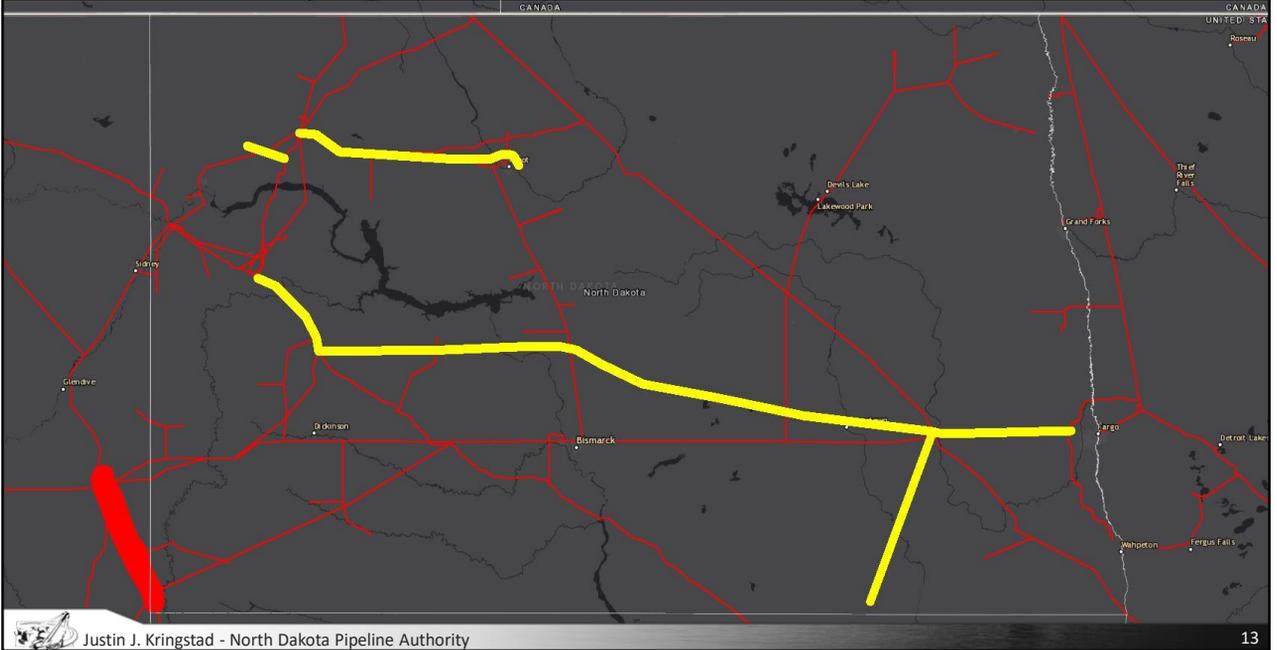
Demand Pull



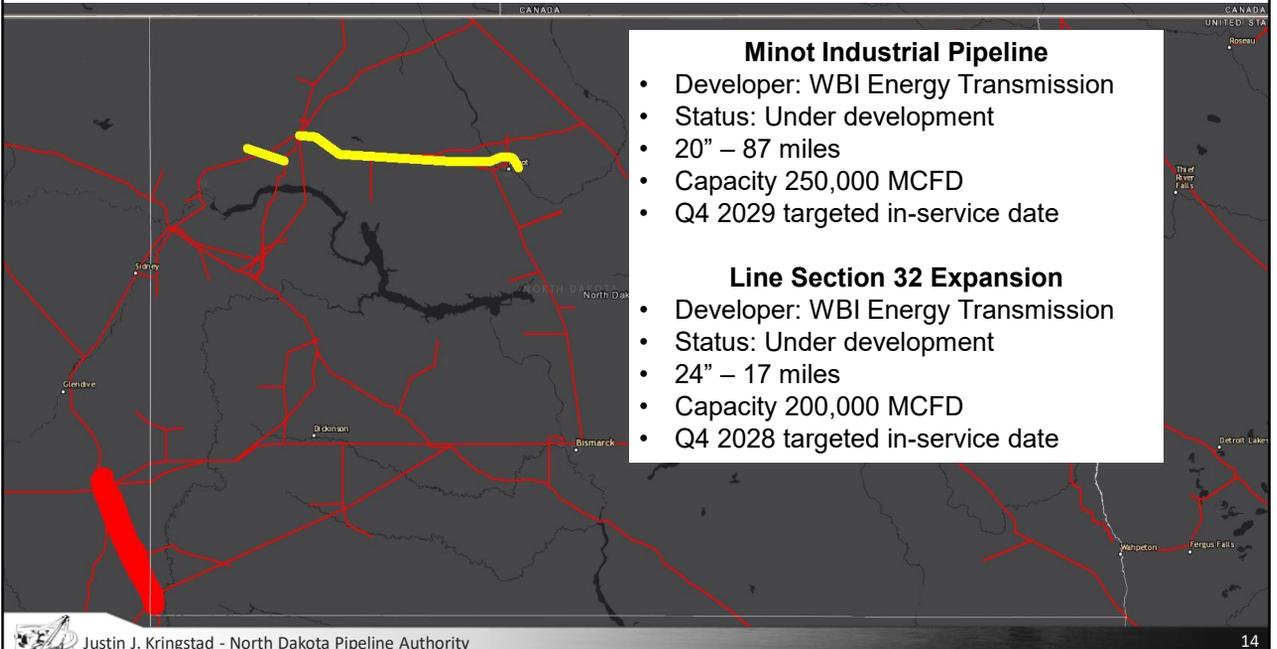
System
Reliability/Security



Beyond 2026: Gas Transmission Projects



Beyond 2026: Gas Transmission Projects



WBI Energy: Proposed Bakken East Project



- Natural Gas Pipeline Project Highlights**
- Non-binding open season Dec 16 – Jan 31, 2025
 - Binding open season Feb 2 – Mar 12, 2026
 - 455 Miles: 36", 30", & 20" Pipe
 - Proposed Capacity 1,400,000 to 1,700,000 Dth/Day
 - Phase 1 (West) : Nov 2029 targeted in-service
 - Phase 2 (East) : Nov 2030 targeted in-service
 - Seeking commitments 20yrs or Longer
- Estimated Rates**
- \$0.85 to \$0.90/Dth + Fuel/Electric/Commodity
 - Anchor Shipper Minimum: 100,000 Dth/Day
 - Foundation Shipper Minimum: 250,000 Dth/Day

JJ Kringstad - North Dakota Pipeline Authority

WBI Energy: Fourteen Open House Events

Upcoming FERC Public Scoping Sessions TBD

- Landowner Meetings**
- November 3, 2025: Watford City
 - November 4, 2025: Killdeer
 - November 5, 2025: Beulah
 - November 17, 2025: Bismarck
 - November 18, 2025: Ellendale
 - November 19, 2025: Jamestown
 - November 20, 2025: Casselton



- Public Open Houses**
- February 23, 2026: Casselton
 - February 24, 2026 : Ellendale
 - February 25, 2026 : Jamestown
 - February 26, 2026 : Bismarck
 - March 10, 2026 : Beulah
 - March 11, 2026 : Killdeer
 - March 12, 2026 : Watford City

JJ Kringstad - North Dakota Pipeline Authority



Bakken East – Preliminary Work

- 97% permission to survey received for 350 mile mainline
- 95% permission to survey received for Spiritwood Lateral
- 76% permission to survey received for Ellendale Lateral

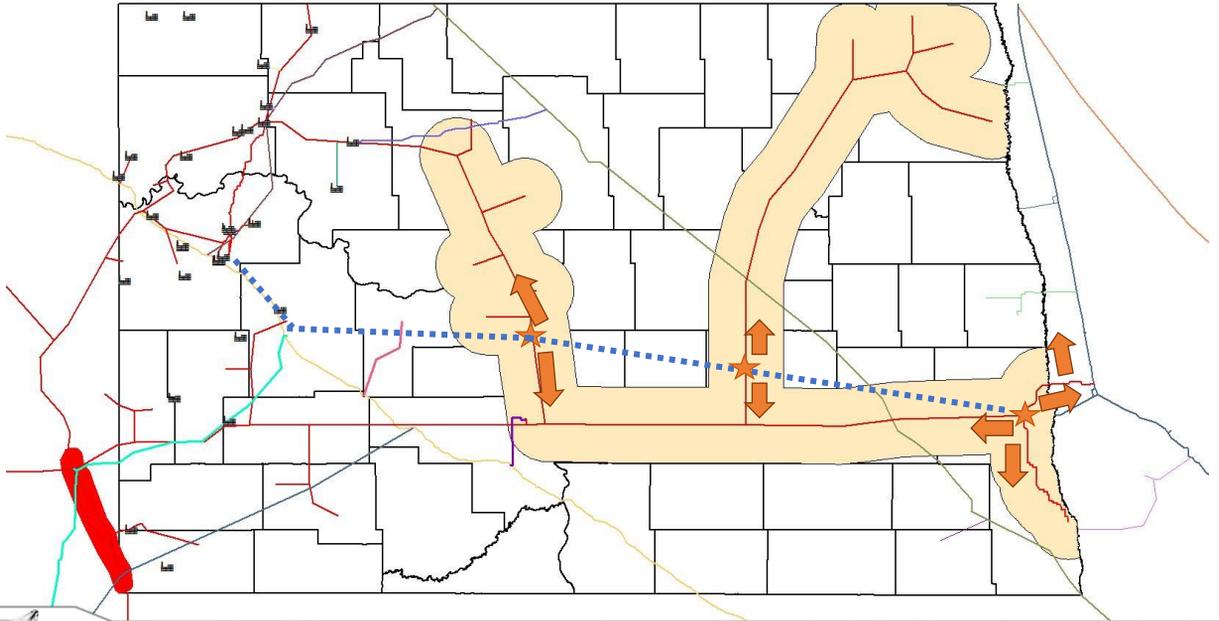
- 77% of wetland and general habitat surveys completed
- 37% of cultural surveys and staging yards completed
- 73% of special status species surveys completed
- 81% of civil surveys completed



Bakken East Major Milestone Schedule



Going East: Statewide Benefits of Interconnections



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Signing Up For Pipeline Capacity

Shippers Types



Producers/Midstream



Marketing Firms



Industrial Consumers/LDC



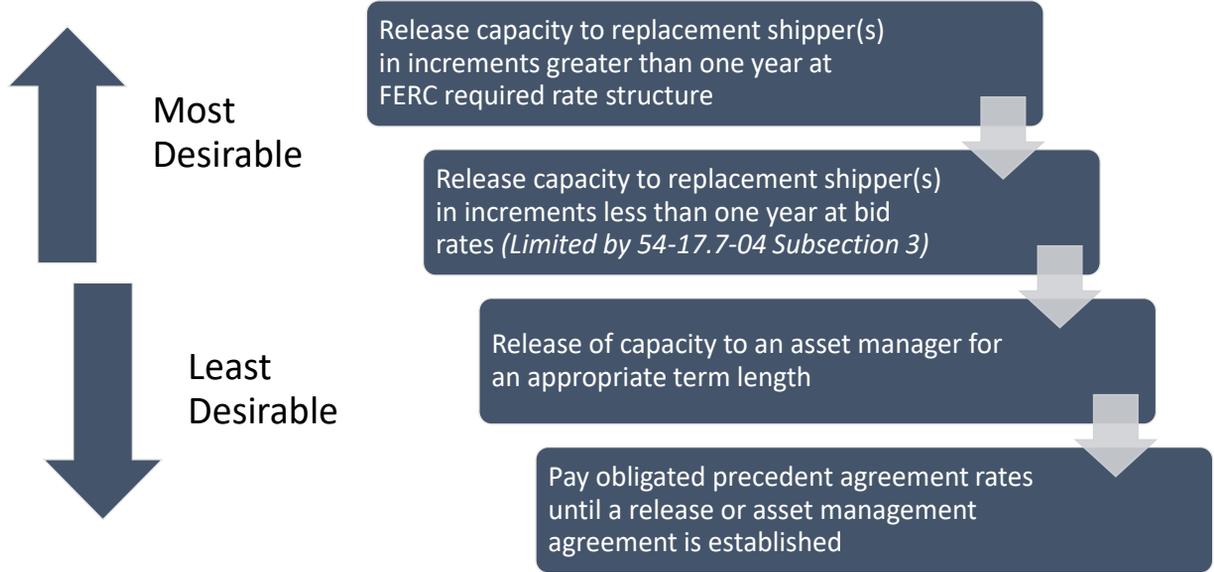
State of North Dakota (PA/IC)



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How Will NDPA Manage Contracted Capacity?

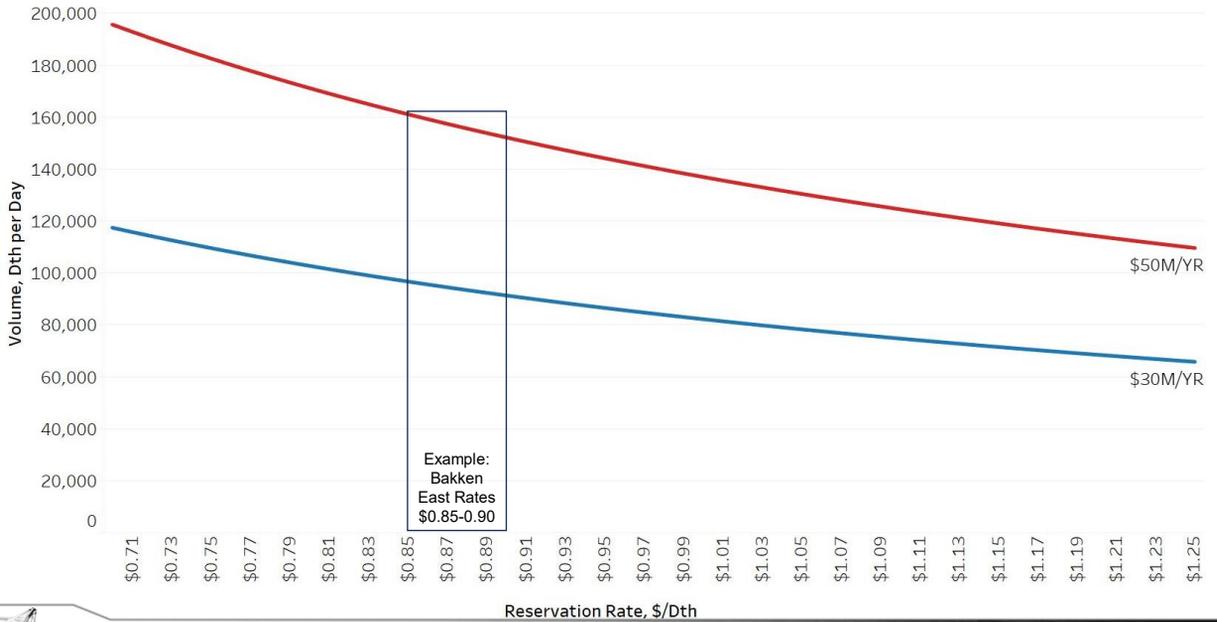


Coordinating State Gas Capacity to Supply North Dakota Institutions



- Key State-Owned Facilities**
- University campuses (especially UND, NDSU as first targets)
 - State Hospital – Jamestown
 - Capitol Complex – Bismarck
 - State prisons
 - North Dakota Mill – Grand Forks
- Existing Gas Agreements**
- In 2020, UND started a 6,000 Dth/d gas pipeline capacity agreement with Viking Pipeline. Daily management handled by private gas marketing firm. Contract expires June 30, 2030.
 - NDSU currently working with a private gas marketing firm for gas delivery off Viking Pipeline. Capacity is owned by marketing firm.
- Key Considerations**
- Significant potential cost savings.
 - State obligation for gas pipeline capacity used efficiently instead of paying twice for transportation.
 - Ability to aggregate multiple large facilities into a single, cost-efficient gas delivery program.

Capacity and Reservation Rate



Intensity Infrastructure Partners Proposed Pipeline



- Phase 1 Project Highlights**
 - Non-binding open season Feb 3 – Mar 7, 2025
 - 136 Miles: 36" Pipe
 - Proposed Capacity 1,100,000 Dth/Day
 - July 2029 targeted in-service
 - Seeking commitments 10yrs or Longer
- Phase 1 Estimated Rates**
 - Sub-\$.40/Dth + Fuel/Electric/Commodity
 - Anchor Shipper Minimum: 100,000 Dth/Day
 - Foundation Shipper Minimum: 250,000 Dth/Day
- Phase 2 Project Highlights**
 - Non-binding open season Apr 17 – May 23, 2025
 - 208 Miles: 30" Pipe
 - Proposed Capacity 430,000 Dth/Day
 - January 2030 targeted in-service
 - Seeking commitments 10yrs or Longer
- Phase 2 Estimated Rates**
 - \$.80/Dth + Fuel/Electric/Commodity
 - Anchor Shipper Minimum: 100,000 Dth/Day
 - Foundation Shipper Minimum: 250,000 Dth/Day

Support Slides



Capacity Release Term Considerations

31 Days or Less

FERC permitted with certain criteria

Forbidden under NDCC 54-17.7-04 Subsection 3

32 Days to 1 Year

Any rate (*NDCC Restrictions*)

Bidding required

AMA allowed without bidding

Rollovers allowed

Greater than 1 year

Max tariff rate only

No bidding required

AMA allowed without bidding

Rollovers allowed at max rate only



Key Terms

Shipper

- Holds contractual rights to transport natural gas on a pipeline system between two or more pipeline points.

Anchor Shipper

- One of a few, large volume, long duration shippers supporting a new or expanding pipeline system.

Asset Management Arrangement (AMA)

- Contractual arrangement where one party agrees to manage gas marketing obligations for another party.

Capacity Release

- Method for firm transportation capacity holders to resell all, or a portion, of their capacity to a third party on a short- or long-term basis.

Tariff

- Formal documentation outlining a pipeline provider's transportation services, rates, terms, and conditions.



Key Terms (Continued)

Non-Binding Open Season

- Formal event where a pipeline operator solicits interest from potential shippers for a new or expanding project. No binding commitments required.

Binding Open Season

- Formal solicitation of interest by a pipeline operator to secure contractual take or pay commitments from customers to use a new or expanding pipeline system.

Reservation Rate

- AKA "demand charge". Fee paid to reserve space on a gas pipeline based on contract specifications. Paid whether or not gas is transported.

Residue Gas

- AKA "dry gas". Consumer ready natural gas exiting the tailgate of a gas processing facility that has been stripped of heavier natural gas liquids. Mostly comprised of methane and some ethane. BTU is typically 1,010 to 1,200 in North Dakota.

Gas Units

- 1 MCF = 1 MMBTU = 1 Dekatherm (Dth) @ 1,000 btu
- 1,150 btu "Bakken": 1 MCF = 1.15 MMBTU = 1.15 Dth



Firm Gas Transport Rate Example

Reservation Charge

- Fixed charge for firm shippers based on maximum daily contracted quantity. Must be paid for the duration of contract term regardless if gas moves or not.
- Units = \$/Dekatherm

Commodity Charge

- Charges for physical gas transported.
- Units = \$/Dekatherm

Fuel/Electric

- Charges for fuel used to operator system compressors and ancillary equipment.
- Typically expressed as a percentage of gas transported and/or \$/Dekatherm.

Example Pipeline Case

Reservation: \$0.37356
 Commodity: \$0.02546
 Electric: \$0.00536
Subtotal: \$0.40438

Fuel: 1.463%
 If gas value is \$2.00/Dth
Fuel expense: \$0.02926

**Total Transport:
 \$0.43364/Dth**

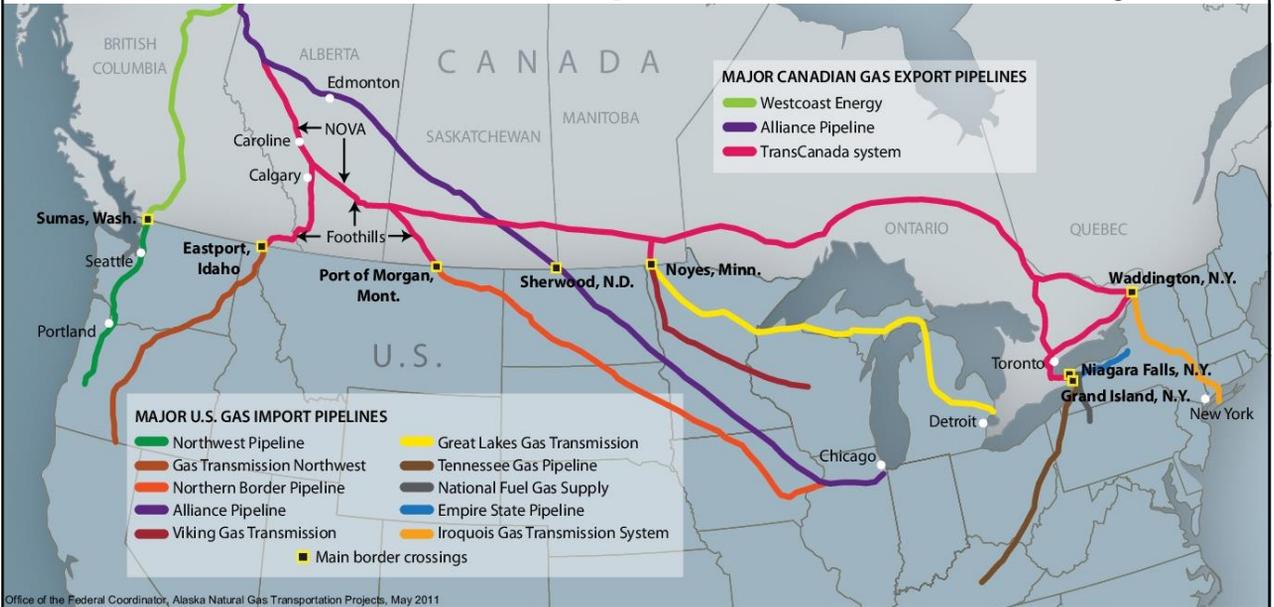
Tariff Rate Charges (1)						
Firm Service Charges	Maximum	Minimum	Fuel Reimbursement %		Electric Power Charge	
			Effective as of 10/1/2025	Effective as of 4/1/2025	Effective as of 10/1/2025	Effective as of 4/1/2025
FT-1 (Firm Transportation)						
Reservation Charge (per month)	11.36247	.00000				
Commodity Charge (1)	.02546	.02546	1.463%	1.147%	.00536	0.00567
Reservation Charge (per day)	.37356	.00000				



Eastern North Dakota Interstate Pipeline Interconnection Options

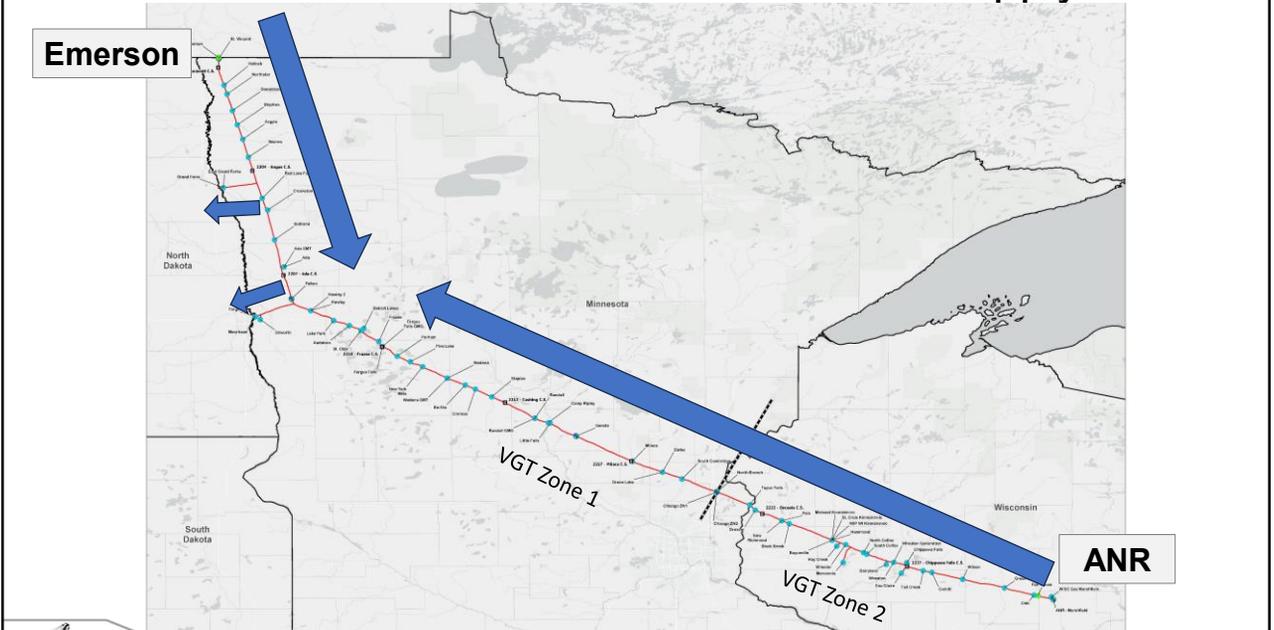


Canadian Gas Pipeline Connectivity



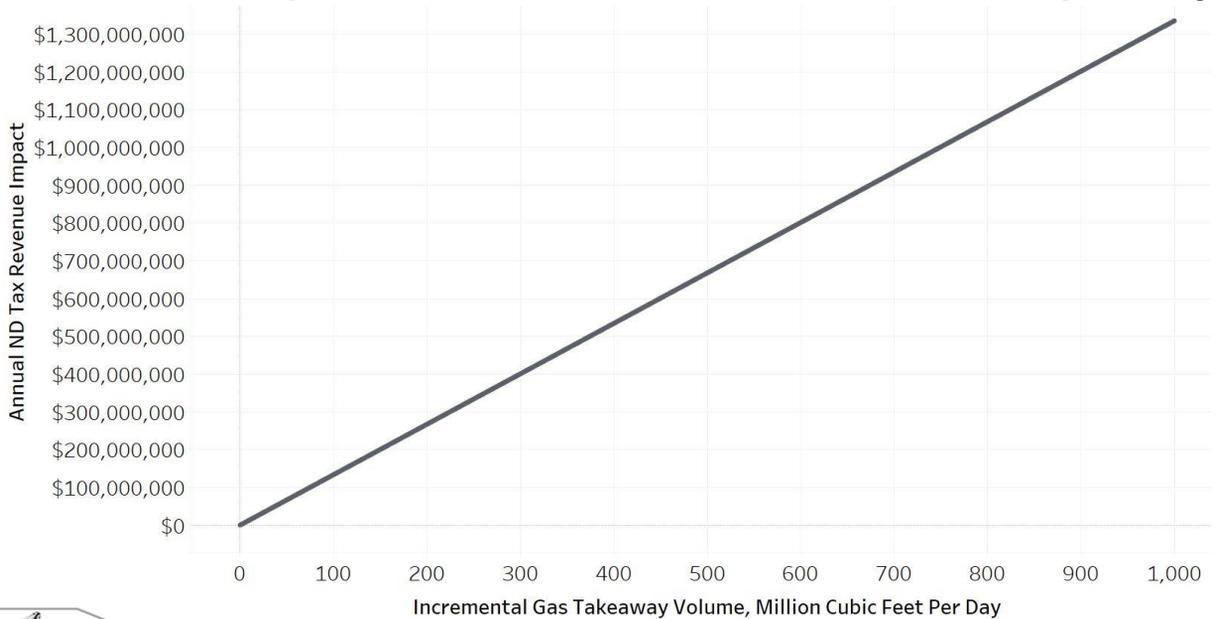
JJ Kringstad - North Dakota Pipeline Authority

Current Eastern North Dakota Gas Supply



Justin J. Kringstad - North Dakota Pipeline Authority

ND Tax Impact of Incremental Gas Capacity



Options Beyond 2026: The 5 “C’s”

Construction (Interstate)

- Long-haul Pipe to New or Expanded Markets

Compete

- Price Canadian Volumes to Flow Elsewhere

Compression

- Increase Capacity on Existing Interstate Systems

Consumption

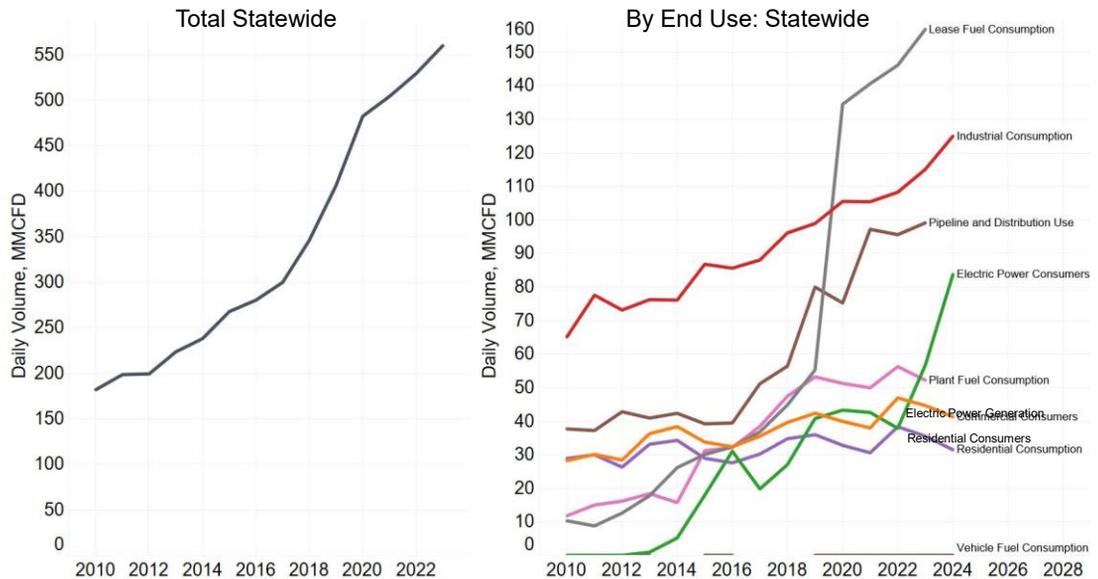
- Intra Region Gas Demand Expansion

Contraction

- Reduce E&P Activity to Meet Limited Gas Options



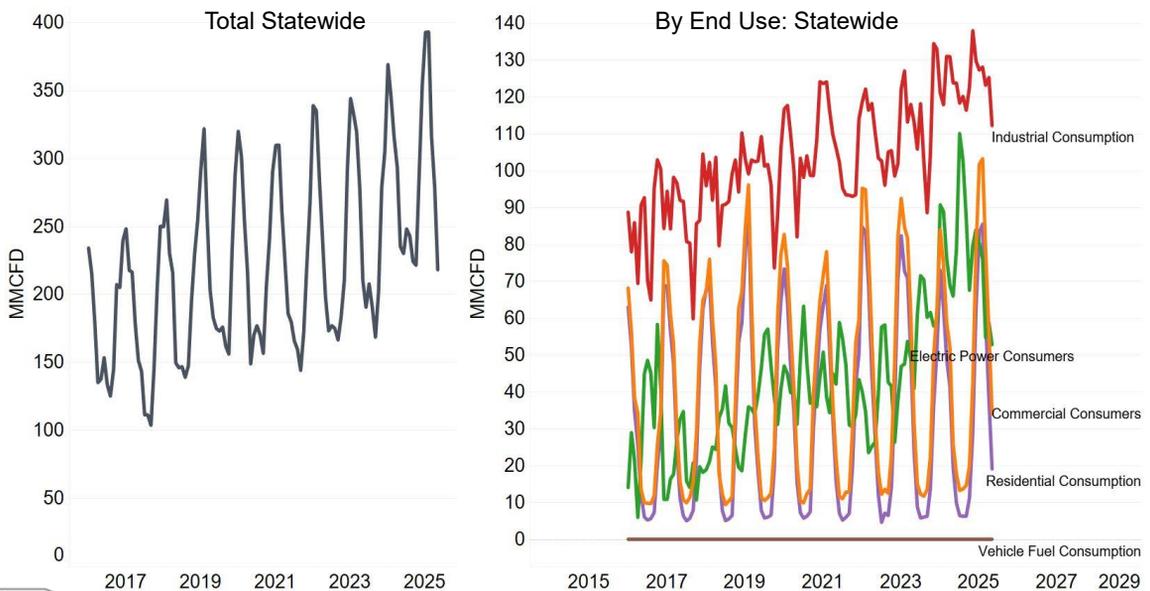
North Dakota Gas Consumption (Annual)



Justin J. Kringstad - North Dakota Pipeline Authority

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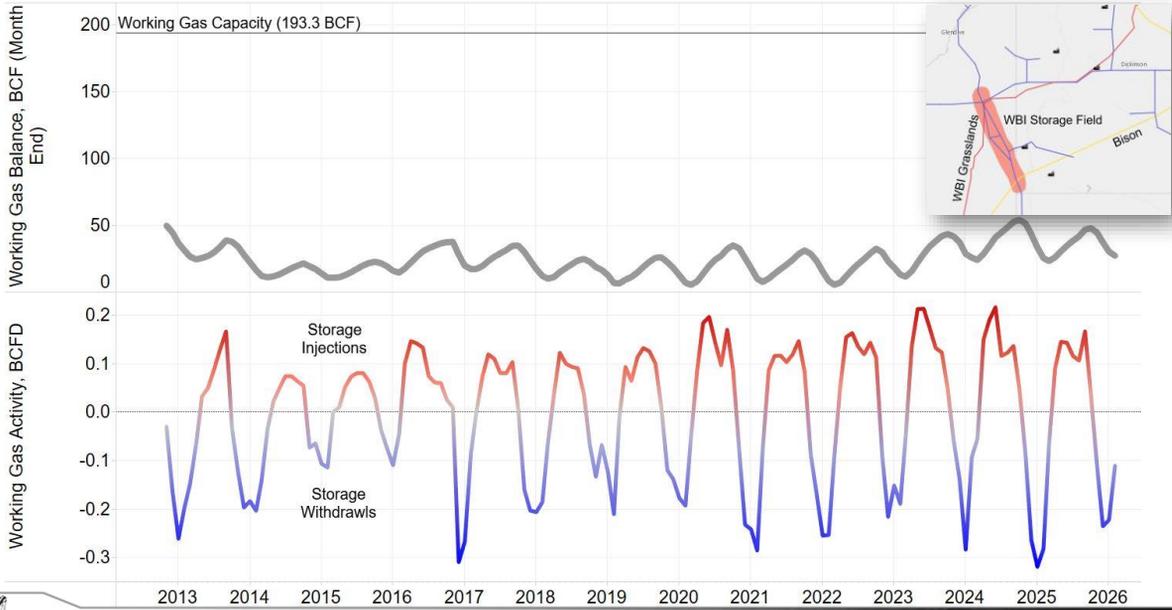
Non-Midstream Consumption (Monthly)



Justin J. Kringstad - North Dakota Pipeline Authority

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Residue Gas Storage – WBI Energy*



JJ Kringstad - North Dakota Pipeline Authority

*WBI Energy Storage Fields: Baker & Elk Basin

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Contact Information

Justin J. Kringstad, Director
North Dakota Pipeline Authority

600 E. Boulevard Ave. Dept. 405
Bismarck, ND 58505-0840

Phone: (701)220-6227
E-mail: jjkringstad@ndpipelines.com



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Justin J. Kringstad - North Dakota Pipeline Authority

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Industrial Commission of North Dakota



Kelly Armstrong
Governor

Drew H. Wrigley
Attorney General

Doug Goehring
Agriculture Commissioner

TO: Industrial Commission Members
FR: Executive Director Karen Tyler
DT: March 25, 2026
RE: New Grant Management System and Related Policy Changes

The Industrial Commission Administrative Office is in the final stage of development for the new Grant Management System (GMS) that was originally funded in the 23-25 biennium with funding and development carried over to the current biennium.

The GMS is being rolled out with each grant program as new grant rounds are held, and existing grant awardees are being invited into the system for the management of their grant(s) going forward.

Policy changes recognizing utilization of the GMS for end-to-end grant management are needed for each grant program. The Industrial Commission Administrative Office is seeking approval to adjust current grant program policies to facilitate utilization of the GMS.

It was moved by _____ and seconded by _____ that the Industrial Commission approve necessary grant program policy changes to facilitate utilization of the Industrial Commission Administrative Office Grant Management System (GMS) as directed by the NDIC Executive Director or Deputy Executive Director.