INDUSTRIAL COMMISSION OF NORTH DAKOTA

Doug Burgum	Drew H. Wrigley	Doug Goehring
Governor	Attorney General	Agriculture Commissioner

Tuesday, April 30th, 2024

Governor's Conference Room or Microsoft Teams – 12:30 pm

Meeting Coordinators:

Karen Tyler, Interim Executive Director

Reice Haase, Deputy Executive Director

Brenna Jessen, Recording Secretary

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Or call in (audio only)

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I. Roll Call and Pledge of Allegiance

II. Office of the Industrial Commission – Karen Tyler, Reice Haase

A. **Consideration of March 26, 2024 Meeting Minutes** (Attachment 1)
B. Other Office of Industrial Commission Business

(approximately 12:35 pm)

III. North Dakota Public Finance Authority – DeAnn Ament

A. Presentation of 2023 Audit – Mindy Piatz (Attachment 2)
B. Presentation of 2023 Annual Report (Attachment 3)
C. **Consideration of the following State Revolving Fund loan applications:**
   i. City of Ashley – Drinking Water - $3,048,000 (Attachment 4a)
   ii. Cass Rural Water Users District – Drinking Water - $2,604,000 (Attachment 4b)
   iii. City of Underwood – Drinking Water - $3,500,000 (Attachment 4c)
D. Presentation of State Revolving Fund loans approved by the Public Finance Authority Advisory Board (Attachment 5):
   i. City of Grand Forks – Drinking Water - $1,050,000
   ii. City of Medina – Drinking Water - $920,000 Improvement Bonds
E. Other Public Finance Authority Business

(approximately 1:00 pm)

IV. State Energy Research Fund – Reice Haase

A. **Consideration of funding under Contract SERC 2019-01 Task 2 – Provide Prompt Expertise for North Dakota: North Dakota Grid Resiliency Plan, $87,000** (Attachment 6)

B. Other State Energy Research Fund Business

(approximately 1:05 pm)

V. Renewable Energy Program – Reice Haase

A. Presentation of Renewable Energy Program Project Management and Financial Report (Attachment 7)

B. **Consideration of Grant Round 53 Recommended Award:**
   - i. R-053-B – Regional Electric Vehicle Infrastructure Resiliency (REVIR) Plan; Submitted by EERC; Total Project Costs: $1,875,000; <u>Award Amount: $375,000</u> (Attachment 8)

C. **Consideration of Project Decommitment:**
   - i. R-050-064 – Novel Process for Biocoal Production with CO_2 Mineralization; Submitted by Envergex, LLC in October 2022; <u>Award Amount to be Decommitted: $174,830</u> (Attachment 9)

D. Other Renewable Energy Program Business

(approximately 1:15 pm)

VI. Department of Mineral Resources – Lynn Helms

A. **Consideration of the following cases:**
   - i. Order No. 33067 issued in Case No. 30454 related to the confiscation of equipment and salable oil at the Brian and Linda Adams R-1 well (Attachment 10)
   - ii. Order No. 33068 issued in Case No. 30455 related to the confiscation of equipment and salable oil at the Adams 2 well (Attachment 11)
   - iii. Order No. 33069 issued in Case No. 30456 related to the confiscation of equipment and salable oil at the Adams 3 well (Attachment 12)
   - iv. Order No. 33070 issued in Case No. 30457 related to the confiscation of equipment and salable oil at the Adams 4 well (Attachment 13)
   - v. Order No. 33071 issued in Case No. 30458 related to the confiscation of equipment and salable oil at the Brian and Linda Adams SWD 1 well (Attachment 14)

vi. Order No. 33072 issued in Case No. 30459 related to the confiscation of equipment and salable oil at the Davis Perron 33-31 well (Attachment 15)
vii. Order No. 33155 issued in Case No. 30542 related to an application of Phoenix Operating LLC for a 1,920-acre spacing unit in Williams and Divide Counties, ND (Attachment 16)
viii. Order No. 33315 issued in Case No. 30665 related to spacing units in the Burg, Big Stone, and Skabo Bakken Pools in Williams and Divide Counties, ND (Attachment 17)
ix. Order No. 33314 issued in Case No. 30664 related to the unitized management and operation of the South Westhope-Charles Unit in Bottineau County, ND (Attachment 18)
x. Order No. 33313 issued in Case No. 30663 related to an application of Resonance Exploration (North Dakota) LLC determining that the plan of unitization for the south Westhope-Charles Unit Area in Bottineau County, ND has been signed, ratified or approved by owners of interest (Attachment 19)
xi. Order No. 33256 issued in Case No. 30607 related to an application of Petro-Hunt L.L.C. to establish an overlapping 3,840-acre spacing unit in Mountrail County, ND (Attachment 20)
xii. Order No. 33382 issued in Case No. 30723 related to the termination of the Eland East-Lodgepole Unit in Stark County, ND (Attachment 21)
xiii. Order No. 33343 issued in Case No. 30693 related to an application of XTO Energy Inc. for a pilot enhanced oil recovery operation in Dunn County, ND (Attachment 22)

B. Other Department of Mineral Resources Business

(approximately 2:15 pm)

VII. Legal Update – Katie Carpenter, Lynn Helms

A. Litigation Update
i. Northwest Landowners v. NDIC – Katie Carpenter
ii. EPA Mercury and Air Toxics Standards (MATS) Rule – Katie Carpenter
iii. EPA Coal Combustion Residuals (CCR) Rule – Katie Carpenter
iv. EPA Greenhouse Gas Rule – Katie Carpenter
v. NDIC v. DOI Quarterly Federal Lease Sales – Lynn Helms
vi. Northern Oil and Gas v. Continental Resources, NDIC et al – Lynn Helms

B. Federal Regulatory Update – Lynn Helms
   i. BLM Resource Management Plan
   ii. BLM Conservation and Landscape Rule
   iii. BLM Mineral Leases and Leasing Process Rule
   iv. EPA Methane Waste Emission Charge
   v. BLM Venting and Flaring
   vi. Dakota Prairie Grasslands Travel Management Plan
   vii. DAPL Draft Environmental Impact Statement
   viii. Federal Executive Order 14008

C. Other Industrial Commission Legal Updates

* Possible Executive Session under N.D.C.C. 44-04-19.1(9) & 44-04-19.2 for attorney consultation

(approximately 3:00 pm)

VIII. North Dakota Housing Finance Agency – David Flohr

A. **Consideration of 2025 Low Income Housing Tax Credit Qualified Allocation Plan** (Attachment 23)

B. **Consideration of 2024 Housing Incentive Fund Allocation Plan** (Attachment 24)

C. Presentation of Report on 2024 HOME Program and 2024 Housing Trust Fund Allocation Plan (Attachments 25a and 25b)

D. Presentation of Report on 2024 Emergency Solutions Grant and 2024 ND Homeless Grant Allocation Plans (Attachments 26a and 26b)

E. Presentation of report on grant award from Federal Home Loan Bank

F. Other Housing Finance Agency Business

(approximately 3:15 pm)

IX. Bank of North Dakota – Todd Steinwand

A. Presentation of First Quarter 2024 Performance Highlights (Attachment 27)

B. Presentation of February 21, 2024 Nonconfidential Finance and Credit Committee Minutes (Attachment 28)

C. Presentation of February 22, 2024 Nonconfidential Leadership Development and Compensation Committee Minutes (Attachment 29)

D. Presentation of February 22, 2024 Nonconfidential Advisory Board Minutes (Attachment 30)

E. Other Bank of North Dakota Non-Confidential Business

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

(approximately 3:45 pm)

X. Bank of North Dakota Executive Session – Todd Steinwand, Craig Hanson, Kirby Evanger

A. **Consideration of Two Loan Applications –** Craig Hanson (Confidential Attachments 31 and 32)
B. Presentation of Quarterly Report of Non-Accrual Loans – Kirby Evanger (Confidential Attachment 33)
C. Presentation of Quarterly Report of Problem Loans – Adversely Classified – Kirby Evanger (Confidential Attachment 34)
D. Presentation of Report of Loan Charge-offs and Recoveries Year-to-Date – Kirby Evanger (Confidential Attachment 35)
E. Presentation of February 21, 2024 Confidential Finance and Credit Committee Minutes (Confidential Attachment 36)
F. Presentation of February 22, 2024 Confidential Advisory Board Minutes (Confidential Attachment 37)
G. Other Bank of North Dakota Confidential Business

Meeting Returns to Public Session

(approximately 4:15 pm)

XI. Formal Action taken in Public Session

XII. Adjournment

Next Meeting – May 28th, 2024, 1:00 pm
Governor's Conference Room and Pioneer Room, State Capitol Building, Bismarck, ND

Minutes of a Meeting of the Industrial Commission of North Dakota

Held on March 26, 2024 beginning at 2:00 p.m.

Governor's Conference Room – State Capitol

Present: Governor Doug Burgum, Chairman

Attorney General Drew H. Wrigley

Also Present: This meeting was open through Microsoft Teams so not all attendees are known.

Agency representatives joined various portions of the meeting.

Governor Burgum called the meeting of the Industrial Commission to order at approximately 2:06 p.m.

Ms. Karen Tyler took roll call. Governor Burgum and Attorney General Wrigley were present. Agriculture Commissioner Doug Goehring was absent. A quorum was present.

Governor Burgum invited the room to stand and join the Commission in saying the Pledge of Allegiance.

OFFICE OF THE INDUSTRIAL COMMISSION

Ms. Karen Tyler presented for consideration of approval the February 27, 2024 Industrial Commission meeting minutes.

It was moved by Attorney General Wrigley and seconded by Governor Burgum that the Industrial Commission approve the February 27, 2024 Industrial Commission meeting minutes.

On a roll call vote, Governor Burgum and Attorney General Wrigley voted aye. Motion carried.

Mr. Reice Haase presented an update on the Industrial Commission Office transition and ongoing projects. There are 6 full-time employees and 4 contract employees with the NDIC. Over 30 public meetings are held annually between the 8 advisory boards and 88 members. There are currently 177 active R&D projects totaling over $175 million. The Industrial Commission receives over 700 status and expense reports per year, and there is a cumulative value of $382.6 million granted, $473 million loaned, and $13.6 billion in private investment coming back to the state.

The Office of the Industrial Commission is working on policy reviews and red tape reduction, website migration and overhaul, records management and digitization, and grant management and GovDelivery software. The Office is also involved in the Gas Capture Program, Rare Earth & Salt Cavern Studies, the CO2 Education and Outreach project, and BND's Recruitment and Retention Study. Strategically, the Office is focusing on R&D Outreach, Grid Resilience and Innovation Partnerships, Leadership Succession, and the 2025 Legislative Strategy. The Office of the Industrial Commission is also participating in over 25 statewide responses to federal rulemakings.

Under other business, Ms. Tyler presented for consideration of approval a provision to the Lignite Energy Council agreement to be moved to a standardized contract and ending the automatic renewal of the original contract dated November 2, 2000.

It was moved by Attorney General Wrigley and seconded by Governor Burgum that the Industrial Commission Interim Executive Director shall provide notice prior to May 1, 2024 to the Lignite Energy Council that the Industrial Commission/Lignite Energy Council Lignite R&D Technical Support IV Contract dated November 2, 2000 will not be renewed upon the June 30, 2024 expiration date.

On a roll call vote, Governor Burgum and Attorney General Wrigley voted aye. Motion carried.

NORTH DAKOTA PUBLIC FINANCE AUTHORITY

Ms. DeAnn Ament presented for consideration of approval to support Council of Infrastructure Financing Authorities' efforts to save the State Revolving Fund Program.

It was moved by Attorney General Wrigley and seconded by Governor Burgum that the Industrial Commission approve the request for the North Dakota Public Finance Agency to join in support of the Council of Infrastructure Financing Authorities' effort to encourage funding of the CWSRF and DWSRF at congressionally authorized levels of $3.25 billion each for the federal fiscal year 2025.

On a roll call vote, Governor Burgum and Attorney General Wrigley voted aye. Motion carried.

Ms. Ament presented for consideration of approval a State Revolving Fund Bond Series Resolution for up to $315,000,000 issuance.

It was moved by Attorney General Wrigley and seconded by Governor Burgum that the Industrial Commission approve the State Revolving Fund Bond Series Resolution for up to $315,000,000 issuance.

On a roll call vote, Governor Burgum and Attorney General Wrigley voted aye. Motion carried.

A RESOLUTION WAS MADE

SERIES RESOLUTION FOR UP TO

$315,000,000

NORTH DAKOTA PUBLIC FINANCE AUTHORITY

STATE REVOLVING FUND PROGRAM BONDS

WHEREAS, the North Dakota Public Finance Authority (the "Authority") is duly constituted as an instrumentality of the State of North Dakota exercising public and governmental functions under the operation, management and control of the Industrial Commission of North Dakota (the "Industrial Commission"), pursuant to Chapter 6-09.4, North Dakota Century Code (the "Act");

WHEREAS, pursuant to the Act, the Authority is authorized to issue bonds and to make loans to political subdivisions of the State of North Dakota and certain other entities through the purchase of municipal securities and other obligations;

WHEREAS, the Legislative Assembly of North Dakota has established a revolving loan fund (the "Clean Water State Revolving Fund" or "Clean Water SRF") pursuant to Chapter 61-28.2, North Dakota Century Code (the "Clean Water SRF Act") to be maintained and operated by the North Dakota Department of Environmental Quality (the "Department") to provide for loans for the design, construction and rehabilitation of wastewater treatment facilities and certain other activities in accordance with Title VI of the Clean Water Act (the "Clean Water Program");

WHEREAS, the Legislative Assembly of North Dakota has established a revolving loan fund (the "Drinking Water State Revolving Fund" or "Drinking Water SRF") pursuant to Chapter 61-28.1, North Dakota Century Code (the "Drinking Water SRF Act") to be maintained and operated by the Department to provide for loans for expenditures on public water systems and certain other activities in accordance with the Safe Drinking Water Act (the "Drinking Water Program");

WHEREAS, the Authority has previously issued and there are outstanding under the Drinking Water SRF and Clean Water SRF the State Revolving Fund Program Bonds, Series 2012A, Series 2015A, Series 2016A, Series 2018A and Series 2022A (together, the "Outstanding Bonds");

WHEREAS, the Authority's outstanding State Revolving Fund Program Bonds, Series 2015A (the "Series 2015A Bonds") are subject to redemption and prior payment at the option of the Authority on any date on or after October 1, 2024 at par plus accrued interest;

WHEREAS, the Outstanding Bonds are secured by an Amended and Restated Master Trust Indenture dated as of July 1, 2011, as amended by a First Supplemental Master Trust Indenture dated as of July 1, 2015 (the "Master Trust Indenture"), each between the Authority and The Bank of North Dakota, as trustee (the "Trustee"), as provided therein;

WHEREAS, the Master Trust Indenture authorizes the issuance of bonds in one or more series pursuant to a Series Resolution authorizing each series;

WHEREAS, the Industrial Commission has determined that, subject to the conditions described herein, it is necessary and expedient that the Authority issue one or more series of tax-exempt bonds to be designated "North Dakota Public Finance Authority State Revolving Fund Program Bonds, Series 2024__" with such letter or other designation for each series as the Executive Director may determine (collectively, the "Series 2024 Bonds") as follows: (i) in a principal amount not to exceed $90,000,000 to refund all or a portion of the outstanding Series 2015A Bonds and (ii) in a principal amount not to exceed $225,000,000 to provide additional funds for the Clean Water Program and Drinking Water Program to provide financing for loans made or to be made to various political subdivisions of the State of North Dakota and other eligible borrowers whose applications may be approved from time to time (together the "Borrowers") through the purchase of debt obligations issued by such Borrowers (the "Municipal Securities");

WHEREAS, the Series 2024 Bonds are sometimes referred to herein as the "Bonds"; and

WHEREAS, there have been presented to this Commission, or are on file in the office of the Executive Director of the Authority, copies of the following documents: (i) the Master Trust Indenture; (ii) the form of Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") to be executed by the Executive Director; and (iii) forms of Loan Agreements (the "Loan Agreements") between the Authority and the Borrowers;

NOW, THEREFORE, BE IT RESOLVED by the Industrial Commission of North Dakota as follows:

(Articles I-VI of the Resolution can be found on the website)

Adopted: March 26, 2024

Ms. Ament presented for consideration of approval a Credit Policy Amendment.

It was moved by Attorney General Wrigley and seconded by Governor Burgum that the Industrial Commission approve the recommended changes to NDPFA P-7 regarding qualifying revenues for the purpose of calculating debt service coverage, and amend the policy to state that net operating revenue for the appropriate enterprise fund for the most recent audited fiscal year must be equal to or greater than 110% of the amount needed to pay the average annual debt service on the municipal securities and all other debt payable from and secured by the net revenues; provided that the PFA, in its sole discretion, may allow other revenues authorized by statute for payment of debt service on the municipal securities (for example retail sales and/or use tax) to be included by a political subdivision in calculating the 110% coverage test.

On a roll call vote, Governor Burgum and Attorney General Wrigley voted aye. Motion carried.

NORTH DAKOTA TRANSMISSION AUTHORITY

Mr. Claire Vigesaa, Mr. Reice Haase, and Mr. Dave Glatt gave a report on Mercury and Toxic Air Standards (MATS) Study. The study was approved by the NDIC in January 2024. The EPA FPM Emission standard proposal is to revise standard from 0.030 lbs/million Btu of heat input to 0.010 lbs/million Btu of heat input.

Scenario – North Dakota Lignite Generation	Failure to meet Targeted Reserve Margins with dispatchable generation (year)	Failure to meet Peak Demand with dispatchable generation (year)
Status Quo	2026	2030
Partial shutdown (1,151 MW)	2026	2029
Full Shutdown (2,264 MW)	2026	2029

Mr. Vigesaa gave a report on IIJA Grid Resilience Grants from Grant Round 1.

IIJA Grid Resilience Grant Round 1:

i. Capital Electric Cooperative: Converting OVHD to URD State/Fed Hwy Crossings, $321,930
ii. Otter Tail Power Company: Next-Generation Grid Resiliency, $4,432,088
iii. Northern Plains Electric Cooperative: Electronic SCADA Recloser Installation, $586,000
iv. McKenzie Electric Cooperative: Capacitor Banks, Communications, SCADA Controls, $2,843,075

Currently, there has been $21 invested for every state dollar appropriated, over 750 miles of power lines have been upgraded, there have been 54 overhead crossings converted to underground, and there is ongoing deployment of new technologies for inspections and vegetation management.

Mr. Vigesaa presented for consideration of approval joining Montana as a co-applicant for federal Grid Resilience and Innovative Partnerships grant funding.

It was moved by Attorney General Wrigley and seconded by Governor Burgum that the Industrial Commission accepts the recommendation of the Transmission Authority Executive Director and authorizes the Office of the Industrial Commission and the Transmission Authority to apply as a co-applicant with the Montana Department of Commerce for a Grid Resilience and Innovation Partnerships (GRIP) application.

On a roll call vote, Governor Burgum and Attorney General Wrigley voted aye. Motion carried.

BANK OF NORTH DAKOTA

Ms. Lori Leingang and Ms. Karen Tyler presented for consideration of approval an Incentive Program Study Report for submission to Legislative Management. BND, in partnership with HRMS, concluded the state of North Dakota would benefit in attracting and retaining employees by providing more opportunities for variable compensation. To help BND address its challenge of attracting and retaining talent, the 68th legislative assembly passed HB1014 directing the ND Industrial Commission and BND to undertake a feasibility study related to employee recruitment and retention and report to the Legislative Council on March 31, 2024.

The following are the goals of plan implementation:

1. Attract and retain the talent required to run a complex financial institution.
2. Limit risk and enhance the performance of the organization.
3. Motivate employees to achieve and maintain high performance.
4. Ensure competitive and consistent salary practices.
5. Engage employees in mission-based strategic priorities.

The full report can be found on the website.

It was moved by Attorney General Wrigley and seconded by Governor Burgum that the Industrial Commission approve the submission, by March 31, 2024, of the Report to Legislative Management related to the legislatively directed study of an employee recruitment and retention incentive program for the Bank of North Dakota pursuant to Section 25 of HB 1014.

On a roll call vote, Governor Burgum and Attorney General Wrigley voted aye. Motion carried.

Mr. Kirby Evanger presented for consideration of approval amendments to the General Loan Policy.

It was moved by Attorney General Wrigley and seconded by Governor Burgum that the Industrial Commission approve the amended to the General Loan Policy as presented.

On a roll call vote, Governor Burgum and Attorney General Wrigley voted aye. Motion carried.

Mr. Steinwand presented the Commission members with the following Non-confidential BND Advisory Board meeting minutes for their review:

i. January 17, 2024 Nonconfidential Finance and Credit Committee Minutes
ii. January 18, 2024 Nonconfidential Audit and Risk Committee Minutes
iii. January 18, 2024 Nonconfidential Advisory Board Minutes

Under other business, Mr. Steinwand presented a guidebook with the legislatively corrected programs administered by BND.

Governor Burgum noted his gratitude for the guidebook and recommended that BND update the book annually.

It was moved by Attorney General Wrigley and seconded by Governor Burgum that under the authority of North Dakota Century Code Sections 6-09-35, 44-04-18.4, 44-04-19.1, 44-04-19.2, the Industrial Commission enter into executive session for the purposes Bank of North Dakota confidential business.

On a roll call vote, Governor Burgum and Attorney General Wrigley voted aye. The motion carried.

The Commission is meeting in executive session regarding Bank of North Dakota confidential business pursuant to N.D.C.C. 6-09-35 to consider those items listed on the agenda under Bank of North Dakota confidential business. Only Commission members, their staff, Commission staff, and BND staff will participate in that executive session.

Any formal action taken by the Commission will occur after it reconvenes in open session.

Governor Burgum reminded the Commission members and those present in the executive sessions that the discussions must be limited to the announced purposes which is anticipated to last approximately 30 minutes.

The executive session began at 3:58 p.m.

The 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.

BANK OF NORTH DAKOTA EXECUTIVE SESSION

Industrial Commission Members Present
Governor Doug Burgum
Attorney General Drew H. Wrigley

BND Members Present
Kelvin Hullet, BND
Kirby Evanger, BND
Lori Leingang, BND
Craig Hanson, BND

Others in attendance

John Reiten	Governor’s Office
Ryan Norrell	Governor’s Office
Zach Greenberg	Governor's Office
Dutch Bialke	Ag Department
Karen Tyler	Industrial Commission Office
Reice Haase	Industrial Commission Office
Brenna Jessen	Industrial Commission Office
Erin Stieg	Industrial Commission Office

The executive session ended at 4:30 p.m. and the Commission reconvened in open session.

During the Bank of North Dakota executive session, the Commission made a motion related to approval of one loan application.

On a roll call vote, Governor Burgum and Attorney General Wrigley voted aye. The motion carried.

DEPARTMENT OF MINERAL RESOURCES

Dr. Lynn Helms presented for consideration of approval the following case:

i. **Order 33453 issued in Case No. 29902** regarding an application of Petro-Hunt, L.L.C. related to the interpretation of production allocation for overlapping spacing units in Charlson and Keene Fields, McKenzie County, ND.

It was moved by Attorney General Wrigley and seconded by Governor Burgum that the Industrial Commission approves Order 33453 issued in Case 29902 interpreting Commission pooling orders to mean production should be allocated to the section line well spacing unit and subsequently to all underlying spacing units that have correlative rights impacts from section line spacing units.

On a roll call vote, Governor Burgum and Attorney General Wrigley voted aye. Motion carried.

Mr. Mark Bohrer gave a presentation of the Oil and Gas Division Quarterly Reports.

<u>July-August-September (3Q 2024)</u>

Permit applications Received: 342

Rig Count: 37

Barrels of Oil per Day: 1,227,500

North Dakota Avg $/barrel: $77.44

<u>October-November-December (4Q 2024)</u>

Permit Applications Received: 317

Rig Count: 36

Barrels of Oil per Day: 1,269,418

North Dakota Avg $/barrel: $72.57

The full report can be found on the website.

LEGAL UPDATE

Litigation Update:

i. Northwest Landowners v. NDIC – briefs are due April 12th and NDIC is ready to submit.
ii. NDIC v. DOI Quarterly Federal Lease Sales – status conference was held on Feb. 9th. BLM produced a witness, and we are preparing a list of additional lists and documents that we

want for the May 29th status conference. They have no process for prioritizing parcels. Whenever one is complete, they put it up for comment and potentially put it up for sale.

iii. Northern Oil and Gas v. Continental Resources, NDIC et al – trial is in Stanley May 7-9th.

Federal Regulatory Update:

i. BLM Resource Management Plan – Waiting on the final plan. There is a 30-day protest period once it comes out and a 60-day Governor review period.
ii. BLM Conservation and Landscape Rule – waiting on final rule to come out. ND is looking to partner with some rocky mountain states.
iii. BLM Mineral Leases and Leasing Process Rule – waiting on the final rule. ND will have to be on their own because of uniqueness.
iv. Dakota Prairie Grasslands Travel Management Plan – Plan is likely 2-3 years out, looking into July of 2025 at the earliest.
v. EPA Waste Emissions Charge for Petroleum and Natural Gas Systems Rule – Comments were filed today. DEQ and DEM comments were included.
vi. PHMSA Pipeline Safety Methane Emissions Rule – waiting on the final rule. Looking at states that we can partner with.
vii. DAPL Draft Environmental Impact Statement – Nothing new, we are expecting to hear on this in 4th quarter
viii. BLM Venting and Flaring – waiting on rule to be published. Likely will be 2nd quarter.
ix. SEC Climate Rule – lawsuits were filed in 6 different circuits; ND won the circuit lottery so they will be coming here.

Being no further business, Governor Burgum adjourned the meeting of the Industrial Commission at 6:00 p.m.

North Dakota Industrial Commission

Brenna Jessen, Recording Secretary

Reice Haase, Deputy Executive Director

Karen Tyler, Interim Executive Director

NORTH DAKOTA PUBLIC FINANCE AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NORTH DAKOTA)

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

NORTH DAKOTA PUBLIC FINANCE AUTHORITY

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BradyMartz

INDEPENDENT AUDITOR'S REPORT

Governor Doug Burgum
The Legislative Assembly
State of North Dakota
Bismarck, North Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the North Dakota Public Finance Authority, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the North Dakota Public Finance Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund of the North Dakota Public Finance Authority, as of December 31, 2023 and 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, and the statement of appropriations, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Reporting Entity

As discussed in Note 1, the financial statements of the North Dakota Public Finance Authority are intended to present the financial position, changes in financial position, cash flows and appropriations of only the portion of the State of North Dakota that is attributable to the North Dakota Public Finance Authority. They do not purport to, and do not, present fairly the financial position of the State of North Dakota, as of December 31, 2023 and 2022, the changes in its financial position, its cash flows or appropriations for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the North Dakota Public Finance Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the North Dakota Public Finance Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the North Dakota Public Finance Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the North Dakota Public Finance Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of employer's share of net pension liability, and schedule of employer contributions, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the North Dakota Public Finance Authority's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 20244 on our consideration of the North Dakota Public Finance Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the North Dakota Public Finance Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Dakota Public Finance Authority's internal control over financial reporting and compliance.

Brady Martz

BRADY, MARTZ & ASSOCIATES, P.C.
BISMARCK, NORTH DAKOTA

March 8, 2024

The discussion and analysis of the financial performance of the North Dakota Public Finance Authority (PFA) that follows is meant to provide additional insight into the PFA's activities for the years ended December 31, 2023, 2022 and 2021. Please read it in conjunction with the PFA's financial statements and footnotes, which are presented within this report.

FINANCIAL HIGHLIGHTS:

The PFA's Legacy Fund Infrastructure Bond Program (Legacy Bonds) was established in 2021 to transfer funds to the Bank of North Dakota (BND) to allocate to legislature approved state infrastructure projects and programs. Bond payments are funded by capitalized interest, earnings on unspent bond proceeds, and transfers from ND Legacy Fund earnings. As of December 31, 2023, 2022, and 2021 capitalized interest of $0, $12,660, and $13,384, respectively was held in Treasury Securities and CDs. Project funds transferred to BND totaled $114,643 in 2023, $101,241 in 2022, and $74,500 in 2021. The bond requirements for the 2023-2025 biennium are $102,620 and were transferred from the general fund in 2023. PFA issued Legacy Bonds (rated Aa2 by Moody's and AA by S&P) of $320,915 in 2022 and $389,200 in 2021. Legacy Bond fund financials are shown in the Special Revenue Fund financial statements.

Proprietary fund municipal securities (loans outstanding) increased 2.7% from $949,084 in 2022 to $974,496 in 2023, and they increased 2.2% from $928,807 in 2021 to $949,084 in 2022. State Revolving Fund (SRF) loans are funded with grant revenues, bond proceeds, and loan repayments, which are invested until loans are funded. There were $99,633 of loans funded in 2023, $80,377 of loans funded in 2022, and $83,134 of loans funded in 2021. The variances are due to the demand fluctuations created by the number of projects outstanding. PFA anticipates loan demand will continue to remain strong as these projects are constructed over the next one to two years. Proprietary Fund Investments decreased by 49.4% to $41,808 in 2023 due to loans being funded from investment proceeds, increased by 168.7% to $82,601 in 2022 due to issuing SRF bonds and purchasing more investments in 2022. Proprietary Fund Investments decreased by 71.1% to $30,741 in 2021 due to loans being funded from investment proceeds.

There were no rebate payments made to the Internal Revenue Service in 2023. An arbitrage refund of $101 was received from the Internal Revenue Service in 2022. There were no rebate payments made to the Internal Revenue Service in 2021. As of year-end, there is no accrued rebate liability or receivable.

No Capital Financing Program "CFP" bonds (rated A+ by Standard and Poor's) were issued in 2023 or 2022, and a $2,130 CFP bond was issued in 2021. The State Revolving Fund Loan Program (rated Aaa by Moody's and AAA by S&P) issues bonds to provide the required match to receive capitalization grants from the EPA and leverage the program. No SRF bonds were issued in 2023, SRF bonds were issued in 2022 totaling $85,330, and no SRF bonds were issued in 2021.

State Revolving Fund expenses were $22,812 for 2023, $5,881 for 2022, and $5,965 for 2021. This is largely due to capitalization grants being required to provide loan forgiveness, which is presented as an expense on the statement of revenues, expenses and changes in net position. Loan forgiveness increased in 2023 due to Infrastructure Investment and Jobs Act (IIJA) requirements.

In its proprietary funds, total assets increased $12,252 to $1,087,915 in 2023 and $25,945 to $1,075,663 in 2022 and decreased $8,475 to $1,049,718 in 2021. The statement of net position indicates that the PFA continues to have adequate resources to provide for bond repayments. Change in net position of the PFA proprietary funds resulted in an increase of $44,258 in 2023, $9,808 in 2022, and $20,727 in 2021 providing the PFA with an overall strong financial position. Grant proceeds account for a significant portion of net position. Federal law provides that grants may only be expended for SRF program purposes, and net position is restricted for debt service of bond issues or for the purchase of municipal securities. As of December 31, 2023, 2022, and 2021, the PFA had $226,860, $157,082, and $152,155, respectively, of commitments to extend credit.

(In Thousands)

REQUIRED FINANCIAL STATEMENTS:

The discussion and analysis are intended to serve as an introduction to the PFA's financial statements. The financial statements of the PFA consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements.

Government-wide financial statements provide a broad view of the PFA's operations in a manner similar to a business entity, providing both short-term and long-term information about the PFA's financial position. These statements include the Statements of Net Position and the Statements of Activities. The government-wide statements combine the PFA's special revenue funds and proprietary funds.

PFA's special revenue fund financial statements show Legacy Bond activity. These statements focus on the near-term inflows and outflows of spendable resources, and the balances left at year-end that are available for future spending. Bond proceeds are shown as a revenue source and accrued interest is not included on the special revenue fund statements. Special Revenue fund statements include the Balance Sheets, Reconciliations of the Balance Sheets-Special Revenue Fund to the Statements of Net Position, Statements of Revenues, Expenditures, and Changes in Fund Balances, and the Reconciliations of the Statements of Revenues, Expenditures, and Changes in Fund Balances to the Statements of Activities.

PFA's proprietary fund financial statements show the State Revolving fund program and Capital Financing Program loan fund activity. Proprietary fund financial statements provide accounting information similar to that of many other business entities. The Statements of Net Position summarize the assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. It also serves as the basis for analysis of the soundness and liquidity of the PFA. The Statements of Revenues, Expenses and Changes in Net Position summarize the PFA's operating performance for two years. The Statements of Cash Flows summarizes the flow of cash through the PFA as it conducts its business.

GOVERNMENTAL ACTIVITIES CONDENSED STATEMENT OF NET POSITION
DECEMBER 31,

	2023	2022	2021	2023 vs. 2022		2022 vs. 2021	
				Dollar Variance	Percentage Variance	Dollar Variance	Percentage Variance
ASSETS							
CURRENT ASSETS - RESTRICTED	**$ 375,996**	$ 520,736	$ 313,583	$ (144,740)	-27.80%	$ 207,153	66.06%
NONCURRENT ASSETS - RESTRICTED	-	-	-	-	100.00%	-	100.00%
TOTAL ASSETS	**375,996**	520,736	313,583	(144,740)	-27.80%	207,153	66.06%
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	100.00%	-	100.00%
LIABILITIES							
CURRENT LIABILITIES	**30,912**	30,386	353	526	1.73%	30,033	8507.93%
NONCURRENT LIABILITIES	**651,456**	680,420	389,842	(28,964)	-4.26%	290,578	74.54%
TOTAL LIABILITIES	**682,368**	710,806	390,195	(28,438)	-4.00%	320,611	82.17%
DEFERRED INFLOWS OF RESOURCES	-	-	-	-	100.00%	-	100.00%
NET POSITION							
UNRESTRICTED	**(306,372)**	(190,070)	(76,612)	(116,302)	61.19%	(113,458)	148.09%
TOTAL NET POSITION	**$ (306,372)**	$ (190,070)	$ (76,612)	$ (116,302)	61.19%	$ (113,458)	148.09%

(In Thousands)

BUSINESS-TYPE ACTIVITIES CONDENSED STATEMENT OF NET POSITION DECEMBER 31,

				2023 vs. 2022		2022 vs. 2021	
	2023	2022	2021	Dollar Variance	Percentage Variance	Dollar Variance	Percentage Variance
ASSETS							
CURRENT ASSETS - RESTRICTED	**$ 154,982**	$ 158,786	$ 145,244	$ (3,804)	-2.40%	$ 13,542	9.32%
NONCURRENT ASSETS - RESTRICTED	**932,933**	916,877	904,474	16,056	1.75%	12,403	1.37%
TOTAL ASSETS	**1,087,915**	1,075,663	1,049,718	12,252	1.14%	25,945	2.47%
DEFERRED OUTFLOWS OF RESOURCES	**252**	394	2,030	(142)	-36.04%	(1,636)	-80.59%
LIABILITIES							
CURRENT LIABILITIES	**30,893**	31,819	30,485	(926)	-2.91%	1,334	4.38%
NONCURRENT LIABILITIES	**413,140**	444,144	434,667	(31,004)	-6.98%	9,477	2.18%
TOTAL LIABILITIES	**444,033**	475,963	465,152	(31,930)	-6.71%	10,811	2.32%
DEFERRED INFLOWS OF RESOURCES	**3,858**	4,076	386	(218)	-5.35%	3,690	955.96%
NET POSITION							
UNRESTRICTED	**2,170**	2,152	1,978	18	0.84%	174	8.80%
RESTRICTED FOR DEBT SERVICE	**92,490**	97,861	90,362	(5,371)	-5.49%	7,499	8.30%
RESTRICTED FOR LOAN PURPOSES	**545,616**	496,005	493,870	49,611	10.00%	2,135	0.43%
TOTAL NET POSITION	**$ 640,276**	$ 596,018	$ 586,210	$ 44,258	7.43%	$ 9,808	1.67%

Certain PFA cash and investments, which are included in the restricted current and non-current assets, are restricted for the debt service of bond issues or for the purchase of municipal securities. Additional discussion of these investments can be found at Note 2 to the financial statements.

Municipal Securities

Obligations of North Dakota political subdivisions are classified separately on the balance sheet as "municipal securities" and included in the restricted current and non-current assets of the Statement of Net Position. These investment securities are primarily city and water district obligations and are pledged to the various bond issues. No future losses for market value declines are anticipated and an allowance has not been provided. Note 3 to the financial statements contains further information regarding municipal securities.

Bonds Payable

In order to provide local political subdivisions with funds to finance projects, the PFA has issued bonds to facilitate the purchase of the political subdivision's municipal securities. The bonds payable are included in the restricted current and non-current liabilities of the preceding statement. The bonds are direct obligations of the PFA and are secured by municipal securities purchased under the applicable resolutions, interest earnings and certain accounts established pursuant to the applicable bond resolutions. Further details are contained in Note 4 to the financial statements.

(In Thousands)

GOVERNMENTAL ACTIVITIES CONDENSED STATEMENT OF ACTIVITIES DECEMBER 31,

	2023	2022	2021	2023 vs. 2022 Dollar Variance	2023 vs. 2022 Percentage Variance	2022 vs. 2021 Dollar Variance	2022 vs. 2021 Percentage Variance
NONOPERATING REVENUE							
Investment income	$ 21,547	$ 4,848	$ 6	$ 16,699	344.45%	$ 4,842	80700.00%
	21,547	4,848	6	16,699	344.45%	4,842	80700.00%
TOTAL REVENUE	21,547	4,848	6	16,699	344.45%	4,842	80700.00%
OPERATING EXPENSES							
Interest expense	23,133	15,515	232	7,618	49.10%	15,283	6587.50%
Bond issue costs	-	1,523	1,886	(1,523)	-100.00%	(363)	-19.25%
Other	73	27	-	46	170.37%	27	100.00%
	23,206	17,065	2,118	6,141	35.99%	14,947	705.71%
TRANSFERS	(114,643)	(101,241)	(74,500)	(13,402)	13.24%	(26,741)	35.89%
CHANGE IN NET POSITION	(116,302)	(113,458)	(76,612)	(2,844)	2.51%	(36,846)	48.09%
TOTAL NET POSITION, BEGINNING OF YEAR	(190,070)	(76,612)	-	(113,458)	-148.09%	(76,612)	-100.00%
TOTAL NET POSITION, END OF YEAR	$ (306,372)	$ (190,070)	$ (76,612)	$ (116,302)	61.19%	$ (113,458)	148.09%

PROPRIETARY FUNDS CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION YEARS ENDED DECEMBER 31,

	2023	2022	2021	2023 vs. 2022 Dollar Variance	2023 vs. 2022 Percentage Variance	2022 vs. 2021 Dollar Variance	2022 vs. 2021 Percentage Variance
OPERATING REVENUES							
Investment income	$ 20,335	$ 20,564	$ 20,821	$ (229)	-1.11%	$ (257)	-1.23%
Grant and set-asides	632	-	491	632	100.00%	(491)	-100.00%
Administrative fees and other	4,629	4,459	4,139	170	3.81%	320	7.73%
	25,596	25,023	25,451	573	2.29%	(428)	-1.68%
NONOPERATING REVENUE							
Grant and set-asides	52,515	8,181	19,184	44,334	541.91%	(11,003)	-57.36%
Investment income	4,999	247	816	4,752	1923.89%	(569)	-69.73%
	57,514	8,428	20,000	49,086	582.42%	(11,572)	-57.86%
TOTAL REVENUE	83,110	33,451	45,451	49,659	148.45%	(12,000)	-26.40%
OPERATING EXPENSES							
Interest expense	15,539	17,112	18,391	(1,573)	-9.19%	(1,279)	-6.95%
State Revolving Fund expenses	22,812	5,881	5,965	16,931	287.89%	(84)	-1.41%
Refund from IRS	-	(101)	-	101	-100.00%	(101)	100.00%
Amortization of bond issue costs	-	348	-	(348)	100.00%	348	100.00%
Other	501	403	368	98	24.32%	35	9.51%
	38,852	23,643	24,724	15,209	64.33%	(1,081)	-4.37%
CHANGE IN NET POSITION	44,258	9,808	20,727	34,450	351.24%	(10,919)	-52.68%
TOTAL NET POSITION, BEGINNING OF YEAR	596,018	586,210	565,483	9,808	1.67%	20,727	3.67%
TOTAL NET POSITION, END OF YEAR	$ 640,276	$ 596,018	$ 586,210	$ 44,258	7.43%	$ 9,808	1.67%

Note 1 to the financial statements contains discussion of several of the various operating revenue and expense items pertaining to PFA operations.

Grants and set-asides

Under an agreement with the North Dakota Department of Environmental Quality, the PFA assists in administering the State Revolving Loan Fund. The grant proceeds are classified as non-operating revenue in the Statement of Revenues, Expenditures and Changes in Net Position.

The purpose of the Loan Fund is to provide low-cost financing to local political subdivisions to finance wastewater disposal system projects and drinking water projects. The federal Environmental Protection Agency (EPA) provides capitalization grants. Capitalization grants require that the state provide 20% match which is funded through bonds issued by the PFA.

Economic Factors and Budgetary Information

Note 1 to the financial statements discusses the PFA's economic dependence on North Dakota political subdivision municipal securities obligations.

As discussed in financial statement Note 1, the PFA, an agency of the Industrial Commission, operates through a biennial appropriation provided by the State Legislature. The PFA prepares a biennial budget as a part of the Industrial Commission's budget, which is included in the Governor's budget that is presented to the General Assembly at the beginning of each legislative session. The PFA has a continuous appropriation of income from operations. Changes to the appropriation not falling under the continuing appropriation are subject to approval by the State Emergency Commission.

Contacting the North Dakota Public Finance Authority's financial management:

The information in this report is intended to provide the reader with an overview of the PFA's operations along with the PFA's accountability for those operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the North Dakota Public Finance Authority, PO Box 5509, Bismarck, ND 58506-5509.

NORTH DAKOTA PUBLIC FINANCE AUTHORITY
STATEMENTS OF NET POSITION
GOVERNMENT-WIDE
DECEMBER 31, 2023 AND 2022
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
ASSETS						
CURRENT ASSETS						
Restricted						
Cash and cash equivalents	$ 8,382	$ 42,407	$ 66,083	$ 38,379	**$ 74,465**	$ 80,786
Interest receivable	193	73	5,528	5,599	**5,721**	5,672
Investments	367,421	478,256	33,095	65,878	**400,516**	544,134
Municipal securities	-	-	50,276	48,930	**50,276**	48,930
Total restricted current assets	375,996	520,736	154,982	158,786	**530,978**	679,522
Total current assets	375,996	520,736	154,982	158,786	**530,978**	679,522
NONCURRENT ASSETS - RESTRICTED						
Investments	-	-	8,713	16,723	**8,713**	16,723
Municipal securities	-	-	924,220	900,154	**924,220**	900,154
Total restricted noncurrent assets	-	-	932,933	916,877	**932,933**	916,877
Total assets	375,996	520,736	1,087,915	1,075,663	**1,463,911**	1,596,399
DEFERRED OUTFLOWS OF RESOURCES						
Derived from pension	-	-	252	394	**252**	394
Total deferred outflows of resources	-	-	252	394	**252**	394
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	-	-	40	65	**40**	65
Bonds payable	29,030	28,460	27,020	27,645	**56,050**	56,105
Interest payable	1,882	1,926	3,833	4,109	**5,715**	6,035
Total current liabilities	30,912	30,386	30,893	31,819	**61,805**	62,205
NONCURRENT LIABILITIES						
Bonds payable	651,456	680,420	412,797	443,620	**1,064,253**	1,124,040
Net pension liability	-	-	343	524	**343**	524
Total noncurrent liabilities	651,456	680,420	413,140	444,144	**1,064,596**	1,124,564
Total liabilities	682,368	710,806	444,033	475,963	**1,126,401**	1,186,769
DEFERRED INFLOWS OF RESOURCES						
Deferred gain on bond refunding	-	-	3,581	3,857	**3,581**	3,857
Derived from pension	-	-	277	219	**277**	219
Total deferred inflows of resources	-	-	3,858	4,076	**3,858**	4,076
NET POSITION						
Unrestricted	(306,372)	(190,070)	2,170	2,152	**(304,202)**	(187,918)
Restricted for debt service	-	-	92,490	97,861	**92,490**	97,861
Restricted for loan purposes	-	-	545,616	496,005	**545,616**	496,005
Total net position	$ (306,372)	$ (190,070)	$ 640,276	$ 596,018	**$ 333,904**	$ 405,948

NORTH DAKOTA PUBLIC FINANCE AUTHORITY
STATEMENT OF ACTIVITIES
GOVERNMENT-WIDE
YEAR ENDED DECEMBER 31, 2023
(In Thousands)

		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Functions:	**Expenses**	**Charges For Services**	**Operating Grants and Contributions**	**Special Revenue Activities**	**Business-Type Activities**	**Total**
GOVERNMENTAL ACTIVITIES						
General government	$ 73	$ 21,547	$ -	$ 21,474	$ -	**$ 21,474**
Interest on long term debt	23,133	-		(23,133)		**(23,133)**
Total governmental activities	23,206	21,547	-	(1,659)	-	**(1,659)**
BUSINESS-TYPE ACTIVITIES						
Total business-type activities	38,852	29,963	53,147		44,258	**44,258**
Total primary government	$ 62,058	$ 51,510	$ 53,147	(1,659)	44,258	**42,599**
Transfers				(114,643)	-	**(114,643)**
Change in net postion				(116,302)	44,258	**(72,044)**
Net position, beginning of year				(190,070)	596,018	**405,948**
Net position, ending				$ (306,372)	$ 640,276	**$ 333,904**

NORTH DAKOTA PUBLIC FINANCE AUTHORITY
STATEMENT OF ACTIVITIES
GOVERNMENT-WIDE
YEAR ENDED DECEMBER 31, 2022
(In Thousands)

		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Functions:	**Expenses**	**Charges For Services**	**Operating Grants and Contributions**	**Special Revenue Activities**	**Business-Type Activities**	**Total**
GOVERNMENTAL ACTIVITIES						
General government	$ 1,550	$ 4,848	$ -	$ 3,298	$ -	**$ 3,298**
Interest on long term debt	15,515	-		(15,515)		**(15,515)**
Total governmental activities	17,065	4,848	-	(12,217)	-	**(12,217)**
BUSINESS-TYPE ACTIVITIES						
Total business-type activities	23,643	25,270	8,181	-	9,808	**9,808**
Total primary government	$ 40,708	$ 30,118	$ 8,181	(12,217)	9,808	**(2,409)**
Transfers				(101,241)	-	**(101,241)**
Change in net postion				(113,458)	9,808	**(103,650)**
Net position, beginning of year				(76,612)	586,210	**509,598**
Net position, ending				$ (190,070)	$ 596,018	**$ 405,948**

NORTH DAKOTA PUBLIC FINANCE AUTHORITY
BALANCE SHEETS
SPECIAL REVENUE FUND
DECEMBER 31, 2023 AND 2022
(In Thousands)

	Legacy Bond Program	
	2023	**2022**
RESTRICTED ASSETS		
Cash and cash equivalents	$ **8,382**	$ 42,407
Investments	**367,421**	478,256
Interest receivable - net	**193**	73
Total assets	**375,996**	520,736
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	-	-
Total liabilities	-	-
FUND BALANCE		
Restricted for projects	**286,996**	504,259
Restricted for bonds payable	**89,000**	16,477
Total fund balance	**375,996**	520,736
Total liabilities and fund balance	$ **375,996**	$ 520,736

NORTH DAKOTA PUBLIC FINANCE AUTHORITY
RECONCILIATIONS OF THE BALANCE SHEETS TO THE STATEMENTS OF NET POSITION
SPECIAL REVENUE FUND
DECEMBER 31, 2023 AND 2022
(In Thousands)

	Legacy Bond Program			
	2023		2022	
Total fund balance-special revenue fund		$ **375,996**		$ 520,736
Amounts reported for special revenue funds in the statement of net position are different because:				
Long-term liabilities and related accrued interest are not due and payable in the current period and therefore are not reported as liabilities in the funds. Those liabilities consist of:				
Bonds payable	$ (680,486)		$ (708,880)	
Accrued interest on long-term liabilities	(1,882)		(1,926)	
Total long-term liabilities		**(682,368)**		(710,806)
Net position of governmental activities		**$ (306,372)**		$ (190,070)

NORTH DAKOTA PUBLIC FINANCE AUTHORITY
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUND
YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands)

	Legacy Bond Program	
	2023	**2022**
REVENUES		
Interest and investment income	$ **21,547**	$ 4,848
Total revenues	**21,547**	4,848
EXPENDITURES		
Administrative expenses	**73**	27
Debt service:		
Principal	**28,460**	-
Interest and other charges	**23,111**	13,821
Total expenditures	**51,644**	13,848
Excess (deficiency) of revenues over expenditures	**(30,097)**	(9,000)
OTHER FINANCE SOURCES (USES)		
Bonds and notes issued	**-**	319,038
Costs of issuance	**-**	(1,523)
Transfers in from other state agency	**102,620**	-
Transfers out to other state agency	**(217,263)**	(101,241)
Total other financing sources (uses)	**(114,643)**	216,274
Net change in fund balance	**(144,740)**	207,274
Fund balance, beginning of year	**520,736**	313,462
FUND BALANCE, ending	$ **375,996**	$ 520,736

NORTH DAKOTA PUBLIC FINANCE AUTHORITY

RECONCILIATIONS OF THE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENTS OF ACTIVITIES
SPECIAL REVENUE FUND
YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands)

	Legacy Bond Program	
	2023	**2022**
Net change in fund balance-special revenue fund	**$ (144,740)**	$ 207,274
Amounts reported for special revenue funds in the statement of net position are different because:		
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liaiblities in the statement of net position.	-	(319,038)
Repayment of long-term debt is reported as an expenditure in governmental funds but reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:		
Bond principal retirement	**28,460**	-
Accrued interest and bond discount amortization on the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the special revenue fund.	**(22)**	(1,694)
Change in net position of special revenue fund	**$ (116,302)**	$ (113,458)

NORTH DAKOTA PUBLIC FINANCE AUTHORITY
STATEMENTS OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2023 AND 2022
(In Thousands)

	Business-Type Activities	
	2023	2022
ASSETS		
CURRENT ASSETS		
Restricted		
Cash and cash equivalents	$ **66,083**	$ 38,379
Interest receivable	**5,528**	5,599
Investments	**33,095**	65,878
Municipal securities	**50,276**	48,930
Total restricted current assets	**154,982**	158,786
Total current assets	**154,982**	158,786
NONCURRENT ASSETS - RESTRICTED		
Investments	**8,713**	16,723
Municipal securities	**924,220**	900,154
Total restricted noncurrent assets	**932,933**	916,877
Total assets	**1,087,915**	1,075,663
DEFERRED OUTFLOWS OF RESOURCES		
Derived from pension	**252**	394
Total deferred outflows of resources	**252**	394
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	**40**	65
Bonds payable	**27,020**	27,645
Interest payable	**3,833**	4,109
Total current liabilities	**30,893**	31,819
NONCURRENT LIABILITIES		
Bonds payable	**412,797**	443,620
Net pension liability	**343**	524
Total noncurrent liabilities	**413,140**	444,144
Total liabilities	**444,033**	475,963
DEFERRED INFLOWS OF RESOURCES		
Deferred gain on bond refunding	**3,581**	3,857
Derived from pension	**277**	219
Total deferred inflows of resources	**3,858**	4,076
NET POSITION		
Unrestricted	**2,170**	2,152
Restricted for debt service	**92,490**	97,861
Restricted for loan purposes	**545,616**	496,005
Total net position	$ **640,276**	$ 596,018

See Notes to Financial Statements

NORTH DAKOTA PUBLIC FINANCE AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands)

	Business-Type Activities	
	2023	2022
OPERATING REVENUES		
Investment income	$ 20,335	$ 20,564
Grant and set-asides	632	-
Administrative fees and other	4,629	4,459
	25,596	25,023
OPERATING EXPENSES		
Interest expense	15,539	17,112
State Revolving Fund loan forgiveness	18,600	2,909
State Revolving Fund administration	3,417	2,819
State Revolving Fund set-asides	795	153
Refund from IRS	-	(101)
Salaries and benefits	347	369
Bond issue costs	-	348
Operating	154	33
Paying agent fees	-	1
	38,852	23,643
OPERATING INCOME (LOSS)	(13,256)	1,380
NONOPERATING REVENUE		
Grant and set-asides	52,515	8,181
Investment income	4,999	247
	57,514	8,428
CHANGE IN NET POSITION	44,258	9,808
TOTAL NET POSITION, BEGINNING OF YEAR	596,018	586,210
TOTAL NET POSITION, END OF YEAR	$ 640,276	$ 596,018

NORTH DAKOTA PUBLIC FINANCE AUTHORITY
STATEMENTS OF CASH FLOWS
PROPRIETARY FUND
YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands)

	Business-Type Activities	
	2023	**2022**
OPERATING ACTIVITIES		
Receipts of administrative fees from customers	$ 4,629	$ 4,459
Grant and set-asides	632	-
Payments to service providers	(4,391)	(3,401)
Payments to employees	(328)	(307)
NET CASH FROM OPERATING ACTIVITIES	542	751
NONCAPITAL FINANCING ACTIVITIES		
Grant and set-asides	52,515	8,181
Interest paid on bonds payable	(19,894)	(20,943)
Bond financing costs	-	(348)
Proceeds from bond premiums	-	17,557
Proceeds from issuance of bonds payable	-	85,330
Principal payments on bonds payable	(27,645)	(82,485)
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	4,976	7,292
INVESTING ACTIVITIES		
Interest received on investments and municipal securities	24,970	21,860
Proceeds from maturities and sales of investments	106,894	86,154
Purchases of investments	(65,666)	(139,215)
Proceeds from maturities of municipal securities	55,622	57,191
Purchases of municipal securities	(99,634)	(80,377)
NET CASH FROM (USED FOR) INVESTING ACTIVITIES	22,186	(54,387)
NET CHANGE IN CASH AND CASH EQUIVALENTS	27,704	(46,344)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	38,379	84,723
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 66,083	$ 38,379

STATEMENTS OF CASH FLOWS – CONTINUED
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2023 AND 2022
(In Thousands)

	2023	2022
RECONCILIATION OF OPERATING INCOME (LOSS) TO TO NET CASH FROM OPERATING ACTIVITIES		
Operating income (loss)	$ (13,256)	$ 1,380
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Bond financing costs	-	348
Net amortization of premium on bonds payable	4,079	4,006
Reclassification of investment income and expense to other activities	9,725	(4,650)
Changes in assets, liabilities, deferred inflows/outflows:		
Pension Accruals	19	62
Accounts payable	(25)	(395)
NET CASH FROM OPERATING ACTIVITIES	$ 542	$ 751

NORTH DAKOTA PUBLIC FINANCE AUTHORITY
STATEMENT OF APPROPRIATIONS
SPECIAL REVENUE FUND
TWO YEARS ENDED JUNE 30, 2023 AND SIX MONTHS ENDED DECEMBER 31, 2023
(In Thousands)

	2023-2025 Appropriations	7-1-2023 12-31-2023 Expenditures	Unexpended Appropriations 12-31-2023
Legacy bond payments	$ 102,620	$ 40,044	$ 62,576
Total expenditures	$ 102,620	$ 40,044	$ 62,576

During the 2021 legislative session, House Bill 1431 authorized the PFA to issue Legacy Fund Infrastructure Program bonds which would provide $680,000 of the proceeds for appropriation to the Bank of North Dakota for allocation to infrastructure projects. Bonds were issued on December 22, 2021, and July 19, 2022, and the Special Revenue Fund transferred proceeds of $374,500 and $305,500, respectively, to provide funds for projects.

NORTH DAKOTA PUBLIC FINANCE AUTHORITY
STATEMENT OF APPROPRIATIONS
PROPRIETARY FUND
TWO YEARS ENDED JUNE 30, 2023 AND SIX MONTHS ENDED DECEMBER 31, 2023
(In Thousands)

Note: Only appropriations of specific amounts are included in this statement. A reconciliation to the proprietary funds salaries and operating expenses on the December 31, 2023 and 2022 Statements of Revenues, Expenses and Changes in Net Position follows:

	2021-2023 Appropriations	7-1-2021 12-31-2021 Expenditures	1-1-2022 12-31-2022 Expenditures	Unexpended Appropriations 12-31-2022	1-1-2023 6-30-2023 Expenditures	Unexpended Appropriations at 6-30-23	2023-2025 Appropriations	7-1-2023 12-31-2023 Expenditures	Unexpended Appropriations 12-31-2023
Salaries and wages	$ 694	$ 153	$ 307	$ 234	$ 154	$ 80	$ 777	$ 176	$ 601
Operating expenses	182	21	33	128	62	66	233	92	141
Total expenditures	$ 876	$ 174	$ 340	$ 362	$ 216	$ 146	$ 1,010	$ 268	$ 742

The Public Finance Authority also incurs noninterest expenditures which are not part of the biennial appropriation process. Examples of these expenditures include expenses associated with the issuance and repayment of bonds issued to fund qualified projects. These expenditures are authorized by the Industrial Commission under the continuing appropriation authority as provided by Article 10, Section 12 of the North Dakota Constitution.

RECONCILIATION OF APPROPRIATION EXPENDITURES TO OPERATING EXPENSES	2023	2022
Total appropriation expenditures for year ended December 31	**$ 484**	$ 340
GASB 68 Adjustment	**17**	62
Interest expense	**15,539**	17,112
State Revolving Fund administrative fees	**22,812**	5,881
Refund from IRS	**-**	(101)
Bond Issue Costs	**-**	348
Paying agent fees	**-**	1
Total operating expenses	**$ 38,852**	$ 23,643

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The North Dakota Public Finance Authority (PFA) was established July 1, 1975, by the North Dakota Legislature, as provided in Chapter 6-09.4 of the North Dakota Century Code, as a separate agency of the State of North Dakota. The purpose of the PFA is to make funds available for borrowing by North Dakota political subdivisions through the issuance of its bonds and the purchase of municipal securities of the political subdivisions. The PFA has been granted all powers required in order to accomplish this purpose and is under the control and management of the North Dakota Industrial Commission.

Reporting Entity

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity*, the PFA should include all component units over which the PFA exercises such aspects as (1) appointing a voting majority of an organization's governing body and (2) has the ability to impose its will on that organization, or (3) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the PFA. Reporting units are further defined as a legally separate, tax exempt affiliated organization that meet all of the following criteria:

- The economic resources of the organization entirely or almost entirely directly benefit the PFA or its constituents, and
- The PFA or its component units are entitled to or can otherwise access, a majority of the economic resources of the organization, and
- The economic resources that the PFA is entitled to, or can otherwise access, are significant to the PFA.

Based on the criteria of GASB Statement No. 61, no organizations were determined to be part of the reporting entity. The PFA is included as a discretely presented component unit within the State of North Dakota's reporting entity.

Budgetary Process

The PFA operates through a biennial appropriation provided by the State Legislature. The PFA prepares a biennial budget which is included in the Governor's budget that is presented to the General Assembly at the beginning of each legislative session. The General Assembly enacts the budgets of the various state departments through passage of specific appropriation bills. The Governor has line item veto powers over all legislation subject to legislative override. Once passed and signed, the appropriation becomes the PFA's financial plan for the next two years. The PFA has a continuous appropriation of income from operations. Changes to the appropriation not falling under the continuing appropriation are subject to approval by the State Emergency Commission.

The Statement of Appropriations has been prepared using the accrual basis of accounting and includes only those expenses for which an appropriation has been established.

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities report information on all non-fiduciary activities of the PFA. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Net Position presents the PFA's non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

- Restricted net position result when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation. The PFA currently presents restricted net position for the following:

    - The PFA administers issuance of bonds for the Legacy Fund Infrastructure Bond program. ND legislation restricts the fund balance to funding legislature-approved state projects and programs, and to repayment of bond principal and interest payments.

    - The PFA administers the financial component of the SRF federal grant programs for the North Dakota Department of Environmental Quality. Grant proceeds account for a significant portion of net position. Federal law provides that the grants may only be expended for SRF program purposes. Net position is also restricted for debt service of bond issues or for the purchase of municipal securities. The PFA follows the CFP and SRF bond indentures for the repayment of restricted net position.

- Unrestricted net position consists of net position that do not meet the definition of the two preceding categories. Unrestricted net position often are designated, to indicate that management does not consider them to be available for general operations. Unrestricted net position often have constraints on resources which are imposed by management, but can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenue.

Fund Financial Statements

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements, with non-major funds being combined into a single column

Basis of Accounting and Measurement Focus

The PFA is presented in the accompanying government-wide financial statements, combining its special revenue (governmental) fund type with its proprietary fund type – an enterprise fund. Separate financial statements are provided for PFA's special revenue fund and proprietary fund. PFA has one major program in its special revenue fund financial statements. Three programs are reported in the proprietary fund financial statements. There are no non-major funds.

PFA accounts for its government-wide and proprietary fund financial statements using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Interest associated with the current year are considered to be susceptible to accrual and have been recognized as revenues in the current year. All other revenues are considered measurable and available when cash is received. Expenditures are recorded when a liability is incurred, as under accrual accounting. However debt service expenditures are recorded only when payment is due.

Proprietary Fund financials are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public or other funds on a continuing basis be financed or recovered primarily through user charges. The PFA recovers its costs through administrative charges to municipalities and earnings on administrative funds. The Program revenues include 1) Income from receivables and 2) Administrative fees. The Non Program revenues include 1) Investment income and 2) Income from grants and set-asides.

The accompanying financial statements of the North Dakota Public Finance Authority follow the pronouncements of the Governmental Accounting Standards Board (GASB), which is the nationally accepted standard-setting body for establishing generally accepted accounting principles for governmental entities. In accordance with Governmental Accounting Standards Board Statement No. 62, the PFA follows all applicable GASB Pronouncements as well as following accounting principles generally accepted in the United States of America.

When both restricted and unrestricted resources are available for use, it is the PFA's policy to use restricted resources first, and then unrestricted resources as they are needed.

Financial Statement Presentation

The PFA reports the following major governmental fund, Legacy Bond Program. The Legacy Bond Program is a special revenue fund. The fund accounts for activities from bond proceeds, which are restricted legally or administratively for the particular costs of an agency or program.

The PFA reports one major propriety fund. The proprietary fund makes fund available for borrowing by North Dakota political subdivisions through the issuance of bonds and the purchase municipal securities of the political subdivisions.

Governmental Fund Types

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Proprietary Fund Types

Enterprise Funds account for those business-like activities that provide goods/services to the public, financed primarily through user charges.

Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the balance sheet and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Concentration of Credit Risk

Municipal securities primarily consist of obligations of cities, school districts and water organizations. The PFA performs credit evaluations and, in some instances, municipal securities are collateralized by property and leases. Generally, the PFA maintains a security interest until related receivables are collected. Municipal securities are due under terms corresponding with applicable bonds. All customers are located in the state of North Dakota.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the North Dakota Public Employees Retirement System (NDPERS) and additions to/deductions from NDPERS' fiduciary net position have been determined on the same basis as they are reported by NDPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Cash and Cash Equivalents

The PFA considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The PFA follows the bond indenture documentation on satisfying requirements for unrestricted and restricted cash and cash equivalents.

Investments

Investments are reported at fair value. All investment income, including changes in the fair value of investments, is recognized in the statement of revenues, expenses, and changes in net position. The PFA follows the bond indenture documentation on satisfying requirements for unrestricted and restricted investments.

Funds held by trustees or the PFA under bond resolutions are to be invested to the fullest extent possible in investment obligations selected by the PFA. The maturity date or the date on which such investment obligations may be redeemed shall coincide as nearly as practicable with the date or dates on which moneys in the funds or accounts for which the investments were made will be required. The restricted bond accounts have their moneys invested in various debt securities such as U.S. Treasury securities, certificates of deposit, agency notes and commercial paper.

Equipment and Furnishings

Equipment and furnishings are stated at cost, net of accumulated depreciation. Equipment and furnishings with a cost of $5,000 or more per unit are capitalized and reported in the accompanying financial statements. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. There is no equipment or furnishings recorded for the years ended December 31, 2023 and 2022.

Expenditures for major additions and improvements that extend the useful lives of equipment and furnishings are capitalized. Routine expenditures for repairs and maintenance are charged to expenses when incurred.

Accumulated Unpaid Vacation and Sick Pay

Annual leave and sick leave are a part of permanent employees' compensation as set forth in Section 54-06-14 of the North Dakota Century Code. Annual leave is earned based on tenure of employment, within a range of a minimum of one working day per month of employment, to a maximum of two working days per month of employment, to be fixed by rules and regulations adopted by the employing unit. In general, accrued annual leave cannot exceed 30 days at each year-end, as set by the Agency. Employees are paid for unused annual leave upon termination or retirement.

Sick leave is earned based on tenure at the rate of one working day per month of employment. There are no limitations on the amount of sick leave that an employee can accumulate. Employees who have ten continuous years of service are paid one-tenth of their accumulated sick leave upon leaving service under chapter 54-52 of the North Dakota Century Code.

Vacation and sick leave are immaterial as of December 31, 2023 and 2022 and are not accrued.

Fund Balance

The difference between fund assets and liabilities is "Fund Balance" on governmental fund statements.

Fund balance classifications for governmental funds are reported in two general classifications, nonspendable and spendable. Nonspendable represents the portion of fund balance that is not in spendable form such as inventories and prepaids. Spendable fund balance is further categorized as restricted, committed, assigned, and unassigned.

- Restricted – includes amounts that can be spent only for the specific purposes stipulated by the State constitution and external parties, such as the federal government, or through enabling legislation.

- Committed – includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority, the state's legislature, through legislation, that is not considered as enabling legislation, passed into law.

- Assigned – includes amounts to be used for specific purposes but do not meet the criteria to be classified as restricted or committed.

- Unassigned – is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

The PFA generally segregates restricted, committed, and assigned resources by individual funds within the governmental funds. When resources meeting more than one of these classifications are comingled within an individual fund, the assumed order of spending is restricted first, committed second, assigned third, and finally, unassigned.

Operating and Non-operating Revenues

Operating revenues consist of sales of goods and services, quasi-external operating transactions with other funds, grant revenue for specific activities that are considered to be operating activities of the grantor, receipts from other agencies for reimbursement of operating transactions and other miscellaneous revenue. Grants that would qualify as an operating activity are those that do not subsidize an existing program, rather they finance a program the agency would not otherwise undertake.

All other revenues that do not meet the above criteria are classified as non-operating.

Administrative Fee Revenue

All loans originated by the PFA are charged an administration fee. These fees are used to cover the costs incurred in the administration of the loan programs. Income is recorded when the fees are received.

Grant and Set-Asides Revenue

The SRF Program grants, received from the United States Environmental Protection Agency, are to be used to make below-market interest rate loans to political subdivisions for the purpose of financing authorized projects. In addition, the Drinking Water SRF Program is allowed to "set-aside" a percentage of each grant award, which is expended for administration, technical assistance and source water assessment programs.

State Revolving Fund Administration Expense

State Revolving Fund administration expenses are incurred by the PFA and North Dakota Department of Environmental Quality in administration of the State Revolving Loan Programs.

State Revolving Fund Set-Asides Expenses

The Drinking Water SRF Program is allowed to "set-aside" a percentage of each grant award, which is expended for administration, technical assistance and source water assessment programs.

NOTE 2 - DEPOSITS AND INVESTMENTS

DEPOSITS

The North Dakota Public Finance Authority is required to maintain its deposits at the Bank of North Dakota. As of December 31, the PFA had the following deposits (amounts in the thousands):

	Bank Balance 2023	Bank Balance 2022
Cash and cash equivalents		
Special Revenue Fund	$ **8,382**	$ 42,407
Proprietary Fund	**66,083**	38,379
Total deposits	$ **74,465**	$ 80,786

Custodial and Concentration of Credit Risk

For a deposit, the custodial credit risk that, in the event of the failure of a depository financial institution, the PFA will not be able to recover collateral securities that are in the possession of an outside party. The PFA's deposits are uncollateralized. All of the deposits are with the Bank of North Dakota.

INVESTMENTS

NDCC 6-09.4-7 authorizes the PFA to invest any funds in the same manner as permitted for investment of funds belonging to the state or the Bank of North Dakota. The PFA does have a formal investment policy. Also, the General Bond Resolution and Master Trust Indenture specify the permitted investments. The PFA follows those stipulations when investing funds.

Funds held by trustees or the PFA under bond resolutions are to be invested to the fullest extent possible in investment obligations selected by the PFA. The maturity date or the date on which such investment obligations may be redeemed shall coincide as nearly as practicable with the date or dates on which moneys in the funds or accounts for which the investments were made will be required. The restricted bond accounts may have their moneys invested in various debt securities such as U.S. Treasury securities, commercial paper, guaranteed investment contracts, agency notes and certificates of deposit. There is no limit on the amount the PFA may invest in any one issuer.

Investment Valuation

The PFA categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The PFA does not have any investments that are measured using Level 3 inputs.

The following tables summarize investment by investment type and input level as of December 31, 2023 and 2022 (amounts are in thousands):

		Fair Value Measurements Using		
Investments	12/31/2023	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Debt Securities				
Special Revenue Fund				
US Treasuries	$ 367,421	$ 367,421	$ -	$ -
Proprietary Fund				
US Treasury notes	16,156	16,156	-	-
Certificates of deposit	2,301	-	2,301	-
Corporate Note	3,887	-	3,887	-
Federal agency notes	6,384	6,384	-	-
Commercial paper	13,080	-	13,080	-
Total Proprietary Fund	41,808	22,540	19,268	-
Total Investments at fair value	$ 409,229	$ 389,961	$ 19,268	$ -

		Fair Value Measurements Using		
Investments	12/31/2022	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Debt Securities				
Special Revenue Fund				
US Treasuries	$ 473,614	$ 473,614	$ -	$ -
Proprietary Fund				
US Treasury notes	20,481	20,481	-	-
Certificates of deposit	5,941	-	5,941	-
Corporate note	9,413	-	9,413	-
Federal agency notes	8,058	8,058	-	-
Commercial paper	38,708	-	38,708	-
Total Proprietary Fund	82,601	28,539	54,062	-
Total Investments at fair value	556,215	$ 502,153	$ 54,062	$ -
Investments measured at cost:				
Certificates of deposit - Bank of ND				
Special Revenue Fund	4,642			
Total Investments	$ 560,857			

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt securities will adversely affect the fair values of an investment. The price of a debt security typically moves in the opposite direction of the change in interest rates. The PFA does not have a formal investment policy that limits investment maturities as a means of managing its exposure to potential fair value losses arising from future changes.

As of December 31, 2023, the following table summarizes investment by investment type and maturity (amounts are in thousands):

Investment Type	Total Fair Value	Less Than 1 Year	1 - 6 Years	6 - 10 Years	More Than 10 Years
Special Revenue Fund					
US Treasuries	$ 367,421	$ 356,360	$ 11,061	$ -	$ -
Proprietary Fund					
US Treasuries	16,156	14,288	1,868	-	-
Certificates of Deposit	2,301	2,301	-	-	-
Corporate Note	3,887	1,562	2,325	-	-
Agency Notes	6,384	1,864	4,520	-	-
Commercial Paper	13,080	13,080	-	-	-
Total Proprietary Fund	41,808	$ 33,095	$ 8,713	$ -	$ -
Total Investments at Fair Value	$ 409,229				

As of December 31, 2022, the following table summarizes investment by investment type and maturity (amounts are in thousands):

Investment Type	Total Fair Value	Less Than 1 Year	1 - 6 Years	6 - 10 Years	More Than 10 Years
Special Revenue Fund					
US Treasuries	$473,614	$473,614	$ -	$ -	$ -
Proprietary Fund					
US Treasuries	20,481	15,153	5,328	-	-
Certificates of Deposit	5,941	5,941	-	-	-
Corporate Note	9,413	4,935	4,478	-	-
Agency Notes	8,058	1,141	6,917	-	-
Commercial Paper	38,708	38,708	-	-	-
Total Proprietary Fund	82,601	$ 65,878	$ 16,723	$ -	$ -
Total Investments at Fair Value	556,215				
Certificates of deposit - Bank of ND					
Special Revenue Fund	4,642				
Total Investments	$560,857				

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2023, the following table summarizes investment by investment type and credit rating (amounts are in thousands):

		Credit Rating*			
Investment Type	Total Fair Value	AAA	AA	A	BBB
Proprietary Fund					
Certificates of Deposit	$ 2,301	$ -	$ -	$ 2,301	$ -
Corporate Note	3,887	-	733	2,562	592
Agency Notes	6,384	237	6,147	-	-
Commercial Paper	13,080	-	-	13,080	-
		$ 237	$ 6,880	$17,943	$ 592
US Government					
Special Revenue Fund	367,421				
Proprietary Fund	16,156				
Total Debt Securities	$409,229				

As of December 31, 2022, the following table summarizes investment by investment type and credit rating (amounts are in thousands):

		Credit Rating*			
Investment Type	Total Fair Value	AAA	AA	A	BBB
Proprietary Fund					
Certificates of Deposit	$ 5,941	$ -	$ -	$ 5,941	$ -
Corporate Note	9,413	-	1,304	6,305	1,804
Agency Notes	8,058	228	7,830	-	-
Commercial Paper	38,708	-	-	38,708	-
		$ 228	$ 9,134	$50,954	$ 1,804
US Government					
Special Revenue Fund	473,614				
Proprietary Fund	20,481				
Total Debt Securities	$556,215				

* Ratings are determined by a nationally recognized statistical rating organization.

NOTE 3 - MUNICIPAL SECURITIES

Obligations of North Dakota political subdivisions are classified separately on the balance sheet as "municipal securities." These investment securities are primarily obligations of cities and water organizations, and are pledged to the various bond issues. Due to the maturity of these securities, a market value is not readily available. The PFA intends to hold these securities to maturity. No future losses for market value decline are anticipated and an allowance has not been provided. The PFA had the following municipal securities as of December 31 (amounts are in thousands):

	2023	2022
Capital Financing Program	**$ 116,152**	$ 124,062
State Revolving Fund Program	**858,344**	825,022
	974,496	949,084
Less current portion	**50,276**	48,930
	$ 924,220	$ 900,154

NOTE 4 - BONDS PAYABLE

Changes in Bonds Payable

Activity for long-term liabilities for the year ended December 31, 2023 was as follows (amounts are in thousands):

	Balance 1/1/2023	Additions	Reductions	Net Accretion of Premiums and Discounts	Balance 12/31/2023	Amounts Due Within One Year
LONG-TERM LIABILITIES						
Bonds payable, Governmental Activities	$ 708,880	$ -	$ 28,460	$ 66	$ 680,486	$ 29,030
Bonds payable, Business-type Activities	471,265	-	27,645	(3,803)	439,817	27,020
Total Bonds Payable	$ 1,180,145	$ -	$ 56,105	$ (3,737)	$ 1,120,303	$ 56,050

Activity for long-term liabilities for the year ended December 31, 2022 was as follows (amounts are in thousands):

	Balance 1/1/2022	Additions	Reductions	Net Accretion of Premiums and Discounts	Balance 12/31/2022	Amounts Due Within One Year
LONG-TERM LIABILITIES						
Bonds payable, Governmental Activities	$ 389,842	$ 319,030	$ -	$ 8	$ 708,880	$ 28,460
Bonds payable, Business-type Activities	460,467	102,887	82,485	(9,604)	471,265	27,645
Total Bonds Payable	$ 850,309	$ 421,917	$ 82,485	$ (9,596)	$ 1,180,145	$ 56,105

Bonds Payable – Governmental Activities

The governmental activities bonds of the PFA are appropriation bonds which have been issued to provide financing to legislature approved state projects and programs. The bonds are limited obligations of the PFA and are payable solely from the funds appropriated by the Legislative Assembly, other legally available funds, if any, and other funds or amounts held by the Trustee as security for the bonds.

Bonds Payable – Business-type Activities

The bonds of the PFA have been issued to provide financing to purchase municipal securities in order to provide local political subdivisions with funds to finance local projects. The bonds are direct obligations of the PFA and are secured by municipal securities purchased under the applicable resolutions, interest earnings and certain accounts established pursuant to the applicable bond resolutions.

Maturities of Bonds Payable – Governmental Activities

Maturities of principal and interest on Governmental Activities bonds are as follows (amounts are in thousands):

Years Ending December 31,	Principal	Interest	Total Debt Service
2024	$ 29,030	$ 22,589	$ 51,619
2025	29,680	21,971	51,651
2026	30,405	21,289	51,694
2027	31,205	20,526	51,731
2028	32,080	19,686	51,766
2029-2033	175,870	83,453	259,323
2034-2038	208,215	52,104	260,319
2039-2041	145,170	11,614	156,784
(Net Discount)	(1,169)	1,169	-
	$ 680,486	$ 254,401	$ 934,887

The following summarizes the PFA's Governmental Activities bonds outstanding at December 31, 2023 and 2022 (amounts are in thousands):

Description and Due Date	Interest Rate	Original Value	**2023**	2022
Special Revenue Fund				
Series 2021-Legacy				
Serial Bonds 6/1/23-6/1/41	0.87 - 3.20	$ 389,200	$ **372,632**	$ 389,809
Series 2022-Legacy				
Serial Bonds 6/1/23-6/1/41	3.30 - 4.80	320,915	**307,854**	319,071
Total Special Revenue Fund			$ **680,486**	$ 708,880

Maturities of Bonds Payable – Business-type Activities

Maturities of principal and interest on Business-type Activities bonds are as follows (amounts are in thousands):

Years Ending December 31,	Principal	Interest	Total Debt Service
2024	$ 27,020	$ 18,570	$ 45,590
2025	27,795	17,587	45,382
2026	27,010	15,920	42,930
2027	28,285	14,635	42,920
2028	29,615	13,289	42,904
2029-2033	142,970	45,329	188,299
2034-2038	87,910	16,206	104,116
2039-2043	18,225	2,981	21,206
2044-2045	4,320	219	4,539
Net Premium	46,667	(46,667)	-
	$ 439,817	$ 98,069	$ 537,886

The following summarizes the PFA's Business-type Activities bonds outstanding at December 31, 2023 and 2022 (amounts are in thousands):

Description and Due Date	Interest Rate	Original Value	**2023**	2022
Proprietary Fund				
Series 2006-IDBP				
Serial Bonds 6/1/07-6/1/31	4.00 - 5.00	$ 1,360	$ **625**	$ 685
Series 2009-CFP				
Serial Bonds 6/1/10-6/1/34	2.00 - 4.88	2,125	**440**	465
Series 2012-SRF				
Serial Bonds 10/1/12-10/1/25 (net of premium)	0.24 - 5.00	37,605	**4,848**	8,991
Series 2012-CFP				
Serial Bonds 6/1/13-6/1/41	2.00 - 3.75	9,635	**3,315**	3,545
Series 2013-CFP				
Serial Bonds 6/1/14-6/1/33	3.00 - 4.00	51,375	**30,615**	33,055
Series 2014-CFP				
Serial Bonds 6/1/15-6/1/34	2.00 - 5.00	41,840	**25,420**	27,565
Series 2015-CFP				
Serial Bonds 6/1/15-6/1/45	2.00 - 5.00	65,845	**50,745**	52,890
Series 2015-SRF				
Serial Bonds 10/1/16-10/1/35 (net of premium)	3.00 - 5.00	119,195	**96,305**	102,340
Series 2016-SRF				
Serial Bonds 10/1/19-10/1/28 (net of premium)	4.00 - 5.00	16,405	**10,734**	12,635
Series 2018-CFP				
Serial Bonds 6/1/19-6/1/28	5.00	1,360	**790**	925
Series 2018-SRF				
Serial Bonds 10/1/19-10/1/38 (net of premium)	5.00	128,625	**123,715**	129,551
Series 2019-CFP				
Serial Bonds 11/1/20-11/1/24	1.75 - 4.00	2,515	**535**	1,060
Series 2021-CFP				
Serial Bonds 10/1/22-10/1/41	2.25 - 5.00	2,130	**1,895**	1,985
Series 2022-SRF				
Serial Bonds 10/1/22-10/1/41 (net of premium)	4.00 - 5.00	85,330	**89,835**	95,573
Total Proprietary Funds			**$ 439,817**	$ 471,265

NOTE 5 - PENSION PLAN

The following brief description of NDPERS is provided for general information purposes only. Participants should refer to NDCC Chapter 54-52 for more complete information.

NDPERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all employees of the State of North Dakota, its agencies and various participating political subdivisions. NDPERS provides for pension, death and disability benefits. The cost to administer the plan is financed through the contributions and investment earnings of the plan.

Responsibility for administration of the NDPERS defined benefit pension plan is assigned to a Board comprised of eleven members. The Governor is responsible for appointing three other members in addition to the chairman of the Board. Four members are appointed by legislative management, and the remaining three Board members are elected from active employees currently contributing to PERS.

Pension Benefits

Benefits are set by statute. NDPERS has no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Member of the Main System are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or exceed 85 (Rule of 85), or at normal retirement age (65). For members hired on or after January 1, 2016 the Rule of 85 was be replaced with the Rule of 90 with a minimum age of 60. The monthly pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. For members hired on or after January 1, 2020 the 2.00% multiplier was replaced with a 1.75% multiplier. The plan permits early retirement at ages 55-64 with three or more years of service. The Main Plan will be closed to new employees with the passage of North Dakota House Bill 1040. The closure of the plan will be effective on January 1, 2025.

Members may elect to receive the pension benefits in the form of a single life, joint and survivor, term-certain annuity, or partial lump sum with ongoing annuity. Members may elect to receive the value of their accumulated contributions, plus interest, as a lump sum distribution upon retirement or termination, or they may elect to receive their benefits in the form of an annuity. For each member electing an annuity, total payment will not be less than the members' accumulated contributions plus interest.

Death and Disability Benefits

Death and disability benefits are set by statute. If an active member dies with less than three years of service for the Main System, a death benefit equal to the value of the member's accumulated contributions, plus interest, is paid to the member's beneficiary. If the member has earned more than three years of credited service for the Main System, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50% of the member's accrued normal retirement benefit, or monthly payments in an amount equal to the member's accrued 100% Joint and Survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the member's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

Eligible members who become totally disabled after a minimum of 180 days of service, receive monthly disability benefits equal to 25% of their final average salary with a minimum benefit of $100. To qualify under this section, the member has to become disabled during the period of eligible employment and apply for benefits within one year of termination. The definition for disabled is set by the NDPERS in the North Dakota Administrative Code.

Refunds of Member Account Balance

Upon termination, if a member of the Main System is not vested (is not 65 or does not have three years of service), they will receive the accumulated member contributions and vested employer contributions, plus interest, or may elect to receive this amount at a later date. If the member has vested, they have the option of applying for a refund or can remain as a terminated vested participant. If a member terminated and withdrew their accumulated member contribution and is subsequently reemployed, they have the option of repurchasing their previous service.

Member and Employer Contributions

Member and employer contributions paid to NDPERS are set by statute and are established as a percent of salaries and wages. Member contribution rates are 7% and employer contribution rates are 7.12% of covered compensation. For members hired on or after January 1, 2020 member contribution rates are 7% and employer contribution rates are 8.26% of covered compensation.

The member's account balance includes the vested employer contributions equal to the member's contributions to an eligible deferred compensation plan. The minimum member contribution is $25 and the maximum may not exceed the following:

1 to 12 months of service – Greater of one percent of monthly salary or $25
13 to 24 months of service – Greater of two percent of monthly salary or $25
25 to 36 months of service – Greater of three percent of monthly salary or $25
Longer than 36 months of service – Greater of four percent of monthly salary or $25

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (amounts are in thousands)

At December 31, 2023 and 2022, the Employer reported a liability of $343 and $524, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Employer's proportion of the net pension liability was based on the Employer's share of covered payroll in the Main System pension plan relative to the covered payroll of all participating Main System employers. At June 30, 2023, the Employer's proportion was 0.017786 percent, which was a decrease of 0.000426 from its proportion measured as of June 30, 2022.

For the years ended December 31, 2023 and 2022, the Employer recognized pension expense of $35 and $78, respectively. At December 31, 2023, the Employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 11	$2
Changes of assumptions	189	260
Net difference between projected and actual earnings on pension plan investments	9	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	29	15
Employer contributions subsequent to the measurement date (see below)	14	-
Total	$252	$ 277

$14 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024.

At December 31, 2022, the Employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3	$ 10
Changes of assumptions	314	194
Net difference between projected and actual earnings on pension plan investments	19	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	45	15
Employer contributions subsequent to the measurement date	13	-
Total	$ 394	$ 219

Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	
2024	$ 9
2025	(30)
2026	3
2027	(21)

Actuarial Assumptions

The total pension liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.5% to 17.75% including inflation
Investment rate of return	6.50%, net of investment expenses
Cost-of-living adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the Sex-distinct Pub-2010 table for General Employees, with scaling based on actual experience. Respective corresponding tables were used for healthy retirees, disabled retirees, and active members. Mortality rates are projected from 2010 using the MP-2019 scale.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	31%	6.25%
International Equity	20%	6.95%
Private Equity	7%	9.45%
Domestic Fixed Income	23%	2.51%
Global Real Assets	19%	4.33%

Discount Rate

For PERS, GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the System to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The current employer and employee fixed rate contributions are assumed to be made in each future year. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. In years where assets are not projected to be sufficient to meet benefit payments, which is the case for the PERS plan, the use of a municipal bond rate is required.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.50%; the municipal bond rate is 3.86%; and the resulting Single Discount Rate is 6.50%.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Employer's Proportionate Share of the Net Pension Liability	$473	$343	$235

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued NDPERS financial report.

NDPERS issues a publicly available financial report that includes financial statements and the required supplementary information for NDPERS. That report may be obtained by writing to NDPERS; 1600 East Century Avenue, Suite 2; P.O. Box 1657; Bismarck, ND 58502-1657.

NOTE 6 - STATE REVOLVING LOAN FUND

Under an agreement with the North Dakota Department of Environmental Quality, the PFA assists in administering the State Revolving Loan Fund. The purpose of the Loan Fund is to provide low cost financing to local political subdivisions to finance wastewater disposal system projects and drinking water projects.

The federal Environmental Protection Agency (EPA) provides capitalization grants. Capitalization grants require that the state provide 20% match which is funded through bonds issued by the PFA.

As of December 31, the following Loan Fund transactions had occurred (amounts are in thousands):

	2023	2022
Municipal securities purchased	$ **99,633**	$ 80,377
EPA grant funds received	**53,147**	8,181

NOTE 7 - RELATED PARTY TRANSACTIONS

All cash accounts of the PFA are deposited in the Bank of North Dakota. All investments are under the safekeeping of the Bank of North Dakota. The Bank of North Dakota acts as paying agent for all bonds and as trustee for the 2012, 2015, 2016, 2018 and 2022 State Revolving Fund Bonds.

The PFA had the following transactions with related parties summarized as follows (amounts are in thousands):

	2023	2022
Bank of North Dakota		
Cash and cash equivalents - restricted	$ **13,902**	$ 42,524
Certificates of deposit recorded as investments (all current portion)	**-**	4,642
Treasury Securities recorded at Fair Value	**368,594**	474,551
Interest receivable	**193**	73
Expenses		
Registrar, paying agent and trustee fees	**164**	174
Treasury fees	**6**	13
Industrial Commission		
Administrative Fees	**86**	21
Information Technology Department		
Telecommunications and data	**7**	5

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Amounts passed through from the State Department of Environmental Quality from federal grantor agencies are subject to audit and adjustment by the federal grantor agencies. Any disallowed grant costs may constitute a liability. The amount, if any, of costs which may be disallowed by the grantor will be recognized in the year determined.

The PFA is a party to credit related financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit. Such commitments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the balance sheet.

The PFA's exposure to credit loss is represented by the contractual amount of these commitments. The PFA follows the same credit policies in making commitments as it does for on-balance-sheet instruments. Commitments to extend credit totaled (in thousands) $226,860 and $157,082 as of December 31, 2023 and 2022, respectively.

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Since some of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements.

The PFA purchased letters of credit from the Bank of North Dakota in order to fund the reserves for the Capital Financing Program Bonds. As of December 31, 2023, $27,278 (in thousands) of credit was available through these letters of credit and no funds have been advanced.

NOTE 9 - RISK MANAGEMENT

The PFA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The following are funds/pools established by the State for risk management issues:

The 1995 Legislative Session established the Risk Management Fund (RMF), an internal service fund, to provide a self-insurance vehicle for funding the liability exposures of state agencies resulting from the elimination of the state's sovereign immunity. The RMF manages the tort liability of the state, its agencies' employees, and the University System. All state agencies participate in the RMF and their fund contribution was determined using a projected cost allocation approach. The statutory liability of the State is limited to a total of $250 per person and $1,000 per occurrence.

The PFA also participates in the North Dakota Fire and Tornado Fund and the State Bonding Fund. The PFA pays an annual premium to the Fire and Tornado Fund to cover property damage to personal property. Replacement cost coverage is provided by estimating replacement cost in consultation with the Fire and Tornado Fund. The Fire and Tornado Fund is reinsured by a third party insurance carrier for losses in excess of one million dollars per occurrence during a twelve-month period. The State Bonding Fund currently provides the PFA with blanket fidelity bond coverage in the amount of $2,000 for its employees. The State Bonding Fund does not currently charge any premium for this coverage.

The PFA, as a contributor to RMF, participates in the North Dakota Workforce Safety and Insurance (WSI), an Enterprise Fund of the State of North Dakota. WSI is a state insurance fund and a "no fault" insurance system covering the State's employers and employees financed by premiums assessed to employers. The premiums are available for the payment of claims to employees injured in the course of employment.

There have been no significant reductions in insurance coverage from the prior year and settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NORTH DAKOTA PUBLIC FINANCE AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION

NORTH DAKOTA PUBLIC FINANCE AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023 AND 2022
(In Thousands)

Schedule of Employer's Share of Net Pension Liability
ND Public Employees Retirement System
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
1. Employer's proportion of the net pension liability (asset)	0.01779%	0.01821%	0.01825%	0.01370%	0.01631%	0.01655%	0.01652%	0.01635%	0.01789%	0.01765%
2. Employer's proportionate share of the net pension liability (asset)	$343	$524	$190	$431	$191	$279	$266	$159	$122	$112
3. Employer's covered payroll	$218	$211	$207	$151	$170	$170	$169	$165	$159	$149
4. Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	157.68%	248.10%	92.04%	285.19%	112.68%	164.27%	157.40%	96.36%	76.33%	75.35%
5. Plan fiduciary net position as a percentage of the total pension liability	65.31%	54.47%	78.26%	48.91%	71.66%	62.80%	61.98%	70.46%	77.15%	77.70%

Data reported is measured as of June 30 of the years presented.

Schedule of Employer Contributions
ND Public Employees Retirement System
Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	$16	$16	$15	$11	$12	$13	$12	$12	$12	$19
Contributions in relation to the statutorily required contribution	($16)	($15)	($13)	($10)	($12)	($11)	($12)	($12)	($12)	($10)
Contribution deficiency (excess)	$0	$1	$2	$0	$0	$1	$0	$0	$0	($8)
Agency's covered payroll	$218	$211	$207	$151	$170	$170	$169	$165	$159	$153
Contributions as a percentage of covered payroll	7.31%	7.31%	6.36%	6.82%	7.12%	6.73%	7.12%	7.27%	7.60%	6.80%

Data reported is measured as of December 31 of the years presented.

Notes to Required Supplementary Information
For the Year Ended December 31, 2023

Changes of benefit terms.

In 2023, House Bill 1040 was passed, which closes the Main System to employees newly enrolled into the system on January 1, 2025 and later. The state employer contribution for 2026 and later was changed to be the amount sufficient to fund the Main System on actuarial basis, with the amortization of the unfunded liability determined on a level percent of payroll basis over a closed period beginning on January 1, 2026 and ending June 30, 2056.

Changes of assumptions

All actuarial assumptions used in the actuarial valuation as of July 1, 2022 were based on an experience review for the period from July 1, 2014 to July 1, 2019, and were adopted for first use commencing with the actuarial valuation as of July 1, 2020. There have been no changes in actuarial assumptions since the previous actuarial valuation as of July 1, 2022.

NORTH DAKOTA PUBLIC FINANCE AUTHORITY
SUPPLEMENTARY INFORMATION

NORTH DAKOTA PUBLIC FINANCE AUTHORITY
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2023
(In Thousands)

	Proprietary Fund			
	Clean Water SRF	Drinking Water SRF	Capital Financing Program	Total
ASSETS				
CURRENT ASSETS				
Restricted				
Restricted cash and cash equivalents	$ 32,047	$ 33,946	$ 90	$ 66,083
Interest receivable	2,806	2,293	429	5,528
Investments	2,880	29,042	1,173	33,095
Municipal securities	22,732	19,371	8,173	50,276
Total restricted current assets	60,465	84,652	9,865	154,982
Total current assets	60,465	84,652	9,865	154,982
NONCURRENT ASSETS - RESTRICTED				
Investments	4,152	4,561	-	8,713
Municipal securities	452,932	363,309	107,979	924,220
Total restricted noncurrent assets	457,084	367,870	107,979	932,933
Total assets	517,549	452,522	117,844	1,087,915
DEFERRED OUTFLOWS OF RESOURCES				
Derived from pension	-	-	252	252
Total deferred outflows of resources	-	-	252	252
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	-	5	35	40
Bonds payable	9,888	9,007	8,125	27,020
Interest payable	1,924	1,483	426	3,833
Total current liabilities	11,812	10,495	8,586	30,893
NONCURRENT LIABILITIES				
Bonds payable	171,891	134,651	106,255	412,797
Net pension liability	-	-	343	343
Total noncurrent liabilities	171,891	134,651	106,598	413,140
Total liabilities	183,703	145,146	115,184	444,033
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on bond refunding	2,018	1,563	-	3,581
Derived from pension	-	-	277	277
Total deferred inflows of resources	2,018	1,563	277	3,858
NET POSITION				
Unrestricted	-	-	2,170	2,170
Restricted for debt service	33,275	58,750	465	92,490
Restricted for loan purposes	298,553	247,063	-	545,616
Total net position	$ 331,828	$ 305,813	$ 2,635	$ 640,276

NORTH DAKOTA PUBLIC FINANCE AUTHORITY
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2022
(In Thousands)

	Proprietary Fund			
	Clean Water SRF	Drinking Water SRF	Capital Financing Program	Total
ASSETS				
CURRENT ASSETS				
Restricted				
Restricted cash and cash equivalents	$ 16,683	$ 21,541	$ 155	$ 38,379
Interest receivable	2,861	2,282	456	5,599
Investments	38,559	26,382	937	65,878
Municipal securities	21,662	19,371	7,897	48,930
Total restricted current assets	79,765	69,576	9,445	158,786
Total current assets	79,765	69,576	9,445	158,786
NONCURRENT ASSETS - RESTRICTED				
Investments	7,765	8,958	-	16,723
Municipal securities	420,401	363,588	116,165	900,154
Total restricted noncurrent assets	428,166	372,546	116,165	916,877
Total assets	507,931	442,122	125,610	1,075,663
DEFERRED OUTFLOWS OF RESOURCES				
Derived from pension	-	-	394	394
Total deferred outflows of resources	-	-	394	394
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	-	37	28	65
Bonds payable	9,685	10,165	7,795	27,645
Interest payable	2,045	1,610	454	4,109
Total current liabilities	11,730	11,812	8,277	31,819
NONCURRENT LIABILITIES				
Bonds payable	183,669	145,571	114,380	443,620
Net pension liability	-	-	524	524
Total noncurrent liabilities	183,669	145,571	114,904	444,144
Total liabilities	195,399	157,383	123,181	475,963
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on bond refunding	2,244	1,613	-	3,857
Derived from pension	-	-	219	219
Total deferred inflows of resources	2,244	1,613	219	4,076
NET POSITION				
Unrestricted	-	-	2,152	2,152
Restricted for debt service	52,245	45,164	452	97,861
Restricted for loan purposes	258,043	237,962	-	496,005
Total net position	$ 310,288	$ 283,126	$ 2,604	$ 596,018

NORTH DAKOTA PUBLIC FINANCE AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2023
(In Thousands)

	Proprietary Fund			
	Clean Water SRF	Drinking Water SRF	Capital Financing Program	Total
OPERATING REVENUES				
Investment income	$ 8,421	$ 6,667	$ 5,247	$ 20,335
Grant and set-asides	-	632	-	632
Administrative fees and other	2,266	1,923	440	4,629
	10,687	9,222	5,687	25,596
OPERATING EXPENSES				
Interest expense	5,942	4,350	5,247	15,539
State Revolving Fund loan forgiveness	7,155	11,445	-	18,600
State Revolving Fund administration	1,349	2,068	-	3,417
State Revolving Fund set-asides	-	795	-	795
Salaries and benefits	-	-	347	347
Operating	-	-	154	154
	14,446	18,658	5,748	38,852
OPERATING LOSS	(3,759)	(9,436)	(61)	(13,256)
NONOPERATING REVENUE				
Grant and set-asides	22,073	30,442	-	52,515
Investment income	2,226	2,681	92	4,999
	24,299	33,123	92	57,514
INCOME BEFORE TRANSFERS	20,540	23,687	31	44,258
TRANSFERS	1,000	(1,000)	-	-
CHANGE IN NET POSITION	21,540	22,687	31	44,258
TOTAL NET POSITION, BEGINNING OF YEAR,	310,288	283,126	2,604	596,018
TOTAL NET POSITION, END OF YEAR	$ 331,828	$ 305,813	$ 2,635	$ 640,276

NORTH DAKOTA PUBLIC FINANCE AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2022
(In Thousands)

	Proprietary Fund			
	Clean Water SRF	Drinking Water SRF	Capital Financing Program	Total
OPERATING REVENUES				
Investment income	$ 8,036	$ 6,881	$ 5,647	$ 20,564
Administrative fees and other	2,089	1,919	451	4,459
	10,125	8,800	6,098	25,023
OPERATING EXPENSES				
Interest expense	6,516	4,949	5,647	17,112
State Revolving Fund loan forgiveness	991	1,918	-	2,909
State Revolving Fund administration	763	2,056	-	2,819
State Revolving Fund set-asides	-	153	-	153
Refund due to IRS	-	(101)	-	(101)
Salaries and benefits	-	-	369	369
Bond Issue Costs	181	167	-	348
Operating	-	-	33	33
Paying agent fees	-	-	1	1
	8,451	9,142	6,050	23,643
OPERATING GAIN (LOSS)	1,674	(342)	48	1,380
NONOPERATING REVENUE				
Grant and set-asides	6,262	1,919	-	8,181
Investment income	148	48	51	247
	6,410	1,967	51	8,428
INCOME BEFORE TRANSFERS	8,084	1,625	99	9,808
TRANSFERS	1,000	(1,000)	-	-
CHANGE IN NET POSITION	9,084	625	99	9,808
TOTAL NET POSITION, BEGINNING OF YEAR	301,204	282,501	2,505	586,210
TOTAL NET POSITION, END OF YEAR	$ 310,288	$ 283,126	$ 2,604	$ 596,018

NORTH DAKOTA PUBLIC FINANCE AUTHORITY
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023
(In Thousands)

	Proprietary Fund			
	Clean Water SRF	Drinking Water SRF	Capital Financing Program	Total
OPERATING ACTIVITIES				
Receipts of administrative fees from customers	$ 2,266	$ 1,923	$ 440	$ 4,629
Grant and set-asides	-	632	-	632
Payments to service providers	(1,349)	(2,895)	(147)	(4,391)
Payments to employees	-	-	(328)	(328)
NET CASH FROM (USED FOR) OPERATING ACTIVITIES	917	(340)	(35)	542
NONCAPITAL FINANCING ACTIVITIES				
Grant and set-asides	22,073	30,442	-	52,515
Transfers	1,000	(1,000)	-	-
Interest paid on bonds payable	(8,179)	(6,440)	(5,275)	(19,894)
Principal payments on bonds payable	(9,685)	(10,165)	(7,795)	(27,645)
NET CASH FROM (USED FOR) NONCAPITAL FINANCING ACTIVITIES	5,209	12,837	(13,070)	4,976
INVESTING ACTIVITIES				
Interest received on investments and municipal securities	10,487	9,118	5,365	24,970
Proceeds from maturities and sales of investments	46,346	57,452	3,096	106,894
Purchases of investments	(6,839)	(55,496)	(3,331)	(65,666)
Proceeds from maturities of municipal securities	24,220	23,492	7,910	55,622
Purchases of municipal securities	(64,976)	(34,658)	-	(99,634)
NET CASH FROM (USED FOR) INVESTING ACTIVITIES	9,238	(92)	13,040	22,186
NET CHANGE IN CASH AND CASH EQUIVALENTS	15,364	12,405	(65)	27,704
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	16,683	21,541	155	38,379
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 32,047	$ 33,946	$ 90	$ 66,083

COMBINING STATEMENT OF CASH FLOWS – CONTINUED
YEAR ENDED DECEMBER 31, 2023
(In Thousands)

	Proprietary Fund			
	Clean Water SRF	Drinking Water SRF	Capital Financing Program	Total
RECONCILIATION OF OPERATING LOSS TO NET CASH FROM (USED FOR) OPERATING ACTIVITIES				
Operating loss	$ (3,759)	$ (9,436)	$ (61)	$ (13,256)
Adjustments to reconcile operating loss to net cash from operating activities				
Net amortization of premium on bonds payable	2,116	1,963	-	4,079
Reclassification of operating income and expense to other activities	2,560	7,165	-	9,725
Changes in assets, liabilities, deferred inflows/outflows				
Pension Accruals			19	19
Accounts payable	-	(32)	7	(25)
NET CASH FROM (USED FOR) OPERATING ACTIVITIES	$ 917	$ (340)	$ (35)	$ 542

NORTH DAKOTA PUBLIC FINANCE AUTHORITY
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022
(In Thousands)

	Proprietary Fund			
	Clean Water SRF	Drinking Water SRF	Capital Financing Program	Total
OPERATING ACTIVITIES				
Receipts of administrative fees from customers	$ 2,089	$ 1,919	$ 451	$ 4,459
Payments to service providers	(763)	(2,600)	(38)	(3,401)
Payments to employees	-	-	(307)	(307)
NET CASH FROM (USED FOR) OPERATING ACTIVITIES	1,326	(681)	106	751
NONCAPITAL FINANCING ACTIVITIES				
Grant and set-asides	6,262	1,919	-	8,181
Transfers	1,000	(1,000)	-	-
Interest paid on bonds payable	(8,538)	(6,721)	(5,684)	(20,943)
Bond financing costs	(181)	(167)	-	(348)
Proceeds from bond premiums	8,768	8,789	-	17,557
Proceeds from issuance of bonds payable	42,230	43,100	-	85,330
Principal payments on bonds payable	(35,458)	(36,752)	(10,275)	(82,485)
NET CASH FROM (USED FOR) NONCAPITAL FINANCING ACTIVITIES	14,083	9,168	(15,959)	7,292
INVESTING ACTIVITIES				
Interest received on investments and municipal securities	8,630	7,504	5,726	21,860
Proceeds from maturities and sales of investments	47,729	37,125	1,300	86,154
Purchases of investments	(76,197)	(61,389)	(1,629)	(139,215)
Proceeds from maturities of municipal securities	23,167	23,510	10,514	57,191
Purchases of municipal securities	(52,737)	(27,640)	-	(80,377)
NET CASH FROM (USED FOR) INVESTING ACTIVITIES	(49,408)	(20,890)	15,911	(54,387)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(33,999)	(12,403)	58	(46,344)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	50,682	33,944	97	84,723
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 16,683	$ 21,541	$ 155	$ 38,379

COMBINING STATEMENT OF CASH FLOWS – CONTINUED
YEAR ENDED DECEMBER 31, 2022
(In Thousands)

	Proprietary Fund			
	Clean Water SRF	Drinking Water SRF	Capital Financing Program	Total
RECONCILIATION OF OPERATING GAIN (LOSS) TO NET CASH FROM OPERATING ACTIVITIES				
Operating gain (loss)	$ 1,674	$ (342)	$ 48	$ 1,380
Adjustments to reconcile operating loss to net cash used for operating activities				
Bond financing costs	181	167	-	348
Net amortization of premium on bonds payable	2,080	1,926	-	4,006
Reclassification of operating income and expense to other activities	(2,609)	(2,041)	-	(4,650)
Changes in assets, liabilities, deferred inflows/outflows:				
Pension Accruals			62	62
Accounts payable	-	(391)	(4)	(395)
NET CASH FROM (USED FOR) OPERATING ACTIVITIES	$ 1,326	$ (681)	$ 106	$ 751

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Exhibit A-1

SUMMARY OF NORTH DAKOTA
PUBLIC FINANCE AUTHORITY AUDIT
FOR FISCAL YEAR ENDED DECEMBER 31, 2023
PREPARED BY BRADY, MARTZ & ASSOCIATES, P.C.
MARCH 8, 2024

Purpose of the audit: To determine the financial statements are free from material misstatement.

Type of opinion: Unmodified

Summary of finding/recommendations: No findings/recommendations

Explanations of significant audit adjustments and correct or uncorrected misstatements:

1. The following material misstatements were identified as a result of the audit procedures performed, which were corrected by management:
   a. None

2. The following uncorrected misstatements were identified as a result of the audit procedures performed, which were determined by management to be immaterial both individually and in the aggregate:
   a. None

Disagreements with management or difficulties encountered in performing the audit: None

Other items to highlight in the report: None

Cost of the audit:
Current audit $23,425
Prior audit $22,605

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Governor Doug Burgum
The Legislative Assembly
State of North Dakota
Bismarck, North Dakota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of North Dakota Public Finance Authority, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise North Dakota Public Finance Authority's basic financial statements, and have issued our report thereon dated March 8, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered North Dakota Public Finance Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of North Dakota Public Finance Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of North Dakota Public Finance Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether North Dakota Public Finance Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brady Martz

BRADY, MARTZ & ASSOCIATES, P.C.
BISMARCK, NORTH DAKOTA

March 8, 2024

BradyMartz

EXHIBIT A-3

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Governor Doug Burgum
The Legislative Assembly
State of North Dakota
Bismarck, North Dakota

Report on Compliance for the Major Federal Program

Opinion on Each Major Federal Program

We have audited North Dakota Public Finance Authority's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of North Dakota Public Finance Authority's major federal programs for the year ended December 31, 2023. North Dakota Public Finance Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, North Dakota Public Finance Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of North Dakota Public Finance Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of North Dakota Public Finance Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to North Dakota Public Finance Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on North Dakota Public Finance Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about North Dakota Public Finance Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding North Dakota Public Finance Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of North Dakota Public Finance Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of North Dakota Public Finance Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Brady Martz

BRADY, MARTZ & ASSOCIATES, P.C.
BISMARCK, NORTH DAKOTA

March 8, 2024

NORTH DAKOTA PUBLIC FINANCE AUTHORITY

EXHIBIT A-4

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS)

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Expenditures (In Thousands)	Amounts Passed-Through to Subrecipients (In Thousands)
ENVIRONMENTAL PROTECTION AGENCY			
Passed through the North Dakota Department of Environmental Quality			
Clean Water State Revolving Funds cluster:			
Capitalization grants for Clean Water State Revolving Funds	66.458	$ 3,683	$ 3,683
IIJA grants for Clean Water State Revolving Funds	66.458	18,390	18,390
Total Clean Water State Revolving Funds cluster:		22,073	22,073
Drinking Water State Revolving Funds cluster:			
Capitalization grants for Drinking Water State Revolving Funds	66.468	7,107	7,107
IIJA Supplemental grants for Drinking Water State Revolving Funds	66.468	15,330	15,330
IIJA Emerging Contaminants grants for Drinking Water State Revolving Funds	66.468	7,800	7,800
IIJA Lead Service Line Replacement grants for Drinking Water State Revolving Funds	66.468	837	205
Total Drinking Water State Revolving Funds cluster:		31,074	30,442
Total Environmental Protection Agency		$ 53,147	$ 52,515

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule of expenditures of federal awards (the "schedule") are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or limited as to reimbursement.

NOTE 2 - INDIRECT COST RATE

The agency has not elected to use the 10% de minimis cost rate.

NOTE 3 - AGENCY OR PASS-THROUGH NUMBER

The pass-through entity has not provided us with the identifying number on all programs; therefore, they are not included in the schedule.

NOTE 4 - SUBRECIPIENTS

The amounts passed through to sub-recipients consist entirely of loans advanced to the sub-recipients.

The North Dakota Public Finance Authority also has outstanding loan balances to sub-recipients from prior years. These balances are not included on the accompanying schedule of expenditures and federal awards because the federal government imposes no continuing compliance requirements on the sub-recipient.

NOTE 5 - BASIS OF PRESENTATION

The accompanying schedule includes the federal award activity of North Dakota Public Finance Authority under programs of the federal government for the year ended December 31, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of *Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The amounts reported on the schedule have been reconciled to and are in agreement with amounts recorded in the accounting records from which the financial statements have been reported.

A. SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

None.

Section I – Summary of Auditor's Results

Financial Statements	
Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted	No
Federal Awards	
Internal control over major programs:	
Material weakness identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No
Identification of major programs:	
Name of Federal Program or Cluster	AL Number
Capitalization Grants for Drinking Water State Revolving Funds Cluster	66.468
Dollar threshold used to distinguish between Type A and Type B programs	$750,000
Auditee qualified as a low-risk auditee	Yes

Section II – Financial Statement Findings

No financial statement findings reported in the current year.

Section III – Federal Award Findings and Questioned Costs

No federal award findings reported in the current year.

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EXHIBIT B-1

**INDEPENDENT AUDITOR'S COMMUNICATION
TO THE INDUSTRIAL COMMISSION OF NORTH DAKOTA**

March 8, 2024

Governor Doug Burgum
The Legislative Assembly
State of North Dakota
Bismarck, North Dakota

We have audited the financial statements of the governmental activities, business-type activities and each major fund of North Dakota Public Finance Authority for the year ended December 31, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 21, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by North Dakota Public Finance Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by North Dakota Public Finance Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no corrected or uncorrected misstatements identified during the course of the audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 8, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to North Dakota Public Finance Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as North Dakota Public Finance Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, schedule of employer's share of net pension liability, and schedule of employer contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining financial statements and the schedule of expenditures of federal awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the North Dakota Industrial Commission, Legislative Audit and Fiscal Review Committee and management of North Dakota Public Finance Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Brady Martz

BRADY, MARTZ & ASSOCIATES, P.C.
BISMARCK, NORTH DAKOTA

North Dakota Public Finance Authority

2023
Annual Report

NORTH DAKOTA PUBLIC FINANCE AUTHORITY

Industrial Commission of North Dakota

Doug Burgum
Governor
Chairman

Drew H. Wrigley
Attorney General

Doug Goehring
Agriculture Commissioner

Advisory Committee

Keith Lund
Grand Forks

Linda Svihovec
Watford City

John Phillips
Beulah

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NORTH DAKOTA
PUBLIC FINANCE AUTHORITY

2023 Annual Report

CONTENTS

NORTH DAKOTA PUBLIC FINANCE AUTHORITY

The North Dakota Public Finance Authority (PFA) was established for the purpose of making loans to political subdivisions of the State through the purchase of municipal securities which, in the opinion of the Attorney General of North Dakota, are properly eligible for purchase by the PFA. Subject to credit and program requirements, a loan can be made by the PFA to a political subdivision for any purpose for which the political subdivision has the legal authority to borrow money through the issuance of municipal securities. Certain types of municipal securities issued under N.D.C.C. ch. 40-57 (MIDA bonds) may also be purchased by the PFA.

The PFA, which is under the operation, control, and management of the Industrial Commission of North Dakota, is a self-supporting state agency. The costs and expenses of operation of the PFA are financed with earnings on program assets and fees paid by participating political subdivisions.

Obligations of the PFA which are issued to provide funds to purchase municipal securities do not constitute a debt or liability of the State or a pledge of the faith or credit of the State. All obligations of the PFA are payable solely from revenues or program assets pledged or available for their payment as authorized by law. The PFA has no authority to incur any indebtedness or liability on behalf of or payable by the State.

The PFA is authorized by statute (N.D.C.C. § 6-09.4-10(1)) to establish and maintain a reserve fund for its bonds. The Legislative Assembly has made a non-binding pledge to the PFA to replenish the reserve fund if it is depleted by the default of a political subdivision. Section 6-09.4-10(4) provides that "there shall be appropriated by the legislative assembly and paid to the PFA for deposit in the reserve fund, such sum, if any, as shall be certified by the industrial commission as necessary to restore the fund to an amount equal to the required debt service reserve." Because future Legislative Assemblies are not legally obligated or required to appropriate moneys certified as necessary by the Industrial Commission, this statutory provision is referred to as a "moral obligation." There has never been the need to request an appropriation for the reserve fund.

Mission

To develop rural and urban North Dakota by providing political subdivisions and other qualifying organizations access to flexible and competitive financing options for their local qualifying projects.

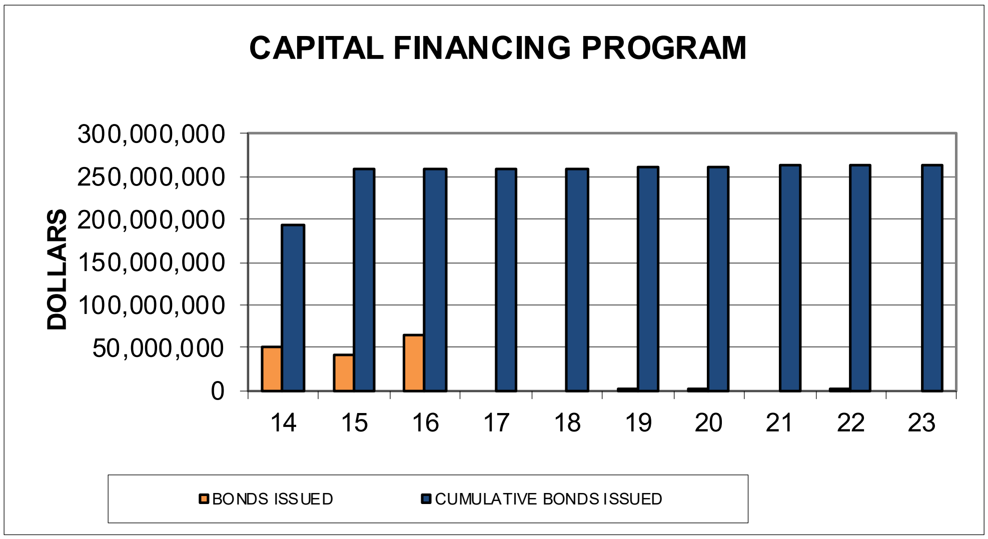
Vision Statement

A municipal bond market that realizes the competitive advantage of utilizing the North Dakota Public Finance Authority's (PFA) superior bond rating to issue municipal securities, resulting in lower interest rates to fund local projects. A PFA that enables customers to utilize on-line services, such as accessing account information or applying for additional financing. A PFA that leads a cooperative effort with other state agencies to combine available resources into programs that finance infrastructure and improvements for political subdivisions and other qualifying organizations. A State that recognizes the PFA as the leader in providing municipal financing for local projects.

CAPITAL FINANCING PROGRAM

Under its Capital Financing Program (CFP), the PFA makes loans for the purpose of financing projects or improvements for which political subdivisions are legally authorized to borrow money through the issuance of municipal securities. Subject to credit requirements and certain program requirements, financing is available in any dollar amount.

The interest rates payable by a political subdivision are market rates, which are set through a competitive bid process when the PFA issues and sells its bonds to fund a loan. The interest rates paid by the PFA on its bonds are the same rates a political subdivision will pay on its municipal securities sold to the PFA.



On September 26, 2018 the Capital Financing Program was upgraded from a rating of “A+” to “AA-” by Standard & Poor’s Ratings Group.

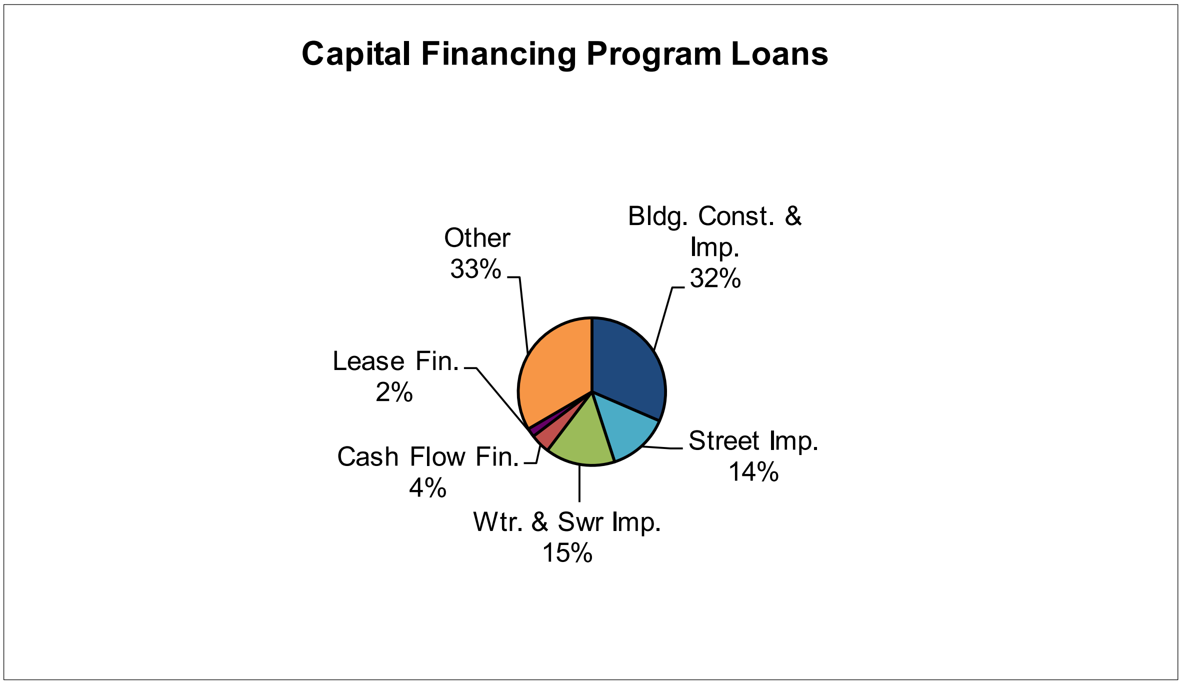
There were no CFP Bonds issued in 2023.

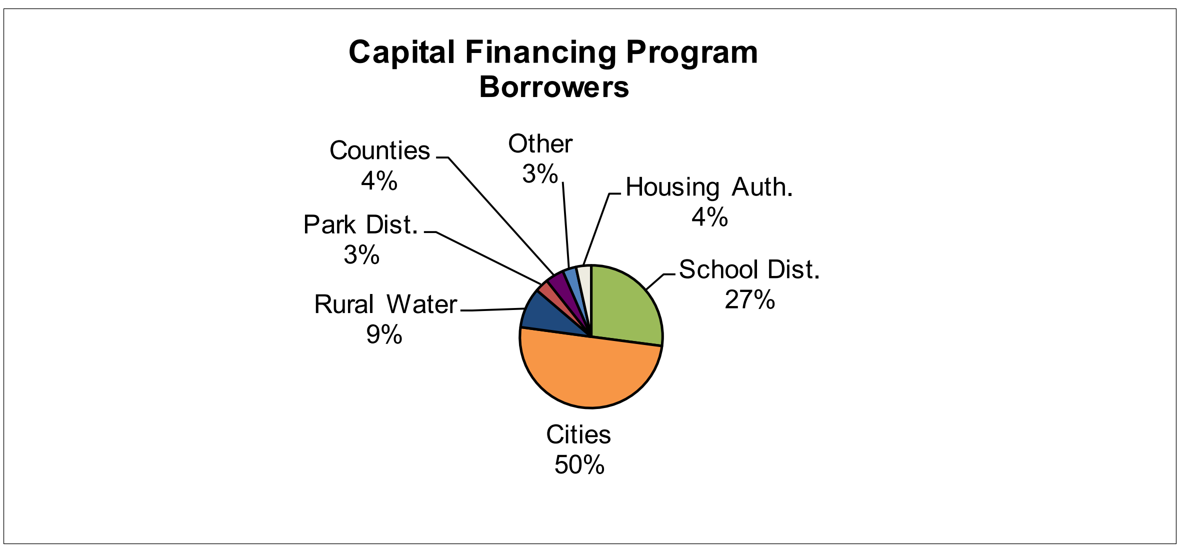
The total outstanding amount of CFP Reserve Fund Letters of Credit on December 31, 2023 was \$27,079,973. The CFP Reserve Fund Letters of Credit are issued to meet the requirement of the CFP General Bond Resolution that the PFA maintain reserves for each series, equal to the largest aggregate amount of principal and interest due in any twenty-four-consecutive month period. The CFP Reserve Fund Letters of Credit are issued by Bank of North Dakota (BND).

As of December 31, 2023, the total cumulative amount of bonds issued under the CFP General Bond Resolution was \$264,125,000 and the total outstanding amount of bonds under the CFP General Bond Resolution was \$113,755,000.

Part F of Attachment 1 beginning on page 1-5 of this Report contains a complete list, as of December 31, 2023, of all loans made by the PFA with proceeds of CFP Bonds issued under the CFP General Bond Resolution, including the name of each political subdivision, the original amount of each loan, and the outstanding principal of each loan.

Part F of Attachment 2 on page 2-1 of this Report contains a complete list, as of December 31, 2023, of all series of Capital Financing Bonds issued under the CFP General Bond Resolution, including the original dollar amount and the outstanding principal amount of each series of CFP Bonds.





CAPITAL FINANCING DISASTER LOAN PROGRAM

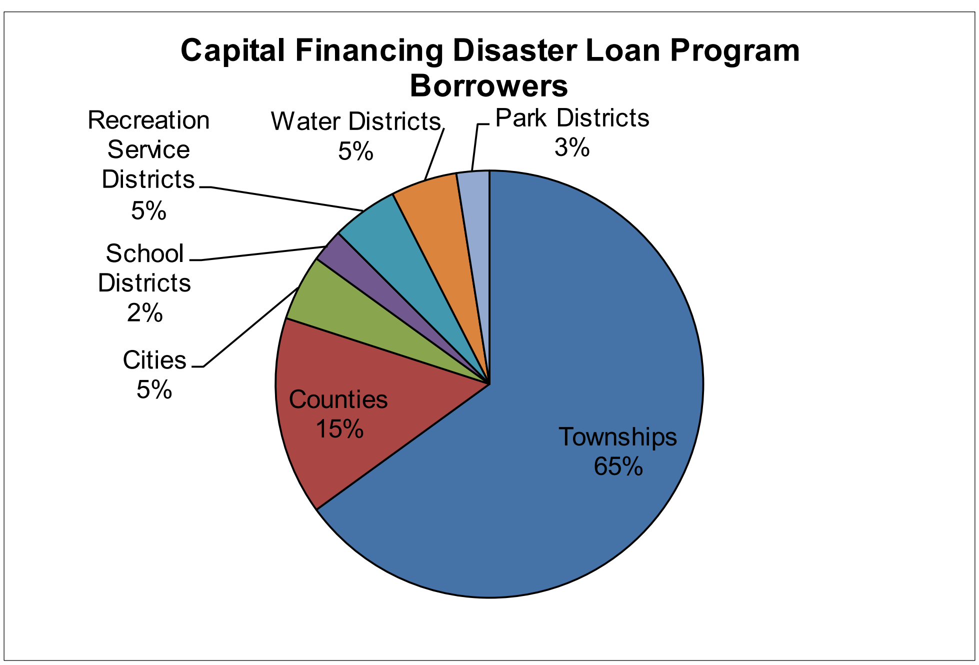
On June 16, 2011, the Industrial Commission authorized the PFA to utilize the Capital Financing Program to provide loans for political subdivisions impacted by weather related events. Under its Capital Financing Disaster Loan Program, the PFA makes loans for the purpose of providing disaster assistance to political subdivisions affected by weather related events until federal and state money is available and/or to assist in cash flowing local match requirements.

Any North Dakota political subdivision that is within a county that has received a Presidential Public Disaster Declaration, or a gubernatorial executive order or proclamation of a state disaster or emergency was eligible to apply. The political subdivision must show ability to repay the financing either from Federal or State government disaster payments or from tax receipts. The interest rate payable by a political subdivision is the 1-month Federal Home Loan Bank plus 2% adjusted monthly with a floor of 2%.

There were no Disaster Financing loans approved in 2023. Loans approved under this program total $71,531,546 and none were outstanding as of December 31, 2023. Part E of Attachment 1 beginning on page 1-4 of this Report contains a complete list, as of December 31, 2023, of all loans made by the PFA under the Disaster Loan Program, including the name of each political subdivision, the original amount of each loan, and the outstanding principal of each loan.

The proceeds of the CFP Disaster Bonds have historically been used to make loans to political subdivisions approved for financing under the Disaster Loan Program. The PFA did not sell any CFP Disaster Bonds to Bank of North Dakota in 2023. As of December 31, 2023, the total cumulative amount of bonds issued under the Disaster Loan Program was $14,405,612 and there are no bonds outstanding under the Disaster Loan Program.

Part G of Attachment 2 on page 2-2 of this Report contains a complete list, as of December 31, 2023, of all series of Capital Financing Disaster Loan Bonds issued, including the original dollar amount and the outstanding principal amount of each series of Disaster Loan Bonds.



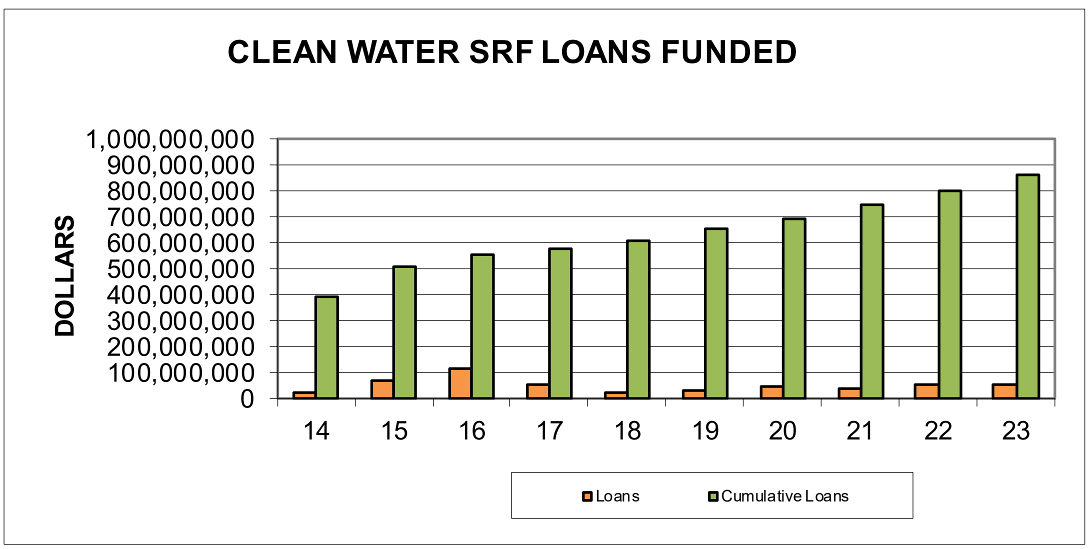
STATE REVOLVING FUND PROGRAM

The State Revolving Fund Program (SRF Program) was established in 1990 to enable North Dakota to receive federal capitalization grants as authorized under the Clean Water Act. In 1998, the SRF Program was amended to enable the State to receive capitalization grants as authorized under the Safe Drinking Water Act. The SRF Program grants, received from the United States Environmental Protection Agency, are to be used to make below-market interest rate loans to political subdivisions for the purpose of financing authorized projects, to establish reserve funds, and for other purposes under the Clean Water Act and the Safe Drinking Water Act. Authorized projects under the Clean Water Act include wastewater treatment facilities and nonpoint source pollution control projects. Authorized projects under the Safe Drinking Water Act include public water systems. The SRF Program is administered jointly by the North Dakota Department of Environmental Quality (DEQ) and the PFA.

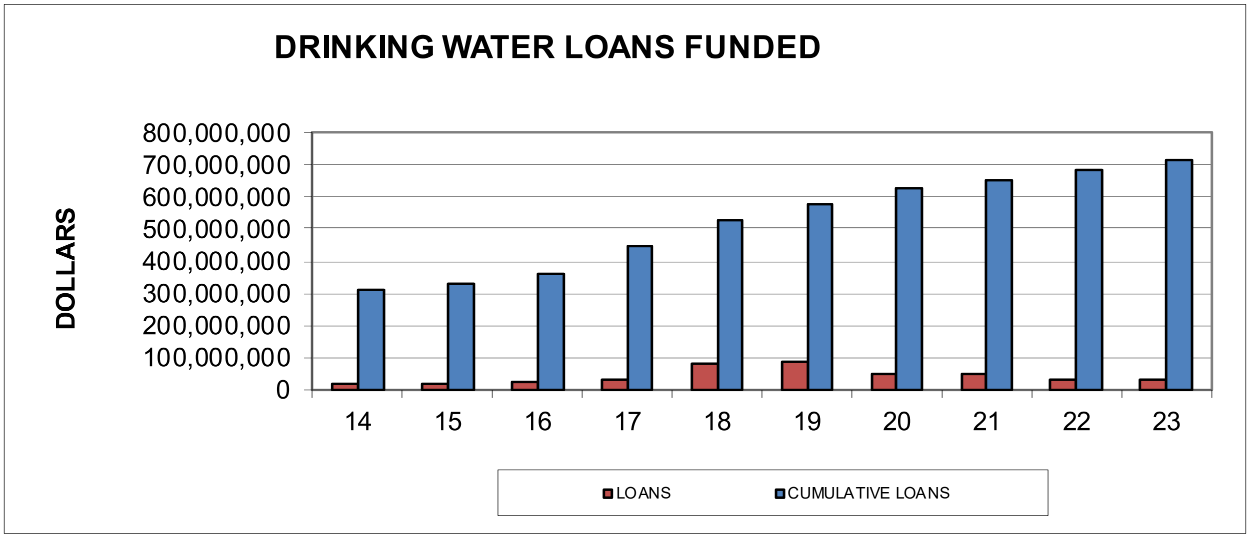
In 2001, Moody's Investors Service, Inc. upgraded the North Dakota SRF Program from "Aa2" to "Aaa", Moody's highest rating. The PFA obtained an additional rating for the North Dakota SRF Program bonds from Standard & Poor's Ratings Services which assigned their highest rating, "AAA," on June 29, 2015.

The interest rates on SRF Program loans are set by the DEQ in consultation with the PFA. The interest rates are fixed for the term of a loan. The interest rate for tax-exempt SRF Program loans is 2.0%. Loans made with American Recovery and Reinvestment Act (ARRA) funds are at 1.0% and/or have a loan forgiveness component. Loans for lead service line replacement funded from Bipartisan Infrastructure Law funding will have a 0.5% interest rate.

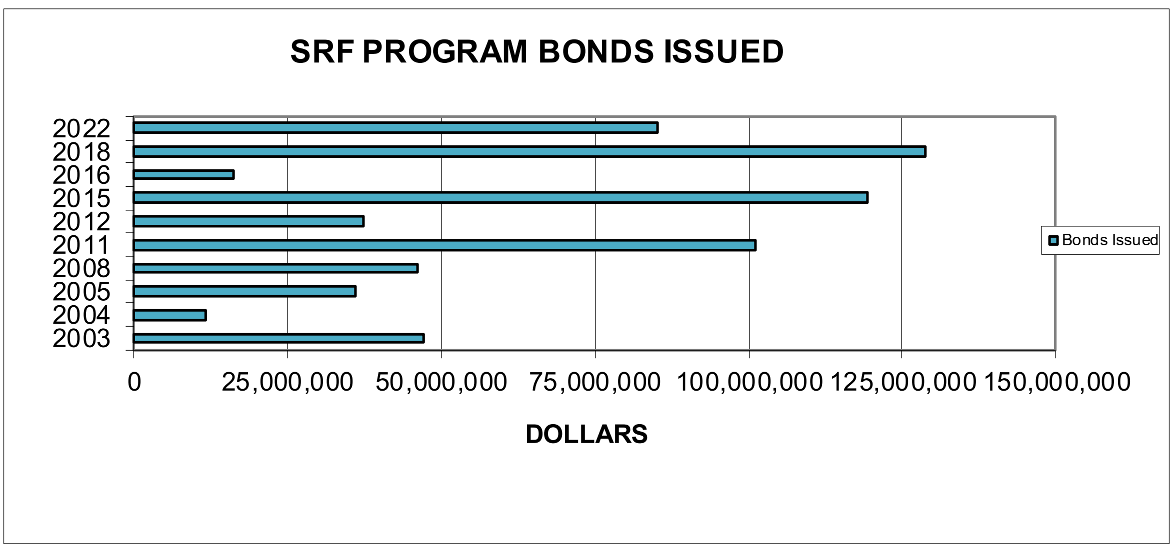
The PFA approved $135,731,193 of Clean Water SRF Program loans to 12 political subdivisions in 2023. Subpart 30 of Part G of Attachment 1 on page 1-18 of this Report contains a list of all approved Clean Water SRF Program loans for 2023, including the approved amount, the funded amount, and the outstanding principal amount of each loan as of December 31, 2023.



The PFA approved $42,155,000 of Drinking Water SRF Program loans to 15 political subdivisions in 2023. Subpart 23 of Part H of Attachment 1 on page 1-27 of this Report contains a list of loans made under the Drinking Water SRF Program during 2023, including the approved amount, the funded amount, and the outstanding principal amount of each loan as of December 31, 2023.



The total amount of SRF Program Bonds issued under the PFA's SRF Program Master Trust Indenture is \$768,695,000. This total includes \$203,865,000 of the 1990, 1993, 1995, 1996, 1998, 2000, 2001, 2003A, 2003B, 2004, 2005, 2008, and 2011 SRF Program Bonds which have been advance refunded and are no longer considered to be outstanding.



As of December 31, 2023, the total amount of SRF Program Bonds outstanding was \$278,770,000, and the total outstanding amount of SRF Program loans was \$858,344,505.

Part H of attachment 2 on page 2-3 of this Report contains a complete list of the SRF Program Bonds issued by the PFA under the Master Trust Indenture, including the original dollar amount and the outstanding principal amount of each series of SRF Program Bond.

INDUSTRIAL DEVELOPMENT BOND PROGRAM

The Public Finance Authority's Industrial Development Bond Program (IDBP) provides loans to North Dakota manufacturers that meet the IRS definition for small issue manufacturers. Bonds issued under this Program are moral obligation bonds of the State unless the borrower has the financial strength to request that the Public Finance Authority issue the bonds on a conduit basis. Public Finance Authority limits the program to $2,000,000 per borrower and $20,000,000 for the entire program. For conduit issuance when the state's moral obligation is not used as a credit enhancement there are no project or program limits.

The interest rates payable by a borrower are market rates, which are set through a competitive bid process when the PFA issues and sells its bonds to fund a loan. The interest rates paid by the PFA on its bonds are the same rates a borrower will pay on its bonds sold to the PFA.

On September 26, 2018, the Industrial Development Bond Program was upgraded from a rating of "A+" to "AA-" by Standard & Poor's Ratings Group. The PFA did not issue IDBP Bonds in 2023.

Part I of Attachment 1 beginning on page 1-28 of this Report contains a complete list, as of December 31, 2023, of all loans made by the PFA with proceeds of IDBP Bonds issued under the IDBP General Bond Resolution, including the name of each borrower and the original amount of each loan.

Part I of Attachment 2 on page 2-4 of this Report contains a complete list, as of December 31, 2023, of all series of Industrial Development Program Bonds issued under the IDBP General Bond Resolution, including the original dollar amount and the outstanding principal amount of each series of IDBP Bonds.

The outstanding amount of Reserve Fund Letters of Credit on December 31, 2023 was $198,050. The IDBP Reserve Fund Letters of Credit are issued to meet the requirement of the IDBP General Bond Resolution that the PFA maintain reserves for each series, equal to the largest aggregate amount of principal and interest due in any twenty-four consecutive month periods. The IDBP Reserve Fund Letters of Credit are issued by BND.

LEGACY FUND INFRASTRUCTURE BOND PROGRAM

The Public Finance Authority's Legacy Fund Infrastructure Bond Program (Legacy Bonds) was established in 2021 to transfer funds to the Bank of North Dakota (BND) to allocate to legislature approved state infrastructure projects and programs. Upon request by BND, funds are transferred to BND for disbursement to funded programs. Bond payments will be funded by capitalized interest, earnings on unspent bond proceeds, and transfers from ND Legacy Fund earnings.

In December of 2021, the Legacy Bonds were assigned ratings of "AA" by Standard & Poor's Global Ratings and "Aa2" by Moody's Investors Service, Inc.

PFA issued Legacy Bonds to finance the following projects approved during the 2021 legislative session:

Fargo Diversion Project	$ 435,500,000
Resources Trust Fund	$ 74,500,000
Infrastructure Revolving Loan Fund	$ 50,000,000
Highway Fund	$ 70,000,000
NDSU Agriculture Products Development Facility	$ 50,000,000

No Legacy Bonds were issued in 2023. Under the Legacy Fund Infrastructure Program $710,115,000 of bonds have been issued. As of December 31, 2023, the total amount of Legacy Bonds outstanding was $681,655,000.

Part J of Attachment 2 on page 2-4 of this Report contains a complete list, as of December 31, 2023, of all series of Legacy Fund Infrastructure Program Bonds issued under the Legacy Bond Resolution, including the original dollar amount and the outstanding principal amount of each series of Legacy Bonds.

OTHER BONDS

1977 General Bond Resolution. The PFA, pursuant to a 1977 General Bond Resolution, issued $15,000,000 in 1977, $16,590,000 of bonds in 1979, and $11,600,000 of bonds in 1983, for a total principal amount of $43,190,000. The 1977, 1979 and 1983 bonds have been retired.

1985 Local Governmental Assistance Program. In 1985, the PFA issued $35,290,000 of bonds under a Local Governmental Assistance Program. These bonds were retired in 1986.

1990 Government Assistance Program. In 1990, pursuant to its Government Assistance Program, the PFA issued two series of bonds in the total amount of $2,006,704. These bonds were retired in 1991.

1989 Insured Water System Revenue Bonds and 1999 Taxable Insured Water System Refunding Revenue Bonds. Pursuant to a Trust Indenture adopted in 1989, the PFA issued two series of Water System Revenue Bonds. The 1989 Series A Bonds were issued in the amount of $11,650,000, and the 1989 Series B Bonds were issued in the amount of $1,410,000 (the 1989 Series A Bonds and the 1989 Series B Bonds are referred to as the "1989 Bonds"). The Series B Bonds were issued to fund a reserve fund for the Series A Bonds. On December 21, 1995, the PFA entered into a Purchase Contract for the forward refunding of the 1989 Bonds. Under the terms of the Purchase Contract, the PFA issued and delivered $8,875,000 of its Taxable Insured Water System Refunding Revenue Bonds, on April 1, 1999, for the purpose of refunding the 1989 Bonds. These bonds were retired in 2014.

BIENNIAL DEBT SERVICE REQUIREMENTS

The debt service requirement for the outstanding CFP Bonds for the remaining 2023-2025 biennium is $23,209,011 and the debt service requirement for the outstanding SRF Program Bonds for the 2023-2025 biennium is $38,862,300. The outstanding IDBP debt service requirement for 2023-2025 is $178,625. The remaining Legacy Bond debt service requirement for 2023-2025 is $62,604,604.

The aggregate debt service requirement for all outstanding PFA Bonds for the remaining 2023-2025 biennium is $124,854,540.

NORTH DAKOTA PUBLIC FINANCE AUTHORITY
LOANS MADE 1977 THROUGH 2023

Part A

Subpart 1 **$15,000,000 1977 Series A Bonds**

Borrower

Alexander PSD
Alexander
Almont
Ashley
Barney
Bell PSD
Beulah
Bismarck
Bismarck Park District
Butte PSD
Buxton
Carrington PSD
Cass County
Casselton
Center
Courtenay Special PSD
Drake
Edinburg PSD
Edmore PSD
Elgin
Ellendale PSD
Emerado
Enderlin
Esmond
Esmond PSD
Fingal PSD
Finley
Fordville
Gackle PSD
Galt PSD
Garrison
Glen Ullin PSD
Gwinner
Halliday
Hampden PSD
Hazelton Moffitt PSD
Hazen
Jamestown
Juzeler PSD
Kathryn PSD
Kensal PSD
Kinloss PSD
Kinyon PSD
Kulm
LaMoure PSD
LaMoure
Lawton
Leeds
Lehr
Leonard PSD
Leonard
Lidgerwood
Lignite
Lincoln PSD
Linton
Linton PSD
Maddock
Mandan
Mayville
McVille
Michigan
Minnewauken PSD
Napoleon
Nedrose PSD
Nesson PSD
New Salem
New Leipzig Fire District
New Rockford
New Leipzig PSD
New Leipzig
New Rockford
North Sargent PSD
Park River
Parshall
Pembina
Portland
Reeder PSD
Regent PSD
Reynolds
Robinson PSD
Rock Lake PSD
Rolla
Rutland
Sawyer PSD
Scotia PSD
Scranton
Sharon
Sharon PSD
Sherwood
Sheyenne PSD
Solen PSD
South Heart PSD
South Bend PSD
Southern PSD
Southwest Fargo
Stanley
Stanton
Steele
Streeter PSD
Sutton PSD
Thompson
Tioga PSD
Tolna
Traill County District
Turtle Lake
Valley City
Velva
Verona
Walcott
Walhalla
Washburn
Watford City
Westhope
Wildrose PSD
Wilton
Wishek PSD
Wishek
Woodworth PSD
Yellowstone Irrigation District
Zeeland PSD

Subpart 2 **$16,590,000 1979 Series A Bonds**

<u>Borrower</u>

Anita Fire Protection District
Ashley PSD
Beulah
Beulah PSD
Center PSD
Edgeley
Edinburg
Edmore
Enderlin
Finley
Gackle
Garrison
Glen Ullin
Grand Forks Park District
Halliday
Harwood
Hazelton
Hazen
Hazen PSD
Hebron
Hettinger
Hope
Hunter
Linton
Lisbon
Mandan
Mayville
Medina
Mott
Napoleon
New Rockford
New Rockford Park District
Park River
Portland
Richardson PSD
Rock Lake
Rolla
Scranton
Sherwood Fire Protection District
Stanley
Stanton
Strasburg
Streeter
Thompson
West Fargo PSD
Wilton
Wishek
Zap

Subpart 3 **$11,600,000 1983 Series A Bonds**

<u>Borrower</u>

Anamoose
Antler
Binford
Bismarck Rural Fire District
Bowbells PSD
Carrington
Cass Richland Drainage District
Casselton
Crosby
Dodge
Edgeley PSD
Elgin PSD
Enderlin
Finley
Flasher PSD
Gladstone
Grafton PSD
Gwinner
Hankinson Rural Fire District
Horace
Killdeer
Lakota PSD
Larimore
Leonard
Linton
Mandan
Manning PSD
Mapleton
Medina
Michigan PSD
Milnor
New England
New Leipzig
Osnabrock
Pembina
Pingree PSD
Rhame
Richardton
Rolette
Stanley
Strasburg
Towner
Velva
Westhope
Wildrose
Zap PSD

Part B **Local Government Assistance Program**
$35,290,000 1985 Series A Bonds

Borrower

Barnes County
Bismarck PSD
Border Central PSD
Burleigh County
Cass Valley North PSD
Cass County
Crary PSD
Dakota PSD
Dickey County
Dickinson PSD
Drayton PSD
Edgeley PSD
Epping PSD
Fargo PSD
Fessenden
Fordville
Grace City PSD
Grand Forks County
Grand Forks PSD
Killdeer PSD
LaMoure PSD
Mandan PSD
Mandan
McIntosh County
Michigan PSD
Minot PSD
Morton County
Powers Lake PSD
Ramsey County
Richland County
Solen PSD
Stanton PSD
Stark County
Steele County
Stutsman County
Tolley PSD
Walsh County
West Fargo PSD

Part C **Government Assistance Program**
$765,000 1990 Series A Bonds

Borrower

Cavalier
Edgeley PSD
Eight Mile PSD
Marion PSD
Pembina PSD
Sherwood PSD

Part D **Insured Water System Revenue Bonds**
$8,875,000 1999 Series A Bonds
$1,410,000 1999 Series B Bonds

Borrower

All Season Water Users
Cass Rural Water
Dakota Water Users
Lidgerwood
North Valley Water Users Association
Richland Rural Water
Traill County Rural Water Users, Inc.
Tri-County Water Users Association

Capital Financing Disaster Loan Program

Part E

Borrower	**Original Loan Amount**
Subpart 1 2011	
Orlien Township, Ward County	$ 400,000
Lund Township, Ward County	70,000
Ramsey County	2,000,000
Anna Township, Ward County	800,000
Logan County	6,000,000
Dickey County	5,000,000
Rolling Green Township, Ward Cnty	460,742
Cameron Township, Ward County	495,000
Otis Township, McLean County	35,000
Normanna Township, Cass County	40,000
Casselton Township, Cass County	83,000
Ward County	10,000,000
Sargent	10,000,000
Stutsman County	2,739,859
Weld Township, Stutsman County	1,321,733
Stirton Township, Stutsman County	1,295,017
Valley Springs Tnshp, Stutsman Cnty	904,483
Lowery Township, Stutsman County	600,000
Wadsworth Township, Stutsman County	26,000
St Paul Township, Stutsman County	278,500
Ashland Township, Stutsman County	5,741
Woodbury Township, Stutsman County	150,000
Sinclair Township, Stutsman County	193,000
Meadow Lake Township, Barnes Cnty	101,000
Sharlow Township, Stutsman County	50,000
Streeter Township, Stutsman County	400,000
Griffin Township, Stutsman County	61,832
Mandan	8,000,000
Rice Lake Recreation Service District	400,000
North Prairie Rural Water District	700,000
North Prairie Rural Water District	450,000
Minnewaukan Public School District	2,500,000
	55,560,907
Subpart 2 2012	
Newman Township, Ward County	40,000
Griffin Township, Stutsman County	1,030,530
Minot Park District	7,000,000
Rice Lake Recreation Service District	672,600
	8,743,130
Subpart 3 2013	
Gray Township, Stutsman County	30,000
Minnewaukan	6,637,509
German Township, Dickey County	360,000
Chicago Township, Stutsman County	200,000
	7,227,509
Total	$71,531,546

Capital Financing Program

Part F

Borrower	Original Loan Amount
Subpart 1 1990	
Morton County	$ 400,000
Linton	185,000
Mandan	95,000
Hankinson	155,000
Fargo Park District	680,000
Traill County Water Resource Dist	100,000
Dickinson Recreation Building Auth.	250,000
Rolla	220,000
Morton County Water Resource Brd.	230,000
North Valley Rural Water Assoc.	140,000
Milnor	85,000
Bismarck Parks & Recreation Dist.	770,000
Twin Buttes School District	70,000
Hettinger Park District	35,000
Mandan Parks & Recreation Dist.	335,000
	3,750,000
Subpart 2 1991	
Burleigh County Housing Auth.	225,000
Bismarck Parks & Recreation Dist.	1,300,000
Bismarck Parks & Recreation Dist.	410,000
Mandan Parks & Recreation Dist.	560,000
Richardton	165,000
Kindred	25,000
Montefiore PSD	75,000
Pembina PSD	195,000
Eight Mile PSD	150,000
Lake Agassiz Regional Council	180,000
North Valley Water Association	200,000
Finley	875,000
Wyndmere	65,000
Ward County	85,000
Oakes Municipal Airport Authority	45,000
Devils Lake PSD	1,810,000
Greater Richland Ed. Comm. Cons.	250,000
Cass County	400,000
	7,015,000

Borrower	Original Loan Amount
Subpart 3 1992	
Mandan PSD	$ 2,500,000
New England	75,000
Cavalier	75,000
Lidgerwood	75,000
Kindred PSD	1,545,000
Edinburg	120,000
Milnor	205,000
West Fargo PSD	2,500,000
Lisbon PSD	800,000
Emerado PSD	100,000
Milnor	190,000
Pembina PSD	195,000
Eight Mile PSD	200,000
Briarwood	40,000
Buxton	40,000
Missouri Hills Interactive Cons.	455,000
Grand Forks PSD	2,500,000
Mercer County Housing Auth.	435,000
Nelson County	100,000
	12,150,000
Subpart 4 1993	
Lake Metigoshe RSD	150,000
Glenburn PSD	880,000
Fargo PSD	1,975,000
Fargo PSD	525,000
Thompson PSD	900,000
Souris	40,000
Marion PSD	115,000
Pembina PSD	180,000
Eight Mile PSD	150,000
Sims PSD	60,000
Oakes	120,000
McVille	230,000
Milnor	195,000
Emerado PSD	60,000
Grand Forks PSD	2,000,000
Burleigh County Housing Auth.	325,000
	7,905,000

Borrower	Original Loan Amount
Subpart 5 1994	
Mandan Airport Authority	180,000
Fairmount PSD	305,500
Grafton PSD	2,000,000
Sawyer PSD	450,000
Glenburn PSD	592,500
Lincoln PSD	274,000
Finley-Sharon PSD	499,500
Oakes PSD	1,650,000
North Sargent-Gwinner PSD	538,300
Rolette PSD	461,900
Zap PSD	250,000
Stanley PSD	1,185,000
Clifford-Galesburg PSD	532,669
Rhame PSD	180,000
West Fargo PSD	3,000,000
Manvel PSD	228,000
United-Des Lacs PSD	942,647
Surrey PSD	413,000
Cando PSD	50,000
Surrey PSD	325,000
Sawyer	150,000
Marion PSD	105,000
Pembina PSD	90,000
Eight Mile PSD	200,000
Sims PSD	50,000
	14,653,016
Subpart 6 1995	
Burleigh County Housing Auth.	1,600,000
Traill County WRD	100,000
Mooreton	170,000
Milnor	160,000
Ward County	95,000
Marion PSD	105,000
Eight Mile PSD	200,000
Sims PSD	75.000
	2,505,000
Subpart 7 1996	
Minot	500,000
Rolette County Housing	500,000
Dunseith	100,000
Garrison	120,000
Hazelton	140,000
Walcott-Colfax District	70,000
Burleigh Water Users	1,585,000
Marion PSD	120,000
Garrison PSD	230,000
	3,365,000

Borrower	Original Loan Amount
Subpart 8 1997	
Cavalier	540,000
Burleigh Rural Water Users	3,350,000
New Town PSD	300,000
North Valley Water Association	1,400,000
South Central Water Users Dist.	350,000
Grafton PSD	4,500,000
Richardton	205,000
Aggasiz Water Users	375,000
Sims PSD	50,000
West Fargo PSD	1,000,000
Wahpeton	1,600,000
Garrison	125,000
McVille	1,550,000
	15,345,000
Subpart 9 1998	
Gackle	295,000
Lidgerwood	120,000
Prairie Rose	175,000
Surrey	100,000
Hettinger Park District	200,000
Maple River Water Resource District	55,000
Milnor	400,000
Grandin	165,000
West Fargo PSD	1,000,000
Sims PSD	50,000
Park River	450,000
	3,010,000
Subpart 10 1999	
Lidgerwood	1,075,000
Drayton	140,000
Drayton	70,000
Max	50,000
Surrey	100,000
West Fargo PSD	1,000,000
Sims PSD	100,000
Tri-County Water District	1,710,000
Tri-County Water District	285,000
	4,530,000
Subpart 11 2000	
Lisbon	765,000
Enderlin	195,000
Amenia	155,000
West Fargo PSD	3,000,000
Sims PSD	100,000
	4,215,000

Borrower	Original Loan Amount
Subpart 12 2001	
Frontier	735,000
Subpart 13 2002	
McVille	215,000
Southeast Water Users District	700,000
Bismarck Rural Fire Department	185,000
Kulm	150,000
Fessenden-Bowdon PSD	350,000
	1,600,000
Subpart 14 2003	
Langdon Rural Water District	1,495,000
Subpart 15 2004	
Traill Rural Water District	300,000
Surrey	500,000
Mercer County Housing	80,000
	880,000
Subpart 16 2006	
Rolette County Housing Authority	235,000
Belcourt PSD	1,045,000
Enderlin	105,000
	1,385,000

Borrower		Original Loan Amount	Outstanding Loan Amount
Subpart 17	**2009**		
West Fargo		530,000	370,000
Tri-County Water District		1,415,000	0
Emerado		180,000	70,000
		2,125,000	440,000
Subpart 18	**2011**		
Drayton		405,000	0
Drayton		350,000	0
McVille		2,357,000	0
McVille		618,000	0
		3,730,000	0
Subpart 19	**2012**		
McVille		150,000	45,000
Kulm		85,000	0
All Seasons Water Users District		820,000	425,000
Forman Housing Authority		935,000	0
Forman		505,000	0
Forman		1,090,000	0
Hankinson		1,930,000	1,295,000
Mayville		1,430,000	790,000
Tri-County Water District		1,405,000	0
Gackle		1,285,000	760,000
		9,635,000	3,315,000
Subpart 20	**2013**		
Fargo		51,375,000	30,615,000
Subpart 21	**2014**		
Fargo		32512000	19468000
Noonan		328,000	222,000
Stutsman Rural Water District		9,000,000	5,730,000
		41,840,000	25,420,000
Subpart 22	**2015**		
Minot		1,945,000	925,000
Forman		1,965,000	1,085,000
Watford City		23,655,000	16,740,000
Watford City		35,550,000	30,295,000
Rugby		465,000	110,000
Zap		2,265,000	1,590,000
		65,845,000	50,745,000

Borrower		Original Loan Amount	Outstanding Loan Amount
Subpart 23	**2018**		
Munich		1,360,000	790,000
Subpart 24	**2019**		
Morton County		2,515,000	535,000
Subpart 25	**2021**		
Drayton		210,000	175,000
Drayton		180,000	150,000
McVille		1,675,000	1,570,000
McVille		65,000	0
		2,130,000	1,895,000
Total Capital Financing Program Loans		$ 265,093,016	$ 113,755,000

Clean Water State Revolving Fund Program

Part G

Borrower		Approved and Funded Loan Amount
Subpart 1	**1990**	
Enderlin		$ 490,000
Fargo		3,561,559
Minot		879,386
		4,930,945
Subpart 2	**1993**	
Fargo		7,770,000
Jamestown		1,581,406
Minot		665,000
Northwood		1,150,000
Wahpeton		1,062,366
West Fargo		175,000
Lake Metigoshe		296,263
New Town		132,050
Jamestown		1,289,702
Williston		252,835
		14,374,622
Subpart 3	**1994**	
Minot		443,522
Burlington		165,037
Devils Lake		1,076,423
Grafton		410,000
Casselton		112,000
		2,206,982
Subpart 4	**1995**	
Fargo		2,850,429
Max		74,912
Cooperstown		55,000
Northwood		225,837
Colfax		36,297
Edmore		62,256
Ellendale		196.826
Minot		400,000
Williston		291,881
Lisbon		100,000
Napoleon		133,851
Park River		498,279
Carrington		835,000
Mott		211,157
Harvey		478,556
Beach		226,241
Williston		328,581

Borrower		Approved and Funded Loan Amount
Subpart 4 Cont.	**1995**	
Buffalo		$ 38,248
Hettinger		156,001
Davenport		176,339
Ellendale		220,990
Cando		113,006
Cooperstown		300,000
		8,009,687
Subpart 5	**1996**	
Jamestown		16,300,000
Cooperstown		1,174,952
Park River		72,312
Portland		82,368
Medina		67,255
Mayville		105,433
Manvel		478,416
Oriska		21,531
Bottineau		100,000
Arthur		132,963
Cando		254,052
Kindred		124,498
Page		47,738
Argusville		213,061
Bottineau		104,500
Grand Forks		13,700,000
Bank of North Dakota		1,101,444
		34,080,523
Subpart 6	**1997**	
Grand Forks		3,940,000
Casselton		1,589,652
Christine		385,273
Mapleton		152,864
Horace		225,330
Carrington		805,000
Mandan		5,191,929
Berthold		82,875
Cooperstown		123,067
Jamestown		2,277,487
Lakota		1,933,969
Minnewauken		218,000
		16,925,446

Borrower		Approved and Funded Loan Amount
Subpart 7	**1998**	
Granville		42,000
Enderlin		342,373
Wishek		140,704
Fargo		1,482,337
Gwinner		258,711
Southeast Cass WRD		214,000
Casselton		108,261
Sanborn		76,195
Frontier		98,603
Abercrombie		300,875
Grandin		97,042
Taylor		59,872
Fargo		10,723,277
Grand Forks		2,650,804
		16,595,054
Subpart 8	**1999**	
Fargo		210,000
Gackle		118,020
Hillsboro		360,000
Kindred		1,113,522
Wimbledon		74,738
Jamestown		747,990
Lisbon		87,025
Stanley		102,413
Buffalo		213,667
Buxton		77,000
Hankinson		88,000
Jamestown		454,641
		3,647,016
Subpart 9	**2000**	
Abercrombie		20,064
Hankinson		84,999
Fargo		1,816,295
Lidgerwood		89,405
Enderlin		1,189,549
Hunter		158,395
Cogswell		81,960
Mayville		1,075,000
Ward County WRD		797,375
Emerado		406,207
		5,719,249

Borrower		Approved and Funded Loan Amount
Subpart 10	**2001**	
Jamestown		370,120
Mayville		1,169,393
Forman		135,172
Lisbon		716,436
Amenia		141,489
Grand Forks		13,781,500
Kulm		678,640
Tower City		503,123
Lake Metigoshe RSD		485,400
Williston		1,124,000
Rolette		102,000
Hebron		122,890
Hankinson		1,457,760
Harvey		69,281
Oakes		106,076
		20,963,280
Subpart 11	**2002**	
Sanborn		30,694
Williston		1,190,559
Grand Forks		1,580,755
Grand Forks		2,274,164
Grand Forks		6,546,560
Linton		95,770
Mayville		3,073,811
Morton County WRD		258,000
Wildrose		86,405
Mapleton		80,790
Wahpeton		374,065
		15,591,573

Borrower		Approved Loan Amount	Funded Loan Amount	Outstanding Loan Amount
Subpart 12	**2003**			
Hunter		41,930	41,930	0
Oakes		746,350	746,350	0
Harvey		244,615	244,615	0
Hankinson		133,790	133,790	0
Mantador		50,000	50,000	0
Litchville		236,381	236,381	0
Courtenay		49,444	49,444	0
Jamestown		1,309,568	1,309,568	85,000
		2,812,078	2,812,078	85,000
Subpart 13	**2004**			
Oakes		601,500	601,500	0
Portland		291,164	291,164	15,000
Lidgerwood		84,416	84,416	5,000
Lincoln		397,944	397,944	0
Hillsboro		186,336	186,336	0
Warwick		32,775	32,775	2,000
West River Water and Sewer		338,007	338,007	0
		1,932,142	1,932,142	22,000
Subpart 14	**2005**			
Mapleton		335,000	335,000	0
Hazen		276,120	276,120	31,000
Enderlin		184,307	184,307	11,000
Rutland		180,841	180,841	0
Grand Forks		4,500,000	4,500,000	555,000
		5,476,268	5,476,268	597,000
Subpart 15	**2006**			
Jamestown		1,475,346	1,475,346	273,000
Rice Lake Recreation Service District		2,813,537	2,813,537	420,000
Fargo		2,631,739	2,631,739	0
Gackle		77,824	77,824	0
Tower City		121,502	121,502	0
Bank of North Dakota		1,722,501	1,722,501	0
Portland		30,236	30,236	6,000
Wyndmere		188,146	188,146	0
Oakes		950,000	950,000	180,000
		10,010,831	10,010,831	879,000

Borrower		Approved Loan Amount	Funded Loan Amount	Outstanding Loan Amount
Subpart 16	**2007**			
Bismarck		20,000,000	20,000,000	4,975,000
Southeast Cass Water Resource District		738,299	738,299	125,000
Lakota		414,948	414,948	13,000
Leonard		255,000	255,000	62,000
Argusville		634,606	634,606	161,000
Mayville		345,725	345,725	63,000
McVille		81,677	81,677	15,000
Jamestown		1,467,998	1,467,998	235,000
Hope		757,963	757,963	102,000
Portland		46,937	46,937	12,000
Cass Rural Water District		15,326,652	15,326,652	5,220,652
Willow City		148,174	148,174	36,000
Oakes		258,747	258,747	60,000
Nome		16,011	16,011	0
		40,492,737	40,492,737	11,079,652
Subpart 17	**2008**			
Lisbon		1,174,092	1,174,092	345,000
Harvey		210,952	210,952	31,000
Hunter		138,580	138,580	43,000
Fargo		63,657,409	63,657,409	24,740,000
Flasher		121,414	121,414	0
Hankinson		100,000	100,000	31,000
Ellendale		734,842	734,842	217,000
Fargo		1,640,000	1,640,000	540,000
Watford City		808,588	808,588	240,000
		68,585,877	68,585,877	26,187,000
Subpart 18	**2009**			
Tappen		179,761	179,761	54,000
Casselton		1,931,688	1,931,688	635,000
Mandan		1,679,763	1,679,763	515,000
Mandan		1,000,000	1,000,000	305,000
Stutsman Rural Water District		4,603,386	4,603,386	1,420,000
Lisbon		1,247,424	1,247,424	185,000
Cavalier		487,315	487,315	135,000
Lake Metigoshe Recreation Service District		517,400	517,400	0
Velva		346,601	346,601	0
Hazen		246,919	246,919	0
Enderlin		799,172	799,172	115,000
Glenburn		784,378	784,378	150,000
Davenport		389,832	389,832	60,000
Munich		1,200,120	1,200,120	0
Edgeley		1,644,845	1,644,845	145,000
Valley City		345,241	345,241	110,000
Strasburg		1,404,743	1,404,743	140,000
		18,808,588	18,808,588	3,969,000

Borrower		Approved Loan Amount	Funded Loan Amount	Outstanding Loan Amount
Subpart 19	**2010**			
Hillsboro		127,849	127,849	55,000
Drayton		1,677,066	1,677,066	49,000
Michigan		1,606,506	1,606,506	180,000
Northwood		2,306,303	2,306,303	395,000
Fargo		822,348	822,348	255,000
Wishek		185,547	185,547	66,000
Mapleton		610,964	610,964	230,000
Hankinson		569,833	569,833	210,000
Fargo		4,061,075	4,061,075	1,730,000
Hunter		143,032	143,032	70,000
Dickinson		569,354	569,354	0
Langdon		157,454	157,454	0
Kulm		54,409	54,409	23,000
		12,891,740	12,891,740	3,263,000
Subpart 20	**2011**			
Jamestown		1,140,023	1,140,023	475,000
Pembina		217,329	217,329	105,000
Wyndmere		1,664,897	1,664,897	780,000
Devils Lake		2,500,000	2,500,000	1,085,000
Minto		1,177,115	1,177,115	550,000
Fingal		519,245	519,245	175,000
Southeast Cass WRD		591,777	591,777	200,000
Forman		750,935	750,935	205,000
Hazen		178,494	178,494	83,000
		8,739,815	8,739,815	3,658,000
Subpart 21	**2012**			
Velva		210,408	210,408	0
Kathryn		68,006	68,006	0
Maddock		1,284,300	1,284,300	205,000
Casselton		765,923	765,923	0
Dunn Center		200,000	200,000	0
Des Lacs		97,403	97,403	49,000
Clifford		46,228	46,228	24,000
Medina		238,028	238,028	0
		2,910,296	2,910,296	278,000

Borrower		Approved Loan Amount	Funded Loan Amount	Outstanding Loan Amount
Subpart 22	**2013**			
Burleigh County WRD		244,653	244,653	130,000
Rolla		1,755,604	1,755,604	920,000
Lisbon		469,752	469,752	245,000
Ray		2,533,536	2,533,536	540,000
Wyndmere		205,773	205,773	0
Jamestown		822,306	822,306	460,000
Dickinson		38,924,961	38,924,961	20,715,000
Casselton		3,246,585	3,246,585	1,800,000
Lehr		219,482	219,482	58,000
Mandan		2,066,118	2,066,118	1,150,000
		50,488,770	50,488,770	26,018,000
Subpart 23	**2014**			
Douglas		67,866	67,866	37,000
Jamestown		11,100,950	11,100,950	6,780,000
Berthold		1,248,288	1,248,288	465,000
Bowbells		685,005	685,005	300,000
Noonan		237,000	237,000	145,000
Enderlin		365,500	365,500	220,000
Page		182,867	182,867	110,000
Beulah		586,800	586,800	340,000
Washburn		2,922,696	2,922,696	1,745,000
Mandan		1,681,280	1,681,280	965,000
Dickinson		37,252,730	37,252,730	22,535,000
Grenora		416,147	416,147	219,000
Williston		113,151,288	113,151,288	77,445,000
Ryder		189,109	189,109	108,000
		170,087,526	170,087,526	111,414,000
Subpart 24	**2015**			
Watford City		18,718,523	18,718,523	14,985,000
Mandan		4,481,824	4,481,824	2,925,000
Tioga		2,500,000	2,500,000	1,275,000
Marion		97,732	97,732	55,000
Harvey		830,477	830,477	540,000
Ward County WRD		2,755,128	2,755,128	1,805,000
Granville		139,939	139,939	95,000
Grafton		497,760	497,760	355,000
Watford City		10,407,619	10,407,619	8,550,000
		40,429,002	40,429,002	30,585,000

Borrower		Approved Loan Amount	Funded Loan Amount	Outstanding Loan Amount
Subpart 25	**2016**			
Oberon		191,552	191,552	152,000
Jamestown		522,119	522,119	375,000
Dwight		50,700	50,700	43,000
Makoti		57,450	57,450	39,000
LaMoure		1,315,894	1,315,894	735,000
Hebron		911,000	911,000	380,000
Arnegard		380,000	380,000	0
		3,428,715	3,428,715	1,724,000
Subpart 26	**2017**			
Horace		992,648	992,648	690,000
Colfax		519,633	519,633	431,000
Beulah		441,097	441,097	305,000
Gardner		26,710	26,710	0
Noonan		646,716	646,716	315,000
Oakes		1,005,000	1,005,000	805,000
Larimore		1,119,683	1,119,683	232,000
Oakes		230,121	230,121	192,000
Cavalier		998,000	879,373	519,599
Horace		3,192,000	1,728,152	901,152
Mayville		1,556,000	1,556,000	1,245,000
		10,727,608	9,145,133	5,635,751
Subpart 27	**2018**			
Carrington		323,291	323,291	273,000
Lidgerwood		100,000	47,537	22,537
Wahpeton		1,041,682	1,041,682	835,000
Pick City		275,522	275,522	158,000
Petersburg		787,979	787,979	705,000
Jamestown		3,727,028	3,727,028	2,477,028
Garrison Diversion Conservancy District		5,000,000	1,047,507	836,458
Argusville		712,575	712,575	615,000
Beulah		407,315	407,315	357,000
Jamestown		597,583	597,583	455,000
Lisbon		934,061	934,061	735,000
Arnegard		2,297,225	2,297,225	1,455,000
Minot		6,433,406	6,433,406	5,050,000
Minot		12,282,000	10,196,288	8,234,288
Horace		422,000	422,000	225,000
Grand Forks		9,000,000	9,000,000	7,850,000
Fargo		21,229,000	19,485,280	19,485,280
Arthur		115,263	115,263	57,000
Fargo		151,500,000	128,374,796	124,026,026
		217,185,930	186,226,338	173,851,617

Borrower		Approved Loan Amount	Funded Loan Amount	Outstanding Loan Amount
Subpart 28	**2019**			
Wahpeton		1,381,642	1,381,642	1,200,000
Walcott		456,235	456,235	417,000
Rutland		131,478	131,478	99,000
Kindred		3,900,000	3,705,000	3,205,000
Valley City		395,851	395,851	315,000
Dickinson		2,145,166	2,145,166	1,920,000
Fargo		500,000	500,000	462,000
Fargo		10,500,000	8,966,837	8,171,837
Grand Forks		1,228,485	1,228,485	1,100,000
		20,638,857	18,910,694	16,889,837
Subpart 29	**2020**			
Wing		620,834	620,834	224,000
Wyndmere		4,048,035	4,048,035	3,610,000
Wildrose		2,455,268	2,455,268	1,455,000
Center		880,000	880,000	810,000
Buxton		721,716	721,716	680,000
Dunn Center		2,804,918	2,804,918	1,850,000
Stanton		617,500	617,500	575,000
Dickinson		1,291,469	1,291,469	1,190,000
		13,439,740	13,439,740	10,394,000
Subpart 30	**2021**			
Bismarck		5,000,000	5,000,000	4,410,000
Jamestown		2,500,073	2,500,073	2,355,000
Valley City		457,151	457,151	367,151
Northwood		7,000,000	1,470,557	920,224
Stanley		165,000	165,000	137,000
New Salem		1,042,000	1,042,000	990,000
Cavalier		400,509	400,509	96,000
Wahpeton		4,500,000	4,275,000	4,086,000
Hankinson		97,933	97,933	88,000
		21,162,666	15,408,223	13,449,375

Borrower		Approved Loan Amount	Funded Loan Amount	Outstanding Loan Amount
Subpart 31	**2022**			
Fargo		259,000	234,872	205,872
Fargo		4,361,000	3,574,405	3,173,405
Hebron		120,000	114,000	104,000
Wahpeton		1,810,965	1,810,965	1,245,065
Portland		430,000	430,000	419,000
Valley City		816,050	816,050	745,000
Forman		550,000	550,000	505,000
Strasburg		1,326,000	818,062	287,807
Wilton		1,319,000	589,817	589,817
Fargo		51,634,000	9,589,378	9,589,378
Tower City		459,023	459,023	459,023
		63,085,038	18,986,572	17,323,367
Subpart 32	**2023**			
Stanley		991,500	693,197	666,697
Stanley		330,500	231,065	231,066
Fort Ransom		678,193	678,193	677,193
Gardner		955,000	714,281	178,569
Cass Rural WUD		28,646,000	8,534,091	8,534,091
Center		500,000	500,000	500,000
Center		4,930,000	1,260,349	315,087
Minnewaukan		270,000	270,000	270,000
Grand Forks		3,167,000	2,276,156	2,276,156
Fairmount		1,330,000	594,745	594,745
Dazey		1,251,000	526,618	131,655
Grand Forks		5,607,000	1,966,161	1,966,161
Grand Forks		3,430,000	813,465	813,465
Mapleton		1,975,000	330,198	330,198
Berthold		1,050,000	456,627	456,627
Grand Forks		54,620,000	420,036	420,036
		109,731,193	20,265,182	18,361,745
Total		$ 1,036,109,794	$ 862,520,644	$ 475,664,344

Drinking Water State Revolving Fund Program

Part H

Borrower		Approved and Funded Loan Amount
Subpart 1	**1999**	
Wahpeton		$ 345,715
Park River		261,000
New Rockford		281,102
Sawyer		136,000
Walsh Rural Water District		3,000,000
Tioga		44,004
Williston		3,901,331
St. John		399,388
		8,368,540
Subpart 2	**2000**	
Grand Forks		11,542,236
Lisbon		912,115
Stutsman Rural Water Users		666,168
State Water Commission		1,500,000
Cooperstown		300,000
Harwood		866,514
Mayville		1,025,000
		16,812,033
Subpart 3	**2001**	
Hankinson		405,000
Finley		2,479,994
Enderlin		195,000
Valley City		1,444,139
Grand Forks		10,050,000
Oxbow		475,657
Lisbon		460,381
Nome		22,465
Southeast Water Users		60,000
		15,592,636

Borrower		Approved and Funded Loan Amount
Subpart 4	**2002**	
Lisbon		$ 413,522
Harvey		427,076
Grafton		285,616
Mandan		4,197,565
Ramsey County WRD		3,482,000
Enderlin		87,500
Linton		563,063
Cleveland		206,406
Langdon		522,796
Drayton		132,362
Larimore		1,991,805
Wahpeton		1,890,000
Grafton		1,130,229
		15,329,940
Subpart 5	**2003**	
Southeast Water District		1,446,906
Grand Forks - Traill Water District		3,991,780
North Valley Water District		4,138,000
Williston		3,693,344
Barnes Rural Water District		816,000
Argusville		360,718
Casselton		1,272,000
Aneta		171,340
Stutsman Rural Water District		201,651
		16,091,739

Borrower		Approved Loan Amount	Funded Loan Amount	Outstanding Loan Amount
Subpart 6	**2004**			
Oakes		147,652	147,652	0
Cass Rural Water District		1,890,923	1,890,923	235,000
Lisbon		410,000	410,000	0
Leeds		179,000	179,000	0
Hazen		1,000,000	1,000,000	60,000
Tioga		418,727	418,727	0
Lincoln		307,681	307,681	36,000
Lincoln		447,000	447,000	0
Abercrombie		244,002	244,002	16,000
Williams County Rural Water		1,500,000	1,500,000	100,000
Harvey		676,556	676,556	0
Williston		5,000,000	5,000,000	0
Noonan		39,602	39,602	5,000
Williston		17,593,143	17,593,143	3,235,000
Jamestown		2,534,604	2,534,604	310,000
		32,388,890	32,388,890	3,997,000
Subpart 7	**2005**			
Argusville		217,304	217,304	14,000
Park River		746,100	746,100	0
Mapleton		83,754	83,754	0
Bottineau		750,000	750,000	0
Southeast Water Users District		808,411	808,411	100,000
		2,605,569	2,605,569	114,000
Subpart 8	**2006**			
Walcott		159,112	159,112	20,000
Stutsman Rural Water District		1,164,020	1,164,020	0
Wildrose		52,291	52,291	0
Velva		1,616,123	1,616,123	0
Cooperstown		309,634	309,634	30,000
Riverdale		762,138	762,138	84,000
Pick City		223,328	223,328	39,000
Braddock		16,610	16,610	0
Center		358,800	358,800	45,000
Page		95,975	95,975	18,000
Harvey		91,581	91,581	17,000
Hillsboro		1,151,563	1,151,563	0
Washburn		1,870,633	1,870,633	235,000
Southeast Water Users District		4,655,000	4,655,000	852,000
Portal		50,000	50,000	0
Park River		517,600	517,600	0
Central Plains Water District		1,661,967	1,661,967	0
Columbus		57,000	57,000	0
Southeast Water Users District		186,902	186,902	34,000
		15,000,277	15,000,277	1,374,000

Borrower		Approved Loan Amount	Funded Loan Amount	Outstanding Loan Amount
Subpart 9	**2007**			
McLean-Sheridan Rural Water		519,104	519,104	124,000
Walsh Rural Water District		1,796,902	1,796,902	0
North Prairie Water District		5,700,000	5,700,000	1,165,000
Mayville		324,341	324,341	60,000
Southeast Water Users District		5,418,000	5,418,000	585,000
South Central Regional Water		8,000,000	8,000,000	1,929,000
Jamestown		2,076,816	2,076,816	395,000
Devils Lake		3,800,000	3,800,000	0
North Valley Water District		2,617,000	2,617,000	0
Christine		219,015	219,015	54,000
Grand Forks Traill Water District		1,200,000	1,200,000	230,000
All Seasons Water Users District		211,950	211,950	50,000
		31,883,128	31,883,128	4,592,000
Subpart 10	**2008**			
Southeast Water Users District		595,000	595,000	144,000
Hazelton		245,120	245,120	40,000
Lisbon		757,220	757,220	205,000
Mapleton		1,149,088	1,149,088	0
Mandan		4,511,900	4,511,900	1,370,000
Fargo		2,500,000	2,500,000	645,000
Cass Rural Water District		1,376,605	1,376,605	455,000
Fargo		14,110,422	14,110,422	3,790,000
Tri-County Water District		363,289	363,289	98,000
Lakota		199,802	199,802	0
Crosby		551,488	551,488	0
Hankinson		95,000	95,000	29,000
Hannaford		53,748	53,748	14,000
South Central Regional Water		4,000,000	4,000,000	1,220,000
Ray		1,452,760	1,452,760	175,000
Parshall		3,610,500	3,610,500	1,505,000
Mandan		7,972,283	7,972,283	2,520,000
Leeds		37,076	37,076	10,000
		43,581,301	43,581,301	12,220,000

Borrower		Approved Loan Amount	Funded Loan Amount	Outstanding Loan Amount
Subpart 11	**2009**			
Traill Rural Water District		3,396,880	3,396,880	0
Carrington		240,117	240,117	0
Lisbon		305,787	305,787	95,000
Watford City		347,464	347,464	0
Bismarck		16,320,000	16,320,000	5,425,000
Lisbon		1,613,726	1,613,726	570,000
Ray		864,000	864,000	0
Southeast Water Users District		1,128,358	1,128,358	415,000
Southeast Water Users District		841,774	841,774	350,000
Barnes Rural Water District		2,050,000	2,050,000	435,000
Velva		373,579	373,579	130,000
All Seasons Water Users District		154,433	154,433	50,000
Wimbledon		258,353	258,353	85,000
Hope		175,000	175,000	45,000
Enderlin		2,196,790	2,196,790	755,000
Garrison		158,222	158,222	0
Wildrose		1,503,094	1,503,094	0
Karlsruhe		791,415	791,415	48,000
Strasburg		2,060,678	2,060,678	140,000
		34,779,670	34,779,670	8,543,000
Subpart 12	**2010**			
Hillsboro		289,376	289,376	100,000
Washburn		4,023,646	4,023,646	630,000
South Central Regional WD		4,600,000	4,600,000	1,920,000
BDW Water Systems		2,309,158	2,309,158	0
State Line Water Coop		147,781	147,781	0
Valley City		4,646,000	4,646,000	650,000
Hillsboro		1,310,679	1,310,679	325,000
Mandan		6,923,867	6,923,867	2,935,000
Kenmare		403,579	403,579	135,000
Buffalo		98,922	98,922	40,000
Jamestown		5,525,008	5,525,008	2,035,000
Kulm		25,300	25,300	0
		30,303,316	30,303,316	8,770,000

Borrower		Approved Loan Amount	Funded Loan Amount	Outstanding Loan Amount
Subpart 13	**2011**			
Pembina		1,743,743	1,743,743	855,000
Linton		224,800	224,800	105,000
Page		90,597	90,597	42,000
Cooperstown		700,235	700,235	310,000
Sawyer		308,708	308,708	145,000
Bowbells		2,145,000	2,145,000	550,000
McKenzie County WRD		8,200,000	8,200,000	2,875,000
Kenmare		892,039	892,039	375,000
		14,305,122	14,305,122	5,257,000
Subpart 14	**2012**			
Ray		2,500,000	2,500,000	0
Minnewaukan		1,535,189	1,535,189	0
R & T Water Supply Commerce		9,349,789	9,349,789	4,075,000
Garrison Rural Water District		720,000	720,000	325,000
Southeast Water Users District		1,603,656	1,603,656	440,000
Sherwood		82,475	82,475	42,000
Granville		209,990	209,990	95,000
		16,001,099	16,001,099	4,977,000
Subpart 15	**2013**			
Hillsboro		2,623,344	2,623,344	870,000
Ross		1,740,267	1,740,267	405,000
Max		292,062	292,062	165,000
Fargo		98,000,000	98,000,000	87,380,000
Cooperstown		314,393	314,393	165,000
		102,970,066	102,970,066	88,985,000
Subpart 16	**2014**			
Westhope		926,447	926,447	250,000
Grafton		2,200,757	2,200,757	1,275,000
Cooperstown		200,733	200,733	79,000
Stutsman Rural Water District		7,630,004	7,630,004	3,615,000
McLean-Sheridan Rural Water		1,350,000	1,350,000	1,085,000
Mandan		641,683	641,683	360,000
Fairmount		121,759	121,759	0
Noonan		282,130	282,130	172,000
Leeds		317,106	317,106	190,000
Columbus		387,828	387,828	92,000
Washburn		1,391,331	1,391,331	885,000
Jamestown		3,572,603	3,572,603	2,080,000
Grenora		383,853	383,853	184,000
Carrington		1,459,704	1,459,704	890,000
Ray		1,670,000	1,670,000	0
Barnes Rural Water District		2,063,033	2,063,033	1,355,000
		24,598,971	24,598,971	12,512,000

Borrower		Approved Loan Amount	Funded Loan Amount	Outstanding Loan Amount
Subpart 17	**2015**			
Cass Rural Water District		3,000,000	3,000,000	1,995,000
Jamestown		794,159	794,159	475,000
Garrison		1,821,023	1,821,023	1,190,000
Gwinner		2,882,111	2,882,111	1,145,000
Sheyenne		77,362	77,362	51,000
Lehr		79,065	79,065	20,000
		8,653,720	8,653,720	4,876,000
Subpart 18	**2016**			
Tri-County Water District		727,655	727,655	330,000
New Rockford		270,000	270,000	178,000
Enderlin		340,000	340,000	220,000
Cooperstown		369,283	369,283	284,000
Robinson		129,723	129,723	25,000
South Central Regional Water Distric		3,125,000	3,125,000	2,590,000
New Town		5,000,000	5,000,000	2,740,000
Hebron		2,834,223	2,834,223	860,000
Stutsman Rural Water District		1,582,373	1,582,373	1,300,000
Flaxton		95,000	95,000	0
North Prairie Water District		1,021,590	1,021,590	835,000
		15,494,847	15,494,847	9,362,000
Subpart 19	**2017**			
Pick City		1,032,980	1,032,980	334,000
Southeast Water Users District		5,925,000	5,925,000	5,215,000
Makoti		362,450	362,450	110,000
Grand Forks		66,000,000	66,000,000	61,015,000
Gardner		244,374	244,374	187,000
Jamestown		1,123,587	1,123,587	790,000
Jamestown		539,511	539,511	305,000
Maxbass		437,973	437,973	110,000
Williams Rural Water District		5,000,000	5,000,000	3,770,000
Northeast Regional Water District		2,978,890	2,978,890	2,165,000
Sherwood		126,587	126,587	86,000
R & T Water Supply Commerce Auth		5,000,000	5,000,000	3,770,000
Horace		479,216	479,216	360,000
Traill Rural Water District		3,206,464	3,206,464	2,460,000
Oakes		4,043,000	4,043,000	3,080,000
Ross		947,758	947,758	201,000
Aneta		80,000	80,000	61,000
Kindred		584,663	584,663	490,000
Mandan		1,327,453	1,327,453	980,000
Mayville		720,000	720,000	600,000
		100,159,906	100,159,906	86,089,000

Borrower		Approved Loan Amount	Funded Loan Amount	Outstanding Loan Amount
Subpart 20	**2018**			
Beulah		207,774	207,774	136,000
Mandan		820,281	820,281	610,000
Wahpeton		443,387	443,387	380,000
North Prairie Water District		416,248	416,248	366,000
Argusville		263,396	263,396	228,000
Casselton		901,025	901,025	735,000
Mohall		610,000	610,000	455,000
Lisbon		130,866	130,866	101,000
Towner		80,822	80,822	0
Fessenden		1,037,555	1,037,555	810,000
North Prairie Water District		347,782	347,782	296,000
Walsh Rural Water District		507,653	507,653	430,000
Cass Rural Water District		1,700,000	1,700,000	710,000
Central Plains Water District		4,925,000	4,925,000	4,170,000
Arnegard		1,752,977	1,752,977	1,525,000
Barnes		2,052,000	2,052,000	1,785,000
Minot		1,734,000	1,367,372	1,088,372
Northeast Rural Water District		3,118,000	3,118,000	2,890,000
Northeast Rural Water District		2,460,000	2,460,000	2,060,000
McLean-Sheridan Water District		965,898	965,898	350,000
Mercer		761,690	761,690	160,000
Tri-County Water District		1,050,000	1,050,000	825,000
Rugby		266,904	266,904	97,000
Larimore		119,500	119,500	63,000
Cando		2,044,000	2,044,000	1,610,000
Western Area Water Supply		16,500,000	14,180,589	12,065,589
Mandan		1,848,463	1,848,463	1,525,000
Jamestown		1,445,734	1,445,734	1,125,000
East Central Rural Water District		1,972,000	1,750,000	1,533,000
		50,482,955	47,574,916	38,128,961
Subpart 21	**2019**			
Stutsman Rural Water District		723,450	723,450	620,000
North Prairie Rural Water District		3,327,185	3,327,185	2,895,000
Lisbon		602,066	602,066	50,000
Fargo		23,950,000	16,648,759	16,003,759
Glenburn		422,479	422,479	372,000
Wahpeton		618,358	618,358	535,000
Carson		1,451,583	1,451,583	320,000
Cass Rural Water Users District		2,319,248	2,319,248	1,915,000
Cavalier		2,607,094	2,607,094	1,000,565
All Season Water Users District		1,738,000	1,277,803	319,450
Lincoln		836,000	836,000	695,000
Riverdale		2,161,000	2,161,000	147,500
		40,756,463	32,995,025	24,873,274

Borrower	Approved Loan Amount	Funded Loan Amount	Outstanding Loan Amount
Subpart 22 **2020**			
Stutsman Rural Water District	896,014	896,014	800,000
Dakota Rural Water District	2,176,000	2,102,736	1,982,736
McLean Sheridan Rural Water Distric	4,660,000	3,994,897	3,994,897
Enderlin	1,200,000	897,969	772,969
Carrington	4,975,000	4,975,000	4,465,000
Mapleton	1,041,995	1,041,995	947,000
Jamestown	1,951,145	1,951,145	1,705,000
Stutsman Rural Water District	3,027,000	3,027,000	2,715,000
Agassiz Water Users District	919,906	919,906	840,000
Wyndmere	1,196,000	1,196,000	1,031,000
Tri-County Water District	1,610,000	1,535,214	1,330,214
Missouri West Water System	621,208	621,208	575,000
Center	150,000	150,000	131,000
Dunn Center	776,706	776,706	0
Bismarck	6,877,277	6,877,277	5,170,000
Western Area Water System Associat	16,500,000	9,337,971	8,517,971
Mohall	391,000	391,000	345,000
Beach	1,511,787	1,511,787	349,000
	50,481,038	42,203,825	35,671,787
Subpart 23 **2021**			
Sykeston	411,000	411,000	390,000
Aneta	204,582	204,582	184,000
North Prairie Rural Water District	453,000	439,897	94,224
Lakota	456,720	456,720	435,000
Mandan	7,255,000	6,629,921	6,024,921
North Prairie Rural WD - Mountrail	3,825,000	971,146	942,661
Valley City	217,741	217,741	177,741
NorthPrairie Regional WD	2,107,000	1,631,048	1,482,533
Cooperstown	800,000	551,973	511,973
Jamestown	1,808,000	1,808,000	1,175,000
Stanley	400,000	400,000	334,000
New Salem	1,042,000	1,042,000	990,000
Coleharbor	880,000	805,152	320,152
Horace	2,740,000	1,310,589	1,080,589
East Central Regional WD	1,341,210	1,341,210	1,305,000
Hankinson	42,000	42,000	38,000
Flaxton	302,707	302,707	25,000
	24,285,960	18,565,686	15,510,794

Borrower		Approved Loan Amount	Funded Loan Amount	Outstanding Loan Amount
Subpart 24	**2022**			
Jamestown		1,402,300	1,344,000	1,221,700
Davenport		526,884	526,884	489,884
Jamestown		1,799,477	1,799,477	295,000
Wahpeton		988,376	988,376	988,376
McLean Sheidan Rural WD		1,015,000	891,531	891,531
Valley City		171,000	171,000	164,000
Barnes Rural WD		806,000	806,000	785,000
Bismarck		902,483	902,483	38,159
Forman		871,000	871,000	825,000
Bowbells		218,000	218,000	210,000
Wilton		1,688,000	354,587	354,587
Wing		2,337,000	2,108,721	512,929
Tri County WD		1,064,432	1,064,432	1,015,000
Cass Rural WUD		2,500,000	1,495,845	1,495,845
Riverdale		600,000	570,082	570,082
Upper Souris		1,274,000	141,789	112,789
		18,163,952	14,254,207	9,969,882
Subpart 25	**2023**			
East Central RWD		15,159,000	6,505,577	1,884,130
Stanley		1,689,750	969,704	924,954
Stanley		563,250	323,234	323,235
Wahpeton		1,197,000	826,662	784,662
Lincoln		1,858,000	258,918	258,918
Glen Ullin		2,000,000	1,311,885	327,971
Dakota Rural WD		3,952,000	1,742,380	204,986
Dickinson		2,800,000	713,940	690,990
Grand Forks		375,000	209,214	15,071
Missouri West WD		507,000	172,868	172,868
St. John		920,000	71,188	71,188
Mapleton		825,000	221,498	221,498
Berthold		731,000	317,317	317,317
Bismarck		2,000,000	280,165	70,041
Fargo		6,400,000	2,358,540	589,635
		40,977,000	16,283,090	6,857,463
Total		$ 770,068,138	$ 716,797,519	$ 382,680,161

Industrial Development Bond Program Loans

Part I

Borrower			Funded Loan Amount		Outstanding Loan Amount
Subpart 1	**2006**				
Prairie Gold Real Estate, LLC		$	1,360,000	$	587,083
Subpart 2	**2008**				
ND Natural Beef, LLC			2,000,000		0
Subpart 3	**2009**				
Giant Snacks Inc.			1,500,000		0
ND Natural Beef, LLC			65,269		0
			1,565,269		0
Total		$	4,925,269	$	587,083

Direct Loans

Part J

Borrower	Original Loan Amount
Subpart 1 1992	
Ft. Clark Irrigation	$ 20,750
Subpart 2 1993	
Solen	9,000
Subpart 3 1995	
Plaza PSD	16,000
Mooreton	30,000
Garrison PSD	110,000
Beulah Airport Authority	35,000
	191,000
Subpart 4 1996	
Christine	27,000
McHenry	24,000
Sims PSD	17,000
	68,000
Subpart 5 1997	
Ward County	80,000
Traill County Rural Water Users	40,000
Christine	17,500
Manvel	28,000
	165,500
Subpart 6 1998	
Berthold	45,000
Page	60,000
Ransom Sargent Water Users	87,000
Upper Souris Water Users Association	75,000
Hannaford	20,000
	287,000
Subpart 7 1999	
Forest River	50,000
Subpart 8 2000	
New Town PSD	500,000
Sanborn	13,500
Havana	120,000
	633,500

Borrower	Original Loan Amount
Subpart 9 2001	
Fort Pembina Airport Authority	$ 117,000
Sims PSD	100,000
	217,000
Subpart 10 2002	
Kulm	21,360
Southeast Water Users	640,000
Solen PSD	200,000
	861,360
Subpart 11 2003	
Solen PSD	200,000
Traill County Rural Water Users	50,000
St. John	85,000
	335,000
Subpart 12 2004	
Solen PSD	200,000
New Town PSD	60,000
	260,000
Subpart 13 2005	
Enderlin	92,000
Columbus	57,000
Solen PSD	200,000
Gackle	75,000
Portal	185,000
Surrey Township	42,500
	651,500
Subpart 14 2006	
Solen PSD	200,000
Subpart 15 2007	
Emerado	186,288
Subpart 16 2008	
Sterling PSD	100,000
Cass Rural Water District	330,000
Watford City	405,000
Casselton	685,000
	1,520,000

Borrower		Original Loan Amount
Subpart 17	**2009**	
Northwood PSD		1,500,000
Hazen		215,000
Solen PSD		390,000
		2,105,000
Subpart 18	**2010**	
Drayton		405,000
Drayton		278,000
		683,000
Subpart 19	**2012**	
Fessenden		44,000
Rolla		265,000
Sheldon		63,413
		372,413

Borrower		Funded Loan Amount	Outstanding Loan Amount
Subpart 20	**2013**		
Noonan		115,290	0
Noonan		400,000	0
Rolla		190,000	0
Benedict		126,500	65,000
McHenry County		1,777,500	0
		2,609,290	65,000
Subpart 21	**2014**		
Traill Rural Water District		200,500	0
Berthold		450,000	0
Leeds		70,000	0
Colfax		40,000	0
		760,500	0
Subpart 22	**2015**		
Grafton		150,000	0
Subpart 23	**2017**		
Rolla		750,000	0
Wing		120,000	0
		870,000	0
Subpart 24	**2018**		
Jamestown Regional Airport Authority		700,000	565,000
Jamestown Regional Airport Authority		126,500	0
		826,500	565,000
Subpart 25	**2019**		
Rolette County Housing Authority		160,000	110,000
Subpart 26	**2020**		
Morton County		500,000	500,000
Subpart 27	**2021**		
Missouri Ridge Township		650,000	570,000
Total Direct Loans		$ 15,342,601	$ 1,810,000

NORTH DAKOTA PUBLIC FINANCE AUTHORITY
BONDS ISSUED 1977 THROUGH 2023

Part A 1997 General Bond Resolution

		Initial Bond Amount
1977 Series A		$ 15,000,000
1979 Series A		16,590,000
1983 Series A		11,600,000
	Subtotal	43,190,000

Part B Local Government Assistance Program

1985 Series A		35,290,000

Part C Insured Water Revenue Bonds

1989 Series A		11,650,000
1989 Series B		1,410,000
	Subtotal	13,060,000

Part D Government Assistance Program

1990 Series A		765,000
1990 Series B		1,241,704
	Subtotal	2,006,704

Part E Taxable Insured Water System Refunding Bonds

1999 Series A		8,875,000
1999 Series B		1,410,000
	Subtotal	10,285,000

Part F Capital Financing Program

1990 Series A	400,000
1990 Series B	185,000
1990 Series C	95,000
1990 Series D	155,000
1990 Series E	680,000
1990 Series F	100,000
1990 Series G	250,000
1990 Series H	220,000
1990 Series I	230,000
1990 Series J	140,000
1990 Series K	85,000
1990 Series L	770,000
1990 Series M	70,000
1990 Series N	35,000
1990 Series O	335,000

Part F Cont.

	Initial Bond Amount
1991 Series A	$ 225,000
1991 Series B	1,300,000
1991 Series C	410,000
1991 Series D	560,000
1991 Series E	265,000
1991 Series F	345,000
1991 Series G	380,000
1991 Series H	280,000
1991 Series I	2,460,000
1992 Series A	565,000
1992 Series B	820,000
1992 Series C	2,650,000
1992 Series D	115,000
1992 Series E	1,870,000
1992 Series F	3,260,000
1992 Series G	290,000
1992 Series H	395,000
1992 Series I	535,000
1992 Series J	2,500,000
1992 Series K	535,000
1993 Series A	150,000
1993 Series B	880,000
1993 Series C	1,975,000
1993 Series D	1,465,000
1993 Series E	505,000
1993 Series F	2,930,000
1994 Series A	5,335,000
1994Series B	525,000
1994 Series C	445,000
1995 Series A	1,700,000
1995 Series B	425,000
1995 Series C	380,000
1996 Series A	500,000
1996 Series B	930,000
1996 Series C	1,585,000
1996 Series D	350,000
1997 Series A	540,000
1997 Series B	3,350,000
1997 Series C	300,000
1997 Series D	1,750,000
1997 Series E	4,705,000
1997 Series F	375,000
1997 Series G	1,050,000
1997 Series H	3,275,000
1998 Series A	945,000
1998 Series B	6,685,000

Part F Cont.		Initial Bond Amount	Outstanding Bond Amount
1998 Series C		565,000	0
1998 Series D		1,050,000	0
1998 Series E		450,000	0
1999 Series A		1,075,000	0
1999 Series B		260,000	0
1999 Series C		100,000	0
1999 Series D		1,100,000	0
1999 Series E		1,710,000	0
1999 Series F		285,000	0
2000 Series A		1,115,000	0
2000 Series B		3,100,000	0
2001 Series A		735,000	0
2002 Series A		1,700,000	0
2003 Series A		1,495,000	0
2004 Series A		880,000	0
2006 Series A		1,385,000	0
2009 Series A		2,125,000	440,000
2011 Series A		3,730,000	0
2012 Series A		9,635,000	3,315,000
2013 Series A		51,375,000	30,615,000
2014 Series A		32,840,000	19,690,000
2014 Series B		9,000,000	5,730,000
2015 Series A		1,945,000	925,000
2015 Series B		25,620,000	17,825,000
2015 Series C		38,280,000	31,995,000
2018 Series A		1,360,000	790,000
2019 Series A		2,515,000	535,000
2021 Series A		2,130,000	1,895,000
	Subtotal	264,125,000	113,755,000

Part G **Capital Financing Disaster Loan Program**

2011 Series A		9,141,832	0
2012 Series A		2,892,780	0
2013 Series A		1,696,000	0
2014 Series A		675,000	0
	Subtotal	14,405,612	0

		Initial Bond Amount	Outstanding Bond Amount
Part H	**State Revolving Fund Program**		
1990 Series A	[1]	5,520,000	0
1993 Series A	[2, 5]	20,220,000	0
1995 Series A	[3]	6,975,000	0
1996 Series A	[3]	29,845,000	0
1998 Series A	[5, 6]	35,965,000	0
2000 Series A	[4]	16,725,000	0
2001 Series A	[7]	23,725,000	0
2003 Series A	[7, 8]	26,795,000	0
2003 Series B	[9]	20,455,000	0
2004 Series A	[9]	11,790,000	0
2005 Series A	[8]	36,210,000	0
2008 Series A	[10]	46,100,000	0
2011 Series A	[11]	101,210,000	0
2012 Series A		19,705,000	3,800,000
2012 Series B		17,900,000	0
2015 Series A		119,195,000	84,675,000
2016 Series A		16,405,000	9,175,000
2018 Series A		128,625,000	107,130,000
2022 Series A		85,330,000	73,990,000
	Subtotal	768,695,000	278,770,000

[1] A portion of the proceeds of the 1993 Series A SRF Bonds was used to defease and refund the 1990 Series A SRF Bonds.
[2] A portion of the proceeds of the 2001 Series A SRF Bonds was used to defease and refund the 1993 and 1995 Series A SRF Bonds.
[3] The proceeds of the 2003 Series B SRF Bonds were used to defease and refund the 1996 Series A SRF Bonds.
[4] The proceeds of the 2004 Series A SRF Bonds were used to defease and refund the 2000 Series A SRF Bonds.
[5] A portion of the proceeds of the 2005 Series A SRF Bonds was used to defease and refund the 1993 and 1998 Series A SRF Bonds.
[6] A portion of the proceeds of the 2008 Series A SRF Bonds was used to defease and refund the 1998 Series A SRF Bonds.
[7] A portion of the proceeds of the 2011 Series A SRF Bonds was used to defease and refund the 2001Series A and 2003 Series A SRF Bonds.
[8] A portion of the proceeds of the 2012 Series A SRF Bonds was used to defease and refund the 2003Series A and 2005 Series A SRF Bonds.
[9] A portion of the proceeds of the 2012 Series B SRF Bonds was used to defease and refund the 2003 Series B and 2004 Series A SRF Bonds.
[10] The proceeds of the 2016 Series A SRF Bonds were used to defease and refund the 2008 Series A SRF Bonds.
[11] A portion of the proceeds of the 2022 Series A SRF Bonds was used to defease and refund the 2011 Series A SRF Bonds.

		Initial Bond Amount	Outstanding Bond Amount
Part I	**Industrial Development Bond Program**		
2006 Series A		1,360,000	625,000
2008 Series A		2,000,000	0
2009 Series A		1,500,000	0
	Subtotal	4,860,000	625,000
Part J	**Legacy Fund Infrastructure Program Bonds**		
2021 Series A		389,200,000	372,055,000
2022 Series A		320,915,000	309,600,000
	Subtotal	710,115,000	681,655,000
Total All Bonds		$ 1,866,032,316	$ 1,074,805,000

April 19, 2024

PUBLIC FINANCE AUTHORITY ADVISORY COMMITTEE

RECOMMENDATION TO THE INDUSTRIAL COMMISSION

The Advisory Committee, at its April 19, 2024 meeting, reviewed, discussed, and recommends approval of a $3,048,000 Drinking Water State Revolving Fund Program loan to the City of Ashley.

North Dakota Public Finance Authority
Advisory Committee

Keith Lund, Chairman
Linda Svihovec
John Phillips

Industrial Commission
of North Dakota

Doug Burgum
GOVERNOR

Drew H. Wrigley
ATTORNEY GENERAL

Doug Goehring
AGRICULTURE COMMISSIONER

North Dakota Public Finance Authority

Memorandum

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

From: DeAnn Ament, Executive Director

Date: March 29, 2024

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

Purpose of the Project: Replace the City's existing 65,000-gallon water tower with a new 250,000-gallon elevated storage tank as well as demolish the City's water treatment plant and 300,000-gallon underground storage reservoir.

Project Amount:

DWSRF Request	$ 3,048,000
DWSRF Loan Forgiveness	(2,328,670)
DWSRF Net Loan	$ 719,330

DWSRF Request	$ 3,048,000
DWR Cost Share	953,000
Total Project Cost	$ 4,001,000

Population to Benefit from the Project: 613; $6,527/person
Population Served by the System: 613
Is the Project Area Within the Extraterritorial Jurisdiction of a City: No

The requested term is 30 years. The average annual payment will be $30,203. The City will issue 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 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 City has 450 residential and 57 commercial connections which pay a base rate of $16.50 and $3.90/1,000 gallons.

Water Fund:

	2021	2022	Unaudited 2023
Operating Revenue	$176,490	$178,545	$169,875
Operating Expenses	163,623	319,254	131,408
Net Operating Revenue (Expense)	12,867	(140,710)	38,466
Depreciation	3,300	195,836	--
Adjusted Net Operating Revenue	$16,167	$55,126	$38,466

Outstanding Debt December 31, 2023:

	Original Amount	Outstanding Amount
Sewer Improvement Bonds	$1,190,000	$1,190,000
Street Improvement Bonds	1,863,191	1,812,935
Total	$3,053,191	$3,002,935

With an outstanding balance of $3,722,265 including this new bond and an estimated population of 613 the improvement bond debt is $6,072 per person. The average annual payment of all debt is $171,458. The average annual payment for the approximately 803 parcels assessed for this project will be $38.

The City of Ashley is located in McIntosh County 121 miles southeast of Bismarck. Based on the 2020 census, the total population was 613; this is a decrease of 136 from the 2010 census. The largest employers in the City are Ashley Veterinary Clinic with 15 employees, Ashley Public Schools with 28 employees and Ashley Medical Center which employs 125.

School Enrollment:

2020-2021	2021-2022	2022-2023	2023-2024	Projected 2024-2025
129	138	141	129	130

The City’s 2023 taxable valuation was $1,406,440. This is an increase of $416,570 from the 2019 taxable valuation.

Property Taxes Levied & Collected 2/21/2024:

Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2023	$476,652	$300,188	63%
2022	$349,057	$326,441	94%
2021	$365,889	$359,619	98%

Special Assessments Levied & Collected 2/21/2024:

Year	Dollar Amount	Amount Collected to Date of Application	Percentage Collected
2023	-	-	-
2022	$76,625	$63,030	82%
2021	$113,243	$103,631	92%

City of Ashley Mill Levy History:

Year	City	School	Park District	State and County	Other	Total for Each Year
2023	114.42	102.50	40.00	106.28	5.00	368.20
2022	104.42	71.07	40.00	102.69	5.00	323.18
2021	122.52	71.20	40.00	104.98	5.00	343.70
2020	122.56	65.18	40.00	108.47	5.00	341.21
2019	119.64	70.62	36.93	114.10	5.00	346.29

BND
Bank of North Dakota

PO BOX 5509, 1200 Memorial Hwy.
Bismarck, ND 58506-5509

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701.328.5600

bnd.nd.gov

Memorandum

To: Industrial Commission

From: Kylee Merkel, Business Banker
Bank of North Dakota

Date: March 28, 2024

RE: City of Ashley
Drinking Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a $3,048,000 loan to the City of Ashley under the Drinking Water State Revolving Fund (DWSRF). The entire cost of the project is $4,001,000, with Department of Water Resources providing a $953,000 grant. This project is eligible for $2,328,670 of DWSRF loan forgiveness, making the net loan $719,330.

The project will replace the City's existing water tower, demolish the City's water treatment plant and demolish the underground storage reservoir. The requested loan term is 30 years. The City will issue an improvement bond payable with special assessment collections. The annual payment will average $30,203. The improvement district includes 803 parcels.

Summary of Water & Sewer Fund:

Water & Sewer Fund	2020	2021	2022
Operating Revenue	177,030	176,490	178,545
Operating Expenses	-161,075	-163,623	-319,254
Net Operating Revenue	15,955	12,867	-140,710
Depreciation	0	3,300	195,836
Adjusted Net Operating Income	15,955	16,167	55,126

The City currently serves 450 residential connections and 57 commercial connections. All users pay a monthly base rate of $16.50 and a volume charge of $3.90 per 1,000 gallons.

Bank of North Dakota

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Bismarck, ND 58506-5509

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Outstanding Debt (as of December 31, 2023):

	Original Amount	Current Balance
Sewer Improvement Bonds	1,190,000	1,190,000
Street Improvement Bonds	1,863,191	1,812,935
	3,053,191	3,002,935

Average annual debt service requirements are estimated at $171,458, which is an average of $279.70 per resident.

Historical census populations for the City of Ashley were 613 in 2020, 749 in 2010 and 882 in 2000. The largest employers in the City are Ashley Medical Center, Ashley Public School and Ashley Veterinary Clinic.

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

Kylee Merkel
____
Kylee Merkel
Business Banker

50 South Sixth Street
Suite 2250
Minneapolis, MN 55402
612.338.3535
612.338.7264 Fax
www.pfm.com

Memorandum

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

FROM: PFM Financial Advisors LLC

DATE: April 17, 2024

RE: Marketplace Analysis - Drinking Water State Revolving Fund Program
City of Ashley

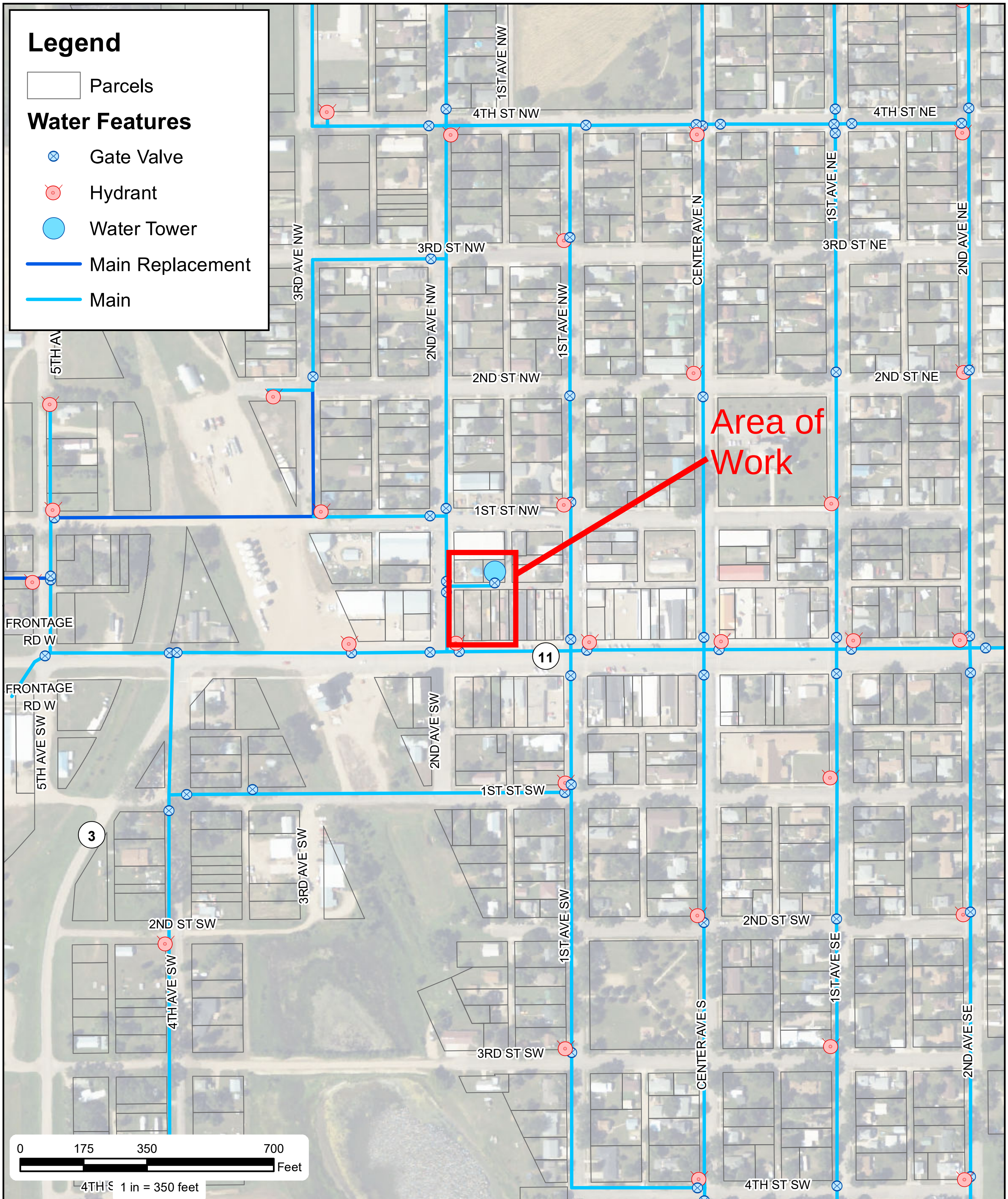
The City of Ashley ("City") has presented a request to the Authority and the North Dakota Department of Environmental Quality ("Department") for a $3,048,000 loan of which $2,328,670 will be loan forgiveness, for a total of $719,330 under the Drinking Water State Revolving Fund Program ("DWSRF Program"). The DWSRF Program is used to make subsidized interest rate loans to political subdivisions for the purpose of constructing various water treatment, distribution, and storage facilities 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 replace the City's existing 65,000-gallon water tower with a 250,000-gallon elevated storage tank as well as demolish the City's water treatment plant and 300,000 gallon underground storage reservoir.

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 City's average annual payment under the proposed loan will be approximately $30,203. 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, 2023, the City has $1,190,000 of Sewer Improvement Bonds and $1,812,935 of Street Improvement Bonds outstanding.

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 DWSRF 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 DWSRF Program.



WATER SYSTEM
CITY OF ASHLEY
MCINTOSH COUNTY, NORTH DAKOTA

Created By: TJS Date Created: 07/28/21 Date Saved: 04/13/23 Date Plotted: NEVER Date Exported: 04/13/23
Plotted By: Tanner.Schmidt Parcel Date: N/A Aerial Image: 2019 County NAIP SIDS Elevation Data: Lidar
Horizontal Datum: NAD 1983 StatePlane North Dakota South FIPS 3302 Feet Vertical Datum: NAVD1988
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moore engineering, inc.

RESOLUTION APPROVING
LOAN FROM DRINKING WATER STATE REVOLVING FUND

WHEREAS, the Industrial Commission has heretofore authorized the creation of a Drinking Water State Revolving Fund Program (the "Program") pursuant to N.D.C.C. chs. 6-09.4, 61-28.1, and 61-28.2; and

WHEREAS, the State Revolving Fund is governed in part by the Master Trust Indenture dated as of July 1, 2011 (the "Indenture"), between the North Dakota Public Finance Authority (the "NDPFA") and the Bank of North Dakota (the "Trustee"); and

WHEREAS, the City of Ashley (the "Political Subdivision") has requested a loan in the amount of $3,048,000 from the Program to replace the existing 65,000-gallon water tower with a new 250,000-gallon elevated storage tank as well as demolish the water treatment plant and 300,000-gallon underground storage reservoir; and

WHEREAS, NDPFA's Advisory Committee is recommending approval of the Loan; and

WHEREAS, there has been presented to this Commission a form of Loan Agreement proposed to be adopted by the Political Subdivision and entered into with the NDPFA;

NOW, THEREFORE, BE IT RESOLVED by the Industrial Commission of North Dakota as follows:

1. The Loan is hereby approved, as recommended by the Advisory Committee.

2. The form of Loan Agreement to be entered into with the Political Subdivision is hereby approved in substantially the form on file and the Executive Director is hereby authorized to execute the same with all such changes and revisions therein as the Executive Director shall approve.

3. The Executive Director is authorized to fund the Loan from funds on hand in the Drinking Water Loan Fund established under the Indenture upon receipt of the Municipal Securities described in the Political Subdivisions bond resolution, to submit to the Trustee a NDPFA Request pursuant to the Indenture, and to make such other determinations as are required under the Indenture.

4. The Commission declares its intent pursuant to Treasury Regulations '1.150-2 that any Loan funds advanced from the Federally Capitalized Loan Account shall be reimbursed from the proceeds of bonds issued by the NDPFA under the Indenture.

Adopted: April 30, 2024

Governor Doug Burgum, Chairman

Attest:

Karen Tyler, Interim Executive Director
Industrial Commission of North Dakota

April 19, 2024

PUBLIC FINANCE AUTHORITY ADVISORY COMMITTEE

RECOMMENDATION TO THE INDUSTRIAL COMMISSION

The Advisory Committee, at its April 19, 2024 meeting, reviewed, discussed, and recommends approval of a $2,604,000 Drinking Water State Revolving Fund Program loan to Cass Rural Water Users District.

North Dakota Public Finance Authority
Advisory Committee

Keith Lund, Chairman
Linda Svihovec
John Phillips

Industrial Commission
of North Dakota

Doug Burgum
GOVERNOR

Drew H. Wrigley
ATTORNEY GENERAL

Doug Goehring
AGRICULTURE COMMISSIONER

North Dakota Public Finance Authority

Memorandum

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

From: DeAnn Ament, Executive Director

Date: April 16, 2024

Re: Cass Rural Water Users District, Drinking Water State Revolving Fund

Purpose of the Project: This project includes approximately 9.5 miles of new watermain, which will significantly enhance the capacity to convey more water from Reservoir B to Reservoir D and improve system pressures throughout the Reservoir D service area.

Project Amount:

DWSRF Request	$ 2,604,000
DWR Cost Share	2,970,000
Project Total	$ 5,574,000

Population to Benefit from the Project: 3,000; $1,858/person
Population Served by the System: 25,424 and includes 14 bulk users with 10,283 population
Is the Project Area Within the Extraterritorial Jurisdiction of a City: No

The requested term for the DWSRF loan is 20 years. Cass Rural Water Users District (District) will issue revenue bonds payable with water user fees. The net average annual payment for the revenue bonds will be $152,384. The reserve requirement will be $157,325 and the 110% coverage requirement will be $167,623.

Cass Rural Water Users District currently provides water services in Cass County and parts of Traill, Barnes, Ransom and Richland counties.

Water Connections:

				Projected	
	2022	**2023**	**2024**	**2025**	**2026**
Residential	7,136	7,742	8,348	8,954	9,560
Cities	14	14	14	14	14
Industrial	2	2	2	2	2

The residential and commercial monthly base rate is $27 per user. Leonard Area Arsenic project users pay a base rate of $40 per user. Volume charges are $5.40/1,000 gallons for residential, $4.55/1,000 gallons for commercial, and $3.34 for industrial users.

Net Operating Coverage:

	As Restated			
	2020	**2021**	**2022**	**2023**
Interest Revenue	$117,610	$17,372	$119,353	$431,491
Operating Revenue	8,325,611	9,247,421	9,678,321	10,615,432
Operating Expenses	6,533,107	7,044,179	7,337,868	8,315,584
Net Operating Revenue	1,910,114	2,220,614	2,459,806	2,731,339
Depreciation	1,904,333	1,971,545	2,001,167	2,196,977
Adjusted Net Operating Revenue	$3,814,447	$4,192,159	$4,460,973	$4,928,316
Revenue Bond Payments	$2,460,041	$3,390,357	$2,427,501	$2,463,679
Net Operating Coverage	155%	124%	184%	200%
Proforma DWSRF Payment	$152,384	$152,384	$152,384	$152,384
Proforma Net Operating Coverage	146%	118%	173%	188%

The District has reserves of $7,217,506. The existing net operating revenue will be sufficient to meet the 110% net operating coverage.

Listed below is a summary of the total outstanding debt of the District as of 12/31/2023:

	Original Debt	**Outstanding Debt**
Improvement Bonds - Water	$20,640,000	$14,735,000
Revenue Bonds - SRF *	55,512,247	20,560,588
Revenue Bonds - Water	2,920,000	1,485,086
Total	**$79,072,247**	**$36,780,674**

* All payments have been made as agreed. The District has two CWSRF loans and six DWSRF loans with $20,560,588 outstanding as of December 31, 2023.

The Cass County population based upon the 2020 census was 184,525 which was an increase of 34,747 from the 2010 census. Major employers in the service area are Sanford Medical Center with 8,651 employees, Essentia Health has 5,141 employees and North Dakota State University employs 4,363.

Cass County School Enrollment for K-12:

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
25,439	25,492	26,297	26,600	27,151

BND Bank of North Dakota

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bnd.nd.gov

Memorandum

To: Industrial Commission

From: Kylee Merkel, Business Banker
Bank of North Dakota

Date: April 16, 2024

RE: Cass Rural Water Users District
Drinking Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a $2,604,000 loan to Cass Rural Water Users District under the Drinking Water State Revolving Fund (DWSRF). The total cost of the project is $5,574,000, with $2,970,000 coming from a Department of Water Resources cost-share grant.

The project will add additional watermains to increase service capacity and improve system pressures. The requested loan term is 20 years. The District will issue revenue bonds payable from user fees. The annual payment will average $152,384.

Debt Service Coverage:

	2021	2022	2023	Projected
Operating Revenue	9,247,421	9,678,321	10,615,432	10,615,432
Interest Revenue	17,372	119,353	431,491	431,491
Operating Expenses	-7,044,179	-7,337,868	-8,315,584	-8,315,584
Net Operating Revenue	2,220,614	2,459,806	2,731,339	2,731,339
Add: Depreciation	1,971,545	2,001,167	2,196,977	2,196,977
Adjusted Operating Income	4,192,159	4,460,973	4,928,316	4,928,316
Current Debt Service	3,390,357	2,427,501	2,463,679	2,463,679
Proposed Debt Service				152,384
Current Debt Service	3,390,357	2,427,501	2,463,679	2,616,063
Debt Service Coverage	123.65%	183.77%	200.04%	188.39%

Residential and commercial connections pay a monthly base rate of $27. Connections in the Leonard Area Arsenic project area pay a monthly base rate of $40. In additional volume charges per 1,000 gallons are $5.40 for residential connections, $4.55 for commercial connections, and $3.34 for industrial connections. The existing user fees, will generate sufficient net operating revenues to service both the new and existing debt.

Outstanding Debt:

	Original Amount	Amount Outstanding
Improvement Bonds	$20,640,000	$14,735,000
Revenue Bonds	$2,920,000	$1,485,086
SRF Revenue Bonds	55,512,247	20,560,588
Total Revenue Bonds	$79,072,247	$36,780,674

Average annual debt service requirements are estimated at $5,424,692, which is an average of $213.37 per resident of the District.

The system has 8,348 residential connections, 2 industrial connections and serves 14 cities. The District provides water services to Cass County and portions of Traill, Barnes, Ransom and Richland counties. The District's estimated population is 25,424.

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

Kylee Merkel
____
Kylee Merkel
Business Banker

50 South Sixth Street
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www.pfm.com

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Memorandum

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

FROM: PFM Financial Advisors LLC

DATE: April 17, 2024

RE: Marketplace Analysis - Drinking Water State Revolving Fund Program
Cass Rural Water Users District

The Cass Rural Water Users District ("District") has presented a request to the Authority and the North Dakota Department of Environmental Quality ("Department") for a $2,604,000 loan under the Drinking Water State Revolving Fund Program ("DWSRF Program"). The DWSRF Program is used to make subsidized interest rate loans to political subdivisions for the purpose of constructing various water treatment, distribution, and storage facilities as approved by the Department in accordance with federal and state regulations and an updated Intended Use Plan prepared by the Department.

The District intends to use the proceeds for roughly 9.5 miles of new watermain.

The municipal securities to be acquired by the Authority will be revenue bonds payable from water user fees. The District's average annual payment under the proposed net loan amount will be approximately $152,384 indicating a 110% net revenue coverage requirement of approximately $167,623. The District will be required to deposit $157,325 into a reserve fund with payments of $31,465 per year over the first five years of the loan. The pro forma net operating coverage of the water fund was 1.46x, 1.18x, 1.73x and 1.88x for 2020-2023, respectively. The existing net operating revenues of the water fund provide sufficient net revenues to meet the 110% coverage requirement.

As of December 31, 2023, the District has $1,485,086 of Revenue Bonds and $14,735,000 of improvement bonds outstanding. The District has two Clean Water and six Drinking Water SRF loans with a total outstanding total balance of $20,560,588. The District is current in its payments for its outstanding Authority loans.

Funding for the construction of the District's projects has been included in a list of approved projects as prepared and updated by the Department. As an authorized participant in the DWSRF Program, the District 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 DWSRF Program.

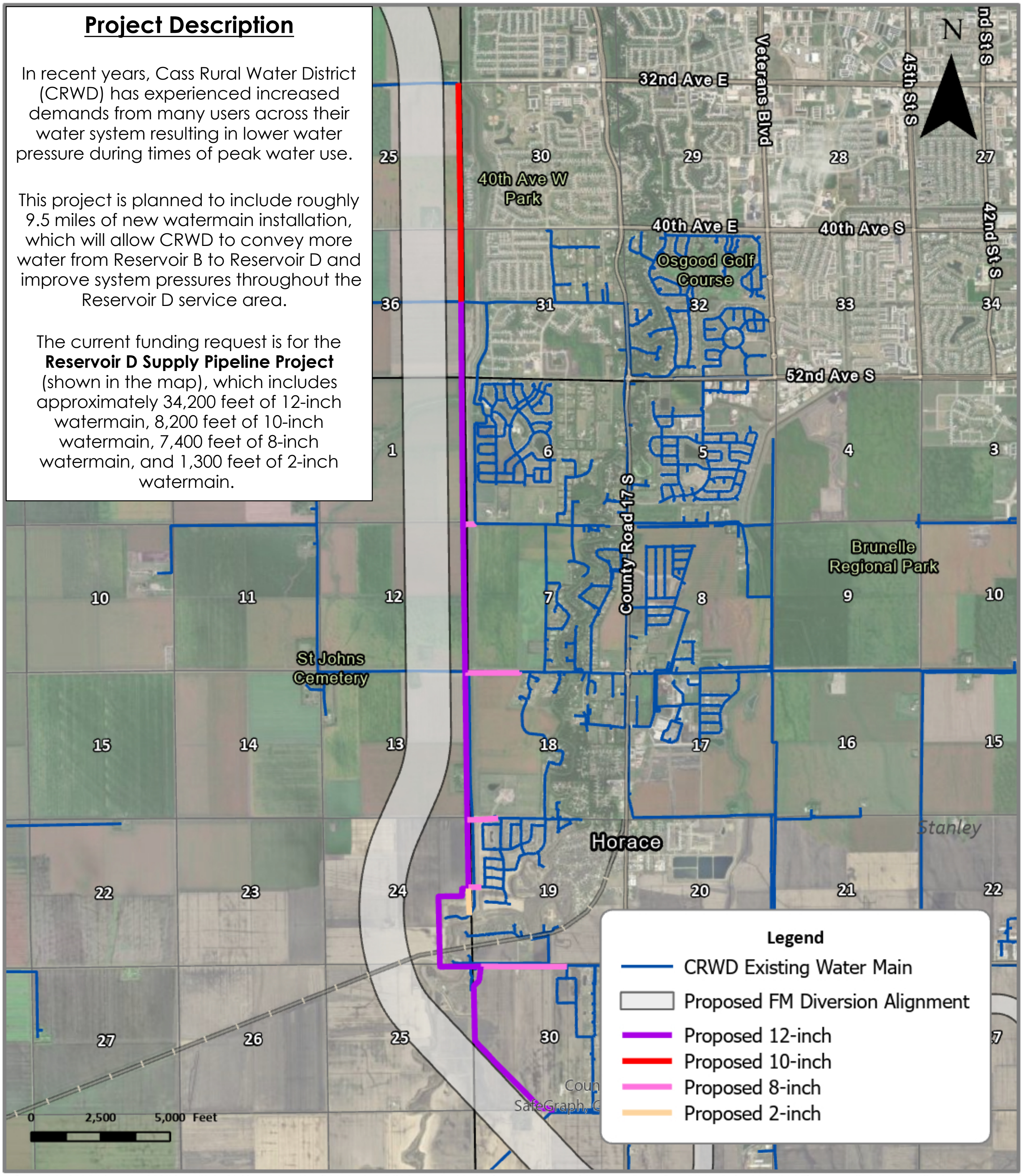
www.ae2s.com | Advanced Engineering and Environmental Services, LLC

Project Description

In recent years, Cass Rural Water District (CRWD) has experienced increased demands from many users across their water system resulting in lower water pressure during times of peak water use.

This project is planned to include roughly 9.5 miles of new watermain installation, which will allow CRWD to convey more water from Reservoir B to Reservoir D and improve system pressures throughout the Reservoir D service area.

The current funding request is for the **Reservoir D Supply Pipeline Project** (shown in the map), which includes approximately 34,200 feet of 12-inch watermain, 8,200 feet of 10-inch watermain, 7,400 feet of 8-inch watermain, and 1,300 feet of 2-inch watermain.



Information depicted may include data unverified by AE2S. Any reliance upon such data is at the user's own risk. AE2S does not warrant this map or its features are either spatially or temporally accurate.

Coordinate System: NAD 1983 StatePlane North Dakota South FIPS 3302 Feet | Edited by: RGroth | W:\C\Cass Rural Water District\05024-2023-005\GIS\CRWD 2024 SWDI - Mapping and Analysis.aprx| CRWD 2024 Diversion

Locator Map Not to Scale

Project Overview Map

Cass Rural Water District

Reservoir D Supply Pipeline Project

AE2S

Date: 10/23/2023

RESOLUTION APPROVING
LOAN FROM DRINKING WATER STATE REVOLVING FUND

WHEREAS, the Industrial Commission has heretofore authorized the creation of a Drinking Water State Revolving Fund Program (the "Program") pursuant to N.D.C.C. chs. 6-09.4, 61-28.1, and 61-28.2; and

WHEREAS, the State Revolving Fund is governed in part by the Master Trust Indenture dated as of July 1, 2011 (the "Indenture"), between the North Dakota Public Finance Authority (the "NDPFA") and the Bank of North Dakota (the "Trustee"); and

WHEREAS, Cass Rural Water Users District (the "Political Subdivision") has requested a loan in the amount of $2,604,000 from the Program to add approximately 9.5 miles of new watermain to enhance capacity to convey more water from Reservoir B to Reservoir D, and improve system pressures throughout the Reservoir D service area; and

WHEREAS, NDPFA's Advisory Committee is recommending approval of the Loan; and

WHEREAS, there has been presented to this Commission a form of Loan Agreement proposed to be adopted by the Political Subdivision and entered into with the NDPFA;

NOW, THEREFORE, BE IT RESOLVED by the Industrial Commission of North Dakota as follows:

1. The Loan is hereby approved, as recommended by the Advisory Committee.

2. The form of Loan Agreement to be entered into with the Political Subdivision is hereby approved in substantially the form on file and the Executive Director is hereby authorized to execute the same with all such changes and revisions therein as the Executive Director shall approve.

3. The Executive Director is authorized to fund the Loan from funds on hand in the Drinking Water Loan Fund established under the Indenture upon receipt of the Municipal Securities described in the Political Subdivisions bond resolution, to submit to the Trustee a NDPFA Request pursuant to the Indenture, and to make such other determinations as are required under the Indenture.

4. The Commission declares its intent pursuant to Treasury Regulations '1.150-2 that any Loan funds advanced from the Federally Capitalized Loan Account shall be reimbursed from the proceeds of bonds issued by the NDPFA under the Indenture.

Adopted: April 30, 2024

____
Governor Doug Burgum, Chairman

Attest:

____
Karen Tyler, Interim Executive Director
Industrial Commission of North Dakota

April 19, 2024

PUBLIC FINANCE AUTHORITY ADVISORY COMMITTEE

RECOMMENDATION TO THE INDUSTRIAL COMMISSION

The Advisory Committee, at its April 19, 2024 meeting, reviewed, discussed, and recommends approval of a $3,500,000 Drinking Water State Revolving Fund Program loan to the City of Underwood.

North Dakota Public Finance Authority
Advisory Committee

Keith Lund, Chairman
Linda Svihovec
John Phillips

North Dakota Public Finance Authority

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: April 16, 2024

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

Purpose of the Project: Replace the water tower to alleviate water pressure issues and replace high service pumps to meet current standards.

Project Amount:

DWSRF Request	$ 3,500,000
DWSRF Loan Forgiveness	(2,625,000)
DWSRF Net Loan	$ 875,000

DWSRF Request	$ 3,500,000
DWR Cost Share	895,200
Total Project Cost	$ 4,395,200

Population to Benefit from the Project: 784; $5,606 per person
Population Served by the System: 784
Is the Project Area in the Extraterritorial Jurisdiction of a City: No

The City will issue revenue bonds payable with water user fees. The requested term for the loan is 30 years. The average annual payment for the revenue bonds will be $36,742. The reserve requirement will be $41,200 and the 110% coverage requirement will be $40,416.

The City has 317 residential connections and 64 commercial connections which pay a monthly base rate of $34.87 per connection (which includes 1,000 gallons) and $5.24/1,000 gallons thereafter. The City anticipates increasing the monthly base rate $14 per user in 2025.

Water Fund:

			Unaudited	
	2020	**2021**	**2022**	**2023**
Interest Revenue	$1,290	$1,010	$713	$1,174
Operating Revenue	237,298	251,043	265,188	269,094
Operating Expenses	265,430	311,516	236,524	215,554
Net Operating Revenue (Expense)	-26,842	-59,463	29,377	54,714
Depreciation	38,977	38,977	-	-
Transfer In	-	53,000	521	-
Adjusted Net Operating Revenue (Expense)	$12,135	$32,514	$29,898	$54,714
Revenue Bond Payments	$6,007	$7,294	$10,734	$10,600
Net Operating Coverage	202%	446%	279%	516%
Proforma Rate Increase Revenue	$64,008	$64,008	$64,008	$64,008
Proforma DW Payment	$36,742	$36,742	$36,742	$36,742
Proforma Net Operating Coverage	178%	219%	198%	251%

With the anticipated rate increase, the City should meet the 110% net operating coverage requirement.

Outstanding Debt December 31, 2023:

	Original Amount	**Outstanding Amount**
General Obligation Bond	$ 280,000	$ 80,000
Water Revenue Bond *	155,000	147,500
Street/Flood Water Improvement Bond	5,100,000	2,880,000
Total Bonds	$5,535,000	$ 3,107,500

*All payments have been made as agreed. The City participated in a joint powers' agreement with Riverdale and North Central Regional Water District. The other parties repaid their portion of the bond. The City is responsible for the remaining outstanding balance of $147,500 of a DWSRF bond.

The City of Underwood is located in McLean County approximately 54 miles north of Bismarck on U.S. Highway 83. The total population according to the 2020 census is 784; this is an increase of 6 from the 2010 census. The largest employers in the area are Underwood Public School with 22 employees, Wholesale Ag which employs 15, and Rusted Rail (restaurant) with 12 employees.

K-12 School Enrollment:

				Projected
2020-2021	**2021-2022**	**2022-2023**	**2023-2024**	**2024-2025**
190	195	201	183	183

The City's 2023 taxable valuation was $2,410,103. This is an increase of $279,982 over the 2019 taxable valuation.

Property Tax Collections as of March 31, 2024:

Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2023	$491,581	$425,571	87%
2022	$475,554	$444,505	93%
2021	$477,493	$456,750	96%

Special Assessment Collections as of March 31, 2024:

Year	Dollar Amount	Amount Collected to Date of Application	Percentage Collected
2023	$300,818	$258,633	86%
2022	$304,789	$288,823	95%
2021	$304,827	$295,271	97%

Mill Levy History:

Year	City	School	Park District	State and County	Other	Total for Each Year
2023	82.69	87.05	21.18	79.96	27.27	298.15
2022	76.62	87.05	21.82	69.33	39.53	294.35
2021	79.88	87.05	19.82	81.67	17.50	285.92
2020	76.10	86.73	18.79	70.43	30.89	282.94
2019	69.75	85.26	17.62	72.88	29.12	274.63

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Bank of North Dakota

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Memorandum

To: Industrial Commission

From: Kylee Merkel, Business Banker
Bank of North Dakota

Date: April 17, 2024

RE: City of Underwood
Drinking Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a $3,500,000 loan to the City of Underwood under the Drinking Water State Revolving Fund (DWSRF). The project is eligible for $2,625,000 of DWSRF loan forgiveness, making the net loan $875,000. The entire cost of the project is $4,395,200, with Department of Water Resources providing a $895,200 cost-share grant.

The project will replace the water tower and high service pumps to alleviate pressure issues and to meet current standards. The requested loan term is 30 years. The City will issue a revenue bond payable with water user fees. The annual payment will average $36,742.

Debt Service Coverage:

Water Fund	2021	2022	2023	Projected
Operating Revenue	251,043	265,188	269,094	269,094
Projected Rate Increase				67,208
Interest Revenue	1,010	713	1,174	1,174
Operating Expenses	-311,516	-236,524	-215,554	-215,554
Net Operating Revenue	-59,463	29,377	54,714	121,922
Plus: Depreciation/Transfers In	91,977	521	0	0
Adjusted Net Operating Income	32,514	29,899	54,714	121,922
Current Debt Service	7,294	10,734	10,600	10,600
Proposed Debt Service				36,742
Total Debt Service				47,342
Debt Service Coverage	446%	279%	516%	258%

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The City currently serves 317 residential connections and 64 commercial connections. All connections pay a monthly base rate of $34.87 which includes 1,000 gallons of usage. In addition, there is a volume charge of $5.24 per 1,000 gallons, in excess of the included 1,000 gallons. The City anticipates raising the monthly base rate by $14.00 per connection. The existing revenues, combined with the rate increase, will generate sufficient net operating revenues to service both the new and existing debt.

Outstanding Debt (as of December 31, 2023):

	Original Amount	Current Balance
General Obligation Bonds	280,000	80,000
Water Revenue Bond	155,000	147,500
Street/Flood Water Improvement Bond	5,100,000	2,880,000
	5,535,000	3,107,500

Average annual debt service requirements are estimated at $425,321, which is an average of $542.50 per resident.

Historical census populations for the City of Underwood were 784 in 2020, 778 in 2010 and 812 in 2000. The largest employers in the City are Underwood Public School, Wholesale Ag and Rusted Rail Restaurant.

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

Kylee Merkel
____
Kylee Merkel
Business Banker

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Suite 2250
Minneapolis, MN 55402

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Memorandum

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

FROM: PFM Financial Advisors LLC

DATE: April 17, 2024

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

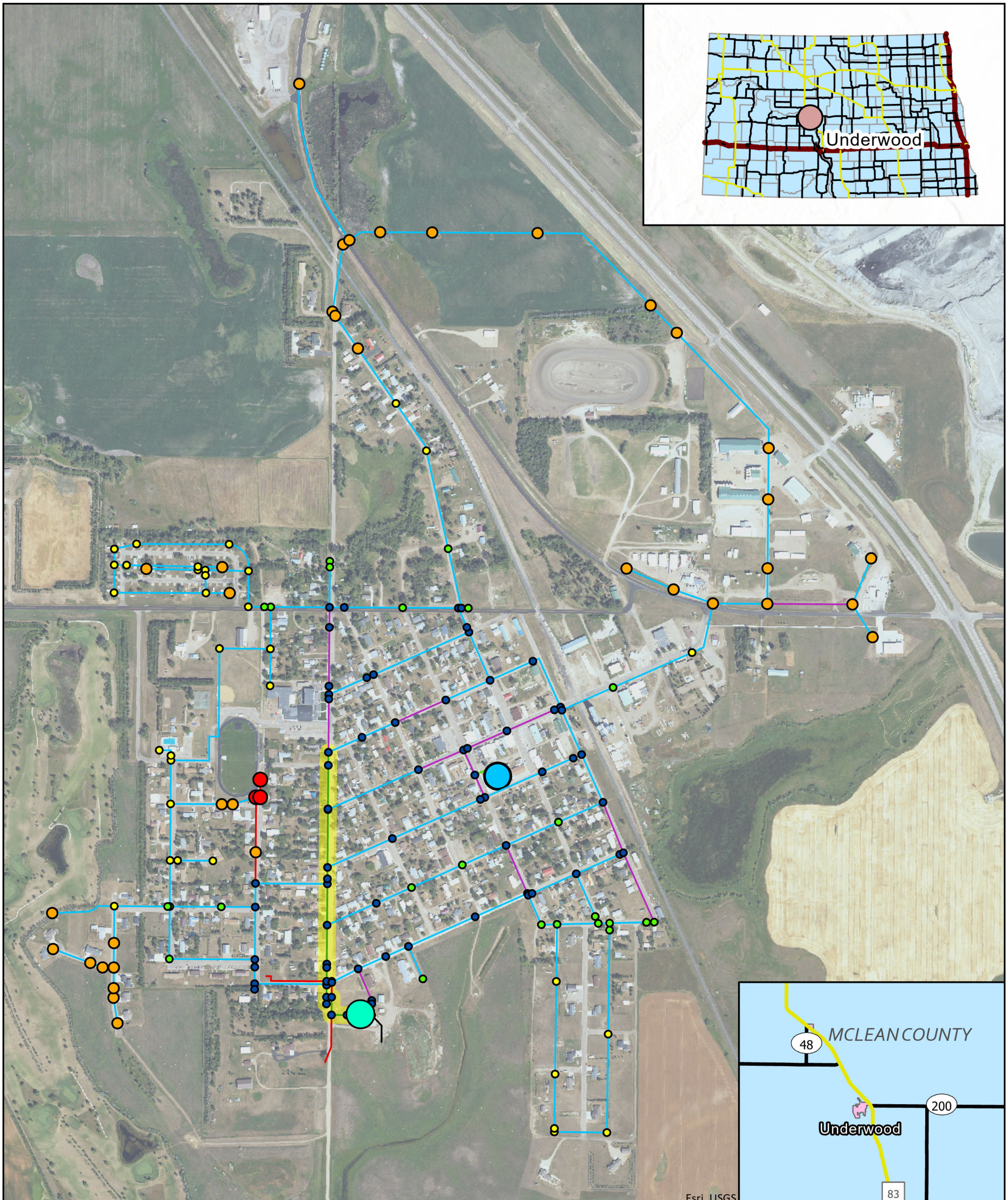
The City of Underwood ("City") has presented a request to the Authority and the North Dakota Department of Environmental Quality ("Department") for a $3,500,000 loan of which $2,625,000 will be loan forgiveness, for a total of $875,000 under Drinking Water State Revolving Fund Program ("DWSRF Program"). The DWSRF Program is used to make subsidized interest rate loans to political subdivisions for the purpose of constructing various water treatment, distribution, and storage facilities 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 replace the water tower and high service pumps.

The municipal securities to be acquired by the Authority will be revenue bonds payable from water user fees. The City's average annual payment under the proposed loan will be approximately $36,742 indicating a 110% net revenue coverage requirement of approximately $40,416. The City will be required to deposit $41,200 into a reserve fund with payments of $8,240 per year for the first five years of the loan. The City intends to increase their monthly base rate by $14.50 per user in 2025. The current monthly base rate is $34.87. Pro forma net operating coverage of the water fund was 1.78x, 2.19x, 1.98x and 2.51x for 2020-2023, respectively. The existing net operating revenues of the water fund plus the monthly base rate increase will provide sufficient net revenues to meet the 110% coverage requirement.

As of December 31, 2023, the City has $80,000 of General Obligation Bonds and $2,880,000 of Street/Flood Water Improvement Bonds outstanding. The City has one Drinking Water SRF loan with an outstanding balance of $147,500. The City is current in its payments for its outstanding Authority loan.

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 DWSRF 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 DWSRF Program.



UNDERWOOD WATER TOWER REPLACEMENT
CITY OF UNDERWOOD
MCLEAN COUNTY, NORTH DAKOTA

Created By: BAS Date Created: 02/21/2023 Date Saved: 02/21/23 Date Plotted: N/A Date Exported: 02/21/23
Plotted By: brook.smith Parcel Date: n/a Aerial Image: 2022 County NAIP SIDS
Elevation Data: LidarHorizontal Datum: N/A Vertical Datum: NAVD1988
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moore
engineering, inc.

RESOLUTION APPROVING
LOAN FROM DRINKING WATER STATE REVOLVING FUND

WHEREAS, the Industrial Commission has heretofore authorized the creation of a Drinking Water State Revolving Fund Program (the "Program") pursuant to N.D.C.C. chs. 6-09.4, 61-28.1, and 61-28.2; and

WHEREAS, the State Revolving Fund is governed in part by the Master Trust Indenture dated as of July 1, 2011 (the "Indenture"), between the North Dakota Public Finance Authority (the "NDPFA") and the Bank of North Dakota (the "Trustee"); and

WHEREAS, the City of Underwood (the "Political Subdivision") has requested a loan in the amount of $3,500,000 from the Program to replace the water tower to alleviate water pressure issues and replace high service pumps to meet current standards; and

WHEREAS, NDPFA's Advisory Committee is recommending approval of the Loan; and

WHEREAS, there has been presented to this Commission a form of Loan Agreement proposed to be adopted by the Political Subdivision and entered into with the NDPFA;

NOW, THEREFORE, BE IT RESOLVED by the Industrial Commission of North Dakota as follows:

1. The Loan is hereby approved, as recommended by the Advisory Committee.

2. The form of Loan Agreement to be entered into with the Political Subdivision is hereby approved in substantially the form on file and the Executive Director is hereby authorized to execute the same with all such changes and revisions therein as the Executive Director shall approve.

3. The Executive Director is authorized to fund the Loan from funds on hand in the Drinking Water Loan Fund established under the Indenture upon receipt of the Municipal Securities described in the Political Subdivisions bond resolution, to submit to the Trustee a NDPFA Request pursuant to the Indenture, and to make such other determinations as are required under the Indenture.

4. The Commission declares its intent pursuant to Treasury Regulations '1.150-2 that any Loan funds advanced from the Federally Capitalized Loan Account shall be reimbursed from the proceeds of bonds issued by the NDPFA under the Indenture.

Adopted: April 30, 2024

Governor Doug Burgum, Chairman

Attest:

Karen Tyler, Interim Executive Director
Industrial Commission of North Dakota

Industrial Commission
of North Dakota

Doug Burgum
GOVERNOR

Drew H. Wrigley
ATTORNEY GENERAL

Doug Goehring
AGRICULTURE COMMISSIONER

North Dakota Public Finance Authority

Memorandum

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

From: DeAnn Ament, Executive Director

Date: April 19, 2024

Re: Medina, Drinking Water State Revolving Fund
Grand Forks, 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 City of Medinas's Drinking Water State Revolving Fund (DWSRF) $920,000 application towards a $4,065,000 project. The US Army Corps of Engineers are providing a $2,225,000 grant, Department of Water Resources cost-share will provide $900,000 and $20,000 of Municipal Infrastructure (Prairie Dog) funds will be used. This project is the Phase 2 replacement of water mains and all services including two railroad crossings where new pipe is bored under the right-of-way. The requested loan term is 30 years. The City will issue 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 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 committee reviewed the City of Grand Fork's DWSRF application for a $1,050,000 loan. This project will begin the process of replacing some of the 700 known lead service lines. The requested loan term is 30 years. The City will issue revenue bonds payable with water user fees.

The Public Finance Authority's Advisory Committee approved these loans at their March 18, 2024, and April 19, 2024, meetings respectively.

Industrial Commission
of North Dakota

Doug Burgum
GOVERNOR

Drew H. Wrigley
ATTORNEY GENERAL

Doug Goehring
AGRICULTURE COMMISSIONER

North Dakota Public Finance Authority

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: April 8, 2024

Re: City of Grand Forks
Drinking Water State Revolving Fund

Purpose of the Project: Begin the process of replacing some of the 700 known lead service lines.

Project Amount:

DWSRF Request	$ 1,050,000
DWSRF Loan Forgiveness	(787,500)
DWSRF Net Loan	$ 262,500

Population to Benefit from the Project: 700; $1,500/person
Population Served by the System: 58,692
Is the Project Area Within the Extraterritorial Jurisdiction of a City: No

The requested term for the Drinking Water State Revolving Fund (DWSRF) loan is 30 years. The City of Grand Forks will issue revenue bonds payable with water user fees. The net average annual payment for the revenue bonds will be $8,750. The reserve requirement will be $10,000 and the 110% coverage requirement will be $9,625.

The City has 15,700 residential users that pay a monthly water base rate of $9.26 with a $4.78/1,000-gallon charge and 1,780 commercial users that pay a monthly water base rate of $10.16 with a $4.67/1,000-gallon charge.

Water Fund:

	2020	2021	2022	Unaudited 2023
Interest Revenue	$ 190,169	$ 48,996	$ 69,846	$ -
Operating Revenue	12,203,479	13,212,174	12,915,729	13,684,826
Operating Expenses	10,228,168	9,319,609	11,356,989	11,416,850
Net Operating Revenue	2,165,480	3,941,561	1,628,586	2,267,976
Infrastructure Sales Tax Transfer	1,825,000	1,810,836	2,138,360	2,030,000
Pension & Depreciation Adjustment	-	-	193,078	-
Adjusted Net Operating Revenue	$3,990,480	$5,752,397	$3,960,024	$6,476,823
Revenue Bond Payments	$2,675,927	$3,150,198	$3,277,856	$3,089,953
Net Operating Coverage	149%	183%	121%	139%

The City annually reviews and adjusts the base and volume rate. The existing net operating revenue coupled with the regular rate increases will be sufficient to meet the 110% net operating coverage.

The City outstanding indebtedness as of December 31, 2023:

	Original Amount	Outstanding Amount
General Obligation Bonds	$ 2,735,000	$ 885,000
Special Assessment Bonds	126,899,989	111,421,047
Water/Sewer Revenue Bonds *	184,015,496	99,088,079
Sales Tax Revenue Bonds	40,380,000	20,770,000
	$ 354,030,485	$232,164,126

*All payments have been made as agreed. The City has seven CWSRF and two DWSRF loans with outstanding balances of $76,010,889 as of December 31, 2023.

The City of Grand Forks is located in Grand Forks County 82 miles north of Fargo on Interstate 29. Based on the 2020 census, the total population is 59,166; this is an increase of 6,328 from the 2010 census. The largest employers in the City are Altru Health Services with 3,950 employees, University of North Dakota which has 3,464 employees, and Grand Forks Air Force Base employs 1,643.

K-12 School Enrollment:

			Current	Estimated
2020-2021	**2021-2022**	**2022-2023**	**2023-2024**	**2024-2025**
7,423	7,407	7,440	7,428	7,600

The City's 2023 taxable valuation was $270,291,072. This is an increase of $19,350,466 over the

2022 taxable valuation.

Property Tax Collections 2/29/2024:

Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2023	25,953,617	23,001,617	89%
2022	24,350,582	23,062,282	95%
2021	23,292,267	22,201,550	95%

Special Assessment Collections 2/29/2024:

Year	Dollar Amount	Amount Collected to Date of Application	Percentage Collected
2023	9,286,257	8,259,705	89%
2022	9,270,607	8,753,763	94%
2021	8,266,899	8,195,228	99%

Mill Levy History:

Year	City	School	Park District	State and County	Total for Each Year
2023	96.37	131.69	37.31	87.16	352.53
2022	96.84	110.79	37.80	82.63	328.06
2021	97.02	111.00	37.88	79.29	325.19
2020	97.87	100.94	38.19	80.82	317.82
2019	98.67	101.00	39.00	82.20	320.87

BND
Bank of North Dakota

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bnd.nd.gov

Memorandum

To: Industrial Commission

From: Kylee Merkel, Business Banker
Bank of North Dakota

Date: April 11, 2024

RE: City of Grand Forks
Drinking Water State Revolving Fund Program

ND Public Finance Authority has delivered to BND their memo which recommends approval of a $1,050,000 loan to the City of Grand Forks under the Drinking Water State Revolving Fund (DWSRF). The project is eligible for $787,500 of DWSRF loan forgiveness, making the net loan $262,500. The entire cost of the project is $1,050,000, with DWSRF financing the full project.

The project will begin the process of replacing some of the known lead service lines within the City's distribution system. The requested loan term is 30 years. The City will issue a revenue bond payable with water user fees. The annual payment will average $8,750.

Debt Service Coverage:

Water Fund	2020	2021	2022	Projected
Operating Revenue	12,203,479	13,212,174	12,915,729	12,915,729
Interest Revenue	190,169	48,996	69,846	69,846
Operating Expenses	-10,228,168	-9,319,609	-11,356,989	-11,356,989
Net Operating Revenue	2,165,480	3,941,561	1,628,586	1,628,586
Infrastructure Sales Tax Transfer	1,825,000	1,810,836	2,318,360	2,318,360
Adjusted Net Operating Income	3,990,480	5,752,397	3,946,946	3,946,946
Current Debt Service	2,675,927	3,150,298	3,277,856	3,277,856
Proposed Debt Service				8,750
Total Debt Service				3,286,606
Debt Service Coverage	149%	183%	120%	120%

BND
Bank of North Dakota

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701.328.5600
bnd.nd.gov

The City currently serves 15,700 residential connections that pay a monthly base rate of $9.26 and a volume charge of $4.78 per 1,000 gallons. The City also serves 1,780 commercial connections that pay a monthly base rate of $10.16 and a volume charge of $4.67 per 1,000 gallons. The City annually review and adjust rates as needed. The existing revenues will generate sufficient net operating revenues to service both the new and existing debt.

Outstanding Debt (as of December 31, 2023):

	Original Amount	Current Balance
General Obligation Bonds	2,735,000	885,000
Special Assessment Bonds	126,899,989	111,421,047
Sales Tax Revenue Bonds	40,380,000	20,770,000
Water & Sewer Revenue Bonds	184,015,496	99,088,079
	354,030,485	232,164,126

Average annual debt service requirements are estimated at $19,728,973, which is an average of $333.43 per resident.

Historical census populations for the City of Grand Forks were 59,170 in 2020, 52,838 in 2010 and 49,342 in 2000. The largest employers in the City are Altru Health System, University of North Dakota and Grand Forks Air Force Base.

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

Kylee Merkel
____
Kylee Merkel
Business Banker

50 South Sixth Street
Suite 2250
Minneapolis, MN 55402

612.338.3535
612.338.7264 Fax
www.pfm.com

Memorandum

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

FROM: PFM Financial Advisors LLC

DATE: April 17, 2024

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

The City of Grand Forks ("City") has presented a request to the Authority and the North Dakota Department of Environmental Quality ("Department") for a $1,050,000 loan of which $787,500 will be loan forgiveness, for a total of $262,500 under Drinking Water State Revolving Fund Program ("DWSRF Program"). The DWSRF Program is used to make subsidized interest rate loans to political subdivisions for the purpose of constructing various water treatment, distribution, and storage facilities 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 for lead service line replacement.

The municipal securities to be acquired by the Authority will be revenue bonds payable from water user fees. The City's average annual payment under the proposed loan will be approximately $8,750 indicating a 110% net revenue coverage requirement of approximately $9,625. The City will be required to deposit $10,000 into a reserve fund with payments of $2,000 per year for the first five years of the loan. Net operating coverage of the water fund was 1.49x, 1.83x, 1.21x and 1.39x for 2020-2023, respectively. The existing net operating revenues of the water fund provides sufficient net revenues to meet the 110% coverage requirement.

As of December 31, 2023, the City has $885,000 of General Obligation Bonds, $111,421,047 of Special Assessment Bonds, $99,088,079 of Water/Sewer Revenue Bonds and $20,770,000 of Sales Tax Revenue Bonds outstanding. The City has seven Clean Water and two Drinking Water SRF loans with a total outstanding total balance of $76,010,889. The City is current in its payments for its outstanding Authority loans.

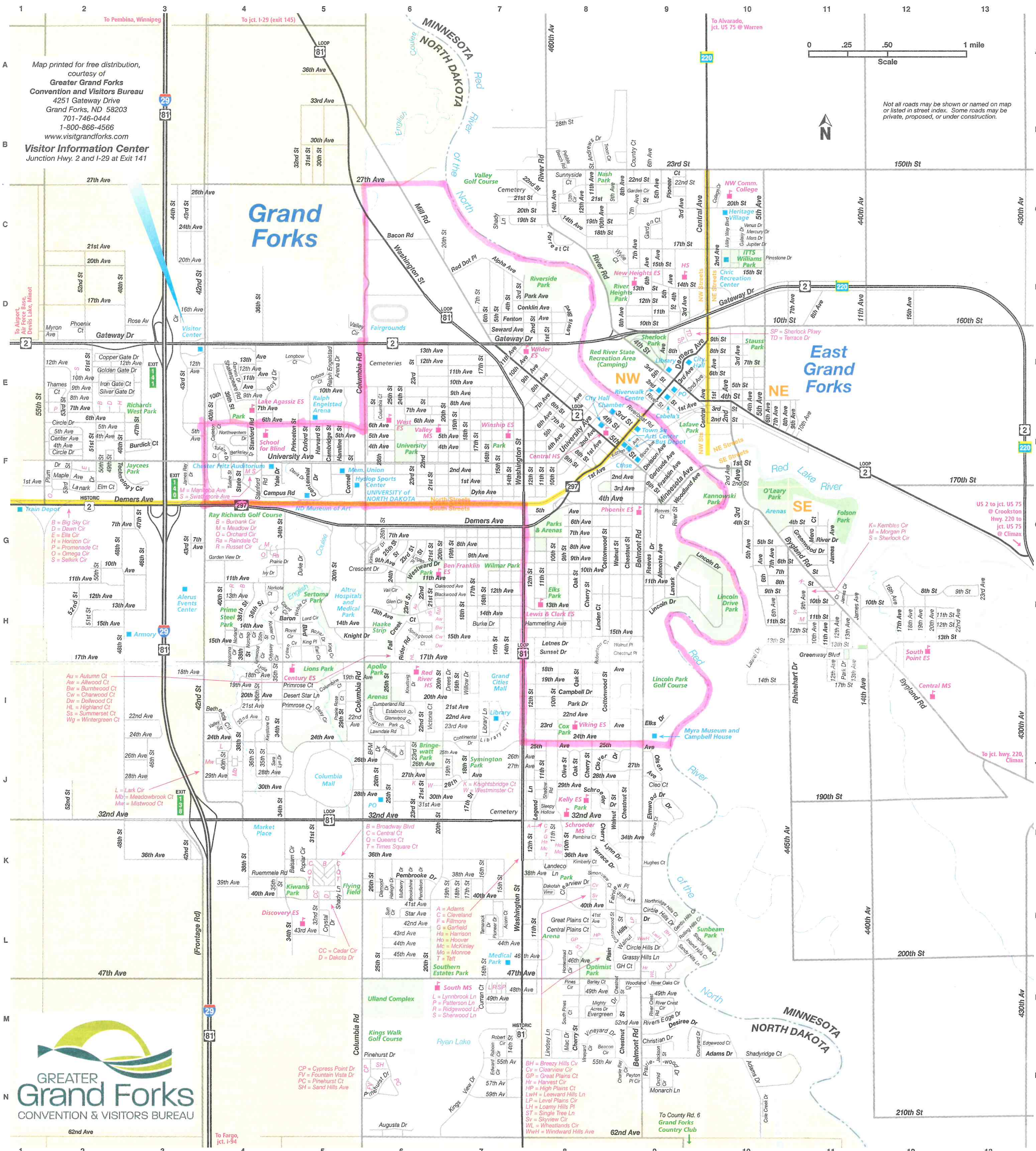
Funding for the construction of the City's projects has been included in a list of approved projects as prepared and updated by the Department. As an authorized participant in the DWSRF Program, the City will benefit substantially from the subsidized fixed rate loans made under the Program. Consequently,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

GREATER Grand Forks CONVENTION & VISITORS BUREAU

Street Guide

Grand Forks, ND/East Grand Forks, MN

www.visitgrandforks.com



North Dakota Public Finance Authority

Memorandum

To: Public Finance Authority Advisory Committee

From: DeAnn Ament, Executive Director

Date: March 15, 2024

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

Purpose of the Project: Phase 2 replacement water main and all services including two railroad crossings where new pipe is bored under the right-of-way.

Project Amount:

DWSRF Request	$ 920,000
USACE Grant	2,225,000
DWR Cost Share	900,000
Municipal Infrastructure Funds	20,000
Project Total	$4,065,000

Population to Benefit from the Project: 264; $15,398/person
Population Served by the System: 264
Is the Project Area Within the Extraterritorial Jurisdiction of a City: No

The requested term for both bonds is 30 years. The average annual payment for the improvement bonds will be $38,900. The City will issue 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 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 City has 167 residential connections which pay a base rate of $30 and 27 commercial connections which pay a base rate of $33 per connection. The base rate provides 2,000 gallons and above that all connections pay $5/1,000 gallons.

Water Fund:

	2020	2021	2022	2023
Operating Revenue	$93,321	$98,283	$86,172	$88,946
Operating Expenses	68,083	83,436	108,228[1]	113,857[1]
Net Operating Revenue (Expenses)	$25,239	$14,848	-$22,056	-$24,912

[1] Expense are increased due to paying a contracted plant operator until the new employee is certified.

Outstanding Debt December 31, 2023:

	Original Amount	Outstanding Amount
Water Improvement Bonds	$1,636,000	$785,990
Total	$1,636,000	$785,990

Two of the three improvement bonds will be paid off in 2024 leaving an outstanding balance of $1,523,652 including this new bond and an estimated population of 264 the improvement bond debt is $5,771 per person. The average annual payment of all debt is $123,253.

The City of Medina is located in Stutsman County 30 miles west of Jamestown just off on Interstate 94. Based on the 2020 census, the total population was 264; this is a decrease of 44 from the 2010 census. The largest employers in the City are Medina Public Schools with 42 employees, Guthmiller's Earthmoving (construction) with 30 employees and Farmer's Union Oil (shop/convenience store) which employs 10.

School Enrollment:

				Projected
2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
165	189	197	202	210

The City's 2023 taxable valuation was $673,796. This is an increase of $279,720 from the 2019 taxable valuation.

Property Taxes Levied & Collected 1/31/2024:

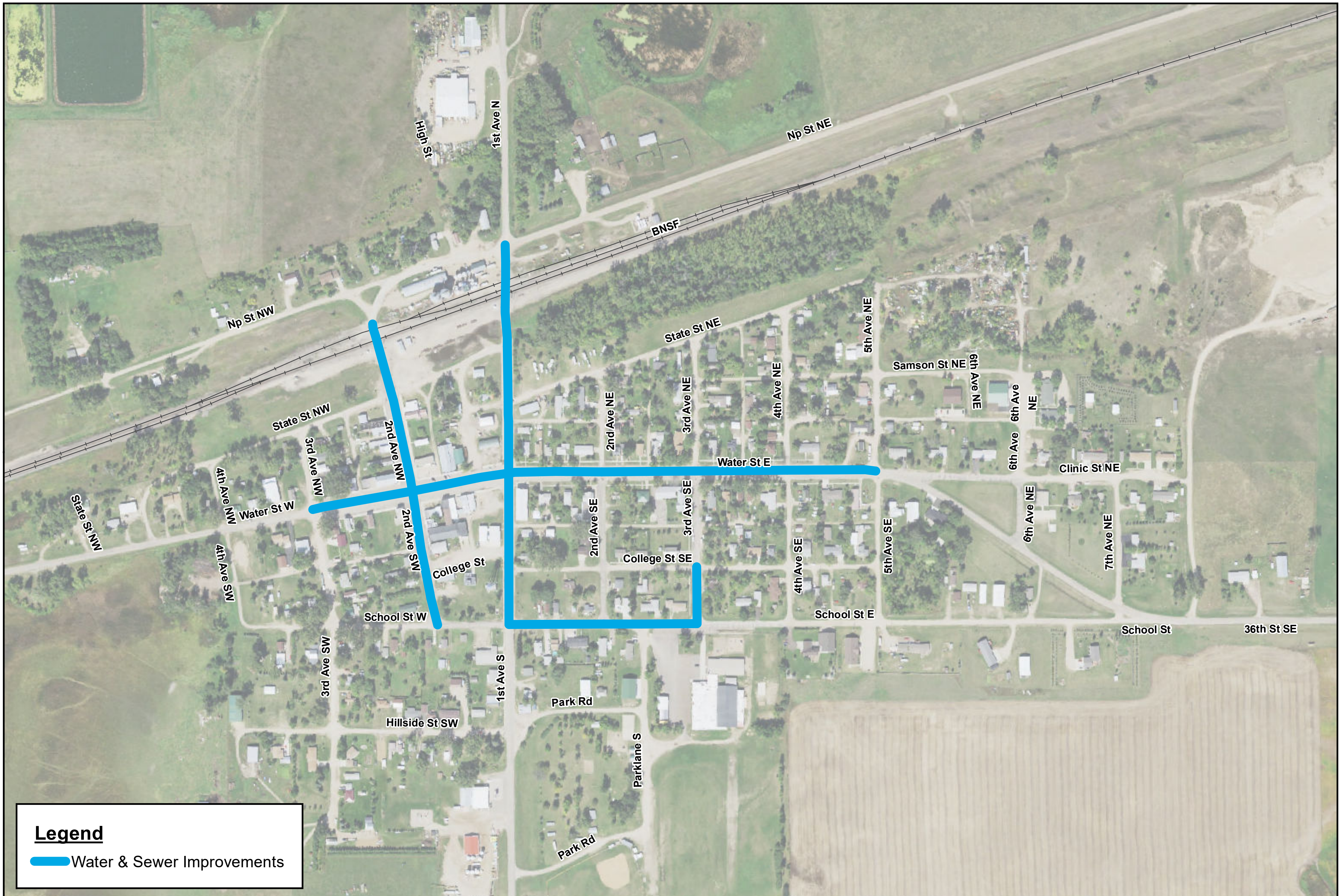
Levy Year	Dollar Amount of Levy	Amount Collected to Date of Application	Percentage Collected
2023	$70,923	$23,652	33%
2022	$69,502	$64,032	92%
2021	$43,507	$41,044	94%

Special Assessments Levied & Collected 1/31/2024:

Year	Dollar Amount	Amount Collected to Date of Application	Percentage Collected
2023	$91,790	$27,598	30%
2022	$83,278	$70,862	85%
2021	$87,938	$77,491	88%

City of Medina Mill Levy History:

Year	City	School	Park District	State and County	Other	Total for Each Year
12023	105.26	90.00	6.70	78.89	17.42	298.27
2022	105.28	90.00	7.05	74.81	17.42	294.56
2021	105.46	90.00	11.08	73.94	17.42	297.90
2020	105.46	90.00	10.83	71.02	7.42	284.73
2019	105.50	90.00	11.99	74.51	7.42	289.42



MEDINA PHASE II, WATER AND WASTEWATER IMPROVEMENTS
CITY OF MEDINA
STUTSMAN COUNTY, NORTH DAKOTA

Created By: TJS Date Created: 04/10/19 Date Saved: 02/21/22 Date Exported: 02/21/22
Plotted By: Tanner.Schmidt Parcel Date: NA Aerial Image: 2018 County NAIP Elevation Data: NA
Horizontal Datum: NAD 1983 StatePlane North Dakota South FIPS 3302 Feet Vertical Datum: NA
T:\Projects\19300\19302\19302_Medina_water_and_sewer_project_85x11.mxd

N
W E
S

0 250 500 1,000 Feet

1 in = 500 feet

moore engineering, inc.

North Dakota
Industrial Commission

Doug Burgum
Governor

Drew H. Wrigley
Attorney General

Doug Goehring
Agriculture Commissioner

Memorandum

TO: Doug Burgum, Governor and Chairman
Drew Wrigley, Attorney General
Doug Goehring, Agriculture Commissioner

FR: Reice Haase, Deputy Executive Director

DT: April 30, 2024

RE: State Energy Research Center Task 2: ND Grid Resiliency Plan Update

During the 2023-2025 biennium, $750,000 is available for the Commission to contract for on-demand studies under Contract SERC 2019-01 Task 2 – Provide Prompt Expertise for North Dakota. To date, $135,000 has been contracted under Task 2, leaving $615,000 for the remainder of the biennium. The EERC is requesting the Commission to authorize an additional **$87,000** for work required to update the North Dakota Grid Resiliency Plan. The period of performance is estimated to be 8 months.

In 2023, the EERC prepared the first North Dakota Grid Resiliency Plan for the North Dakota Transmission Authority (NDTA). The resiliency plan evaluates the risks and threats that various hazards pose to the North Dakota electric grid and addresses gaps in improving grid resiliency. It also focuses on a resilience assessment framework that evaluates the current resilience strategies and provides recommendations for improving grid resiliency in the context of emerging catastrophic threats to the regional grid.

The NDTA recently requested that the EERC update the resiliency plan through the State Energy Research Center similar the original plan's development. To accomplish the update, the EERC will review the current plan for accuracy and update all sections that are outdated or inaccurate. The proposed effort will also involve hiring the previous subcontractor to utilize their utility industry expertise. In addition, some content from the resiliency plan's 2024 update will be included in the North Dakota State Energy Security Plan.

Therefore, I recommend that the Commission authorizes $87,000 from Contract SERC 2019-01 Task 2 – Provide Prompt Expertise for North Dakota for the purpose of completing an update to the North Dakota Grid Resiliency Plan.

RENEWABLE ENERGY PROGRAM PROJECT MANAGEMENT REPORT

Reice Haase, Deputy Executive Director, NDIC

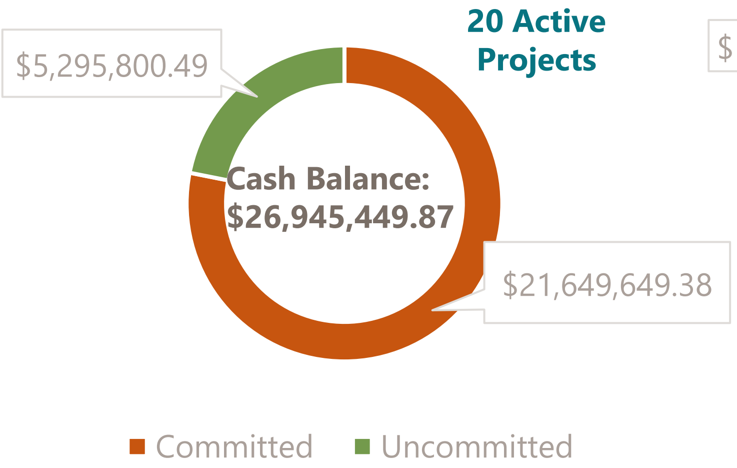
April 30, 2024

renewable ENERGY PROGRAM NORTH DAKOTA INDUSTRIAL COMMISSION

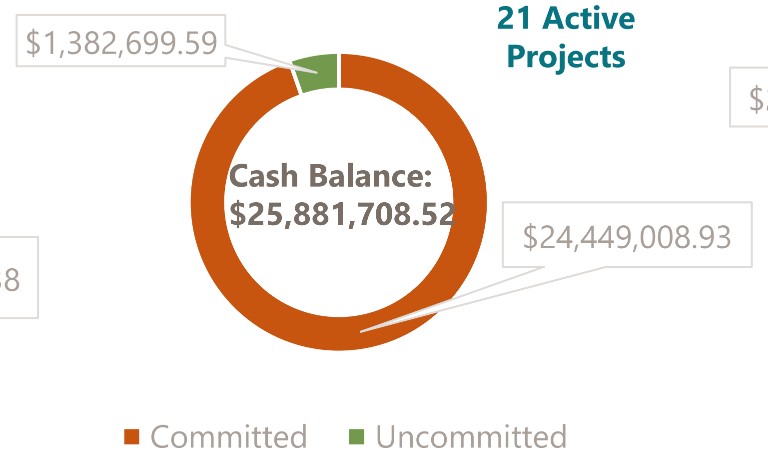
NORTH Dakota Be Legendary.™

INDUSTRIAL COMMISSION-MANAGED FUNDS

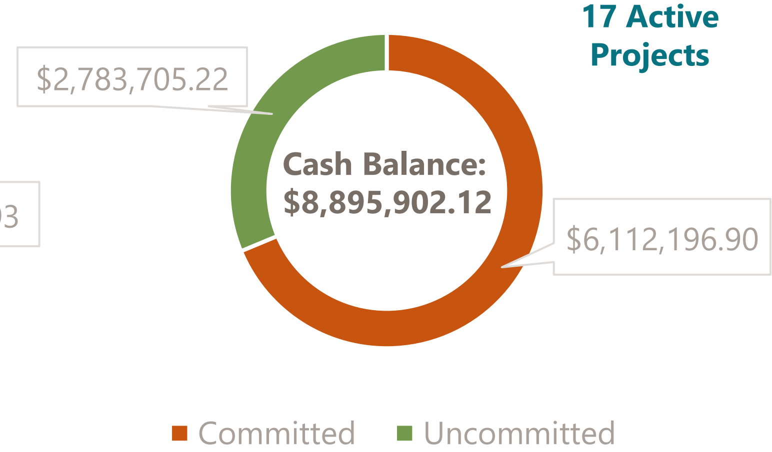
Lignite Research Fund



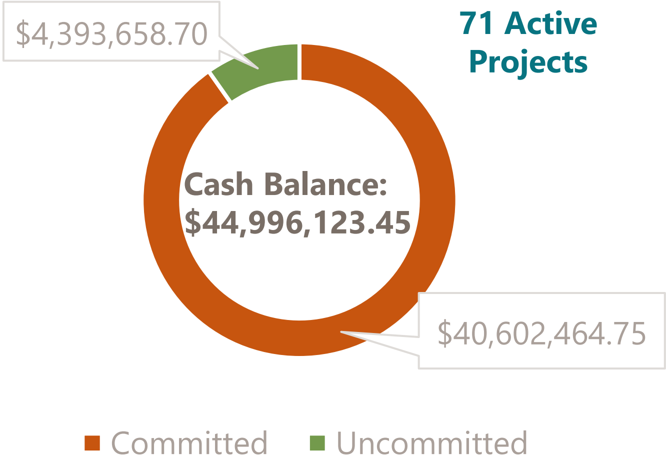
Oil and Gas Research Fund



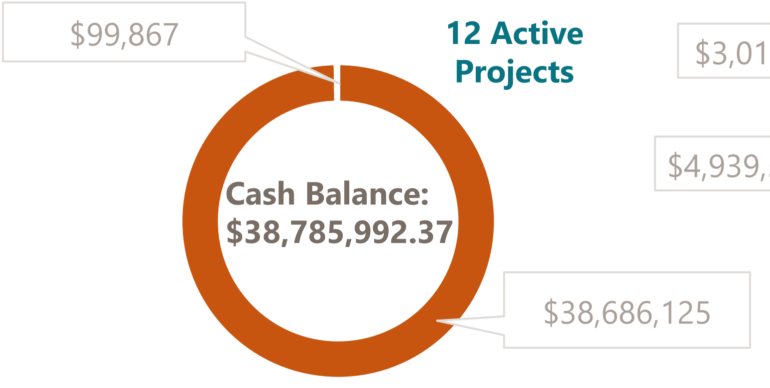
Renewable Energy Fund



Outdoor Heritage Fund

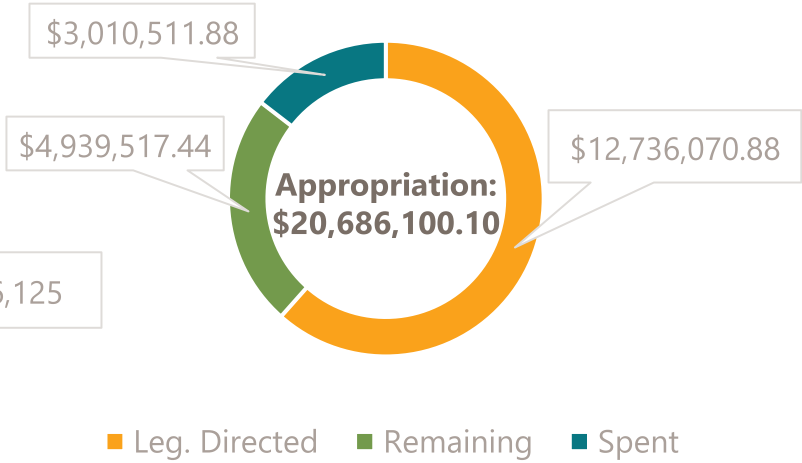


CSEA Fund*

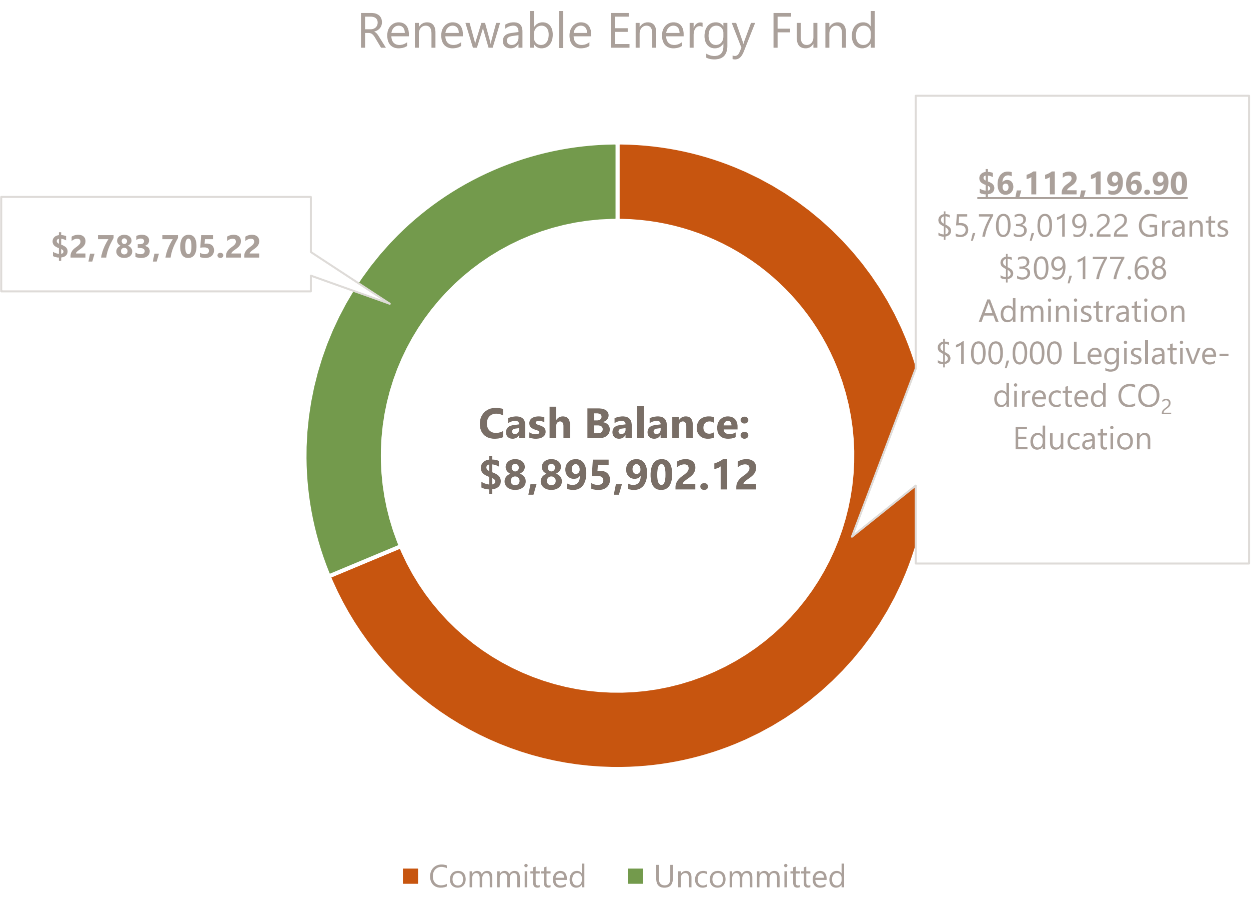


*Does not include ARPA or Loans

SERC Fund



RENEWABLE ENERGY FUND BALANCE APRIL 15TH, 2024



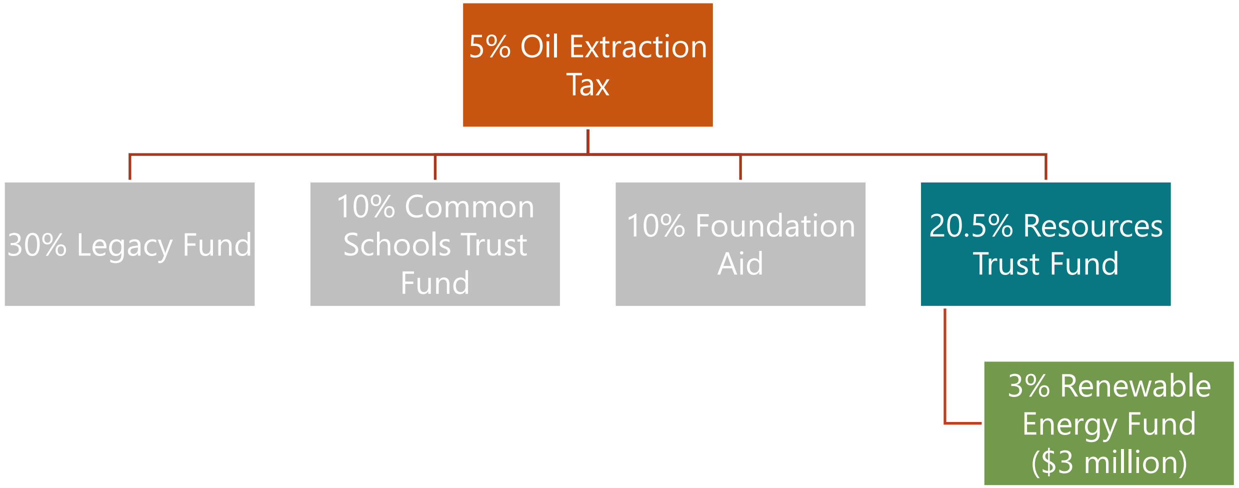
Funding Source:
- **$3 million oil production taxes**

71 Cumulative Projects

17 Active Projects

Cumulative Value:
- **$24 million granted**
- **$161.7 million project value**

2023-2025 BIENNIUM APPROPRIATION AND FORECASTED INCOME



Month	OMB Forecast	Actual
August 2023	$588,234	$523,151.02
September 2023	$607,842	$596,920.57
October 2023	$607,842	$660,900.75
November 2023	$588,234	$770,448.24
December 2023	$607,842	$448,579.42
January 2024	$6	$0 (Filled for biennium)

Assumes:

$62-75/bbl

1.1 m bbls/day

REPORT ON PROJECTS COMPLETED

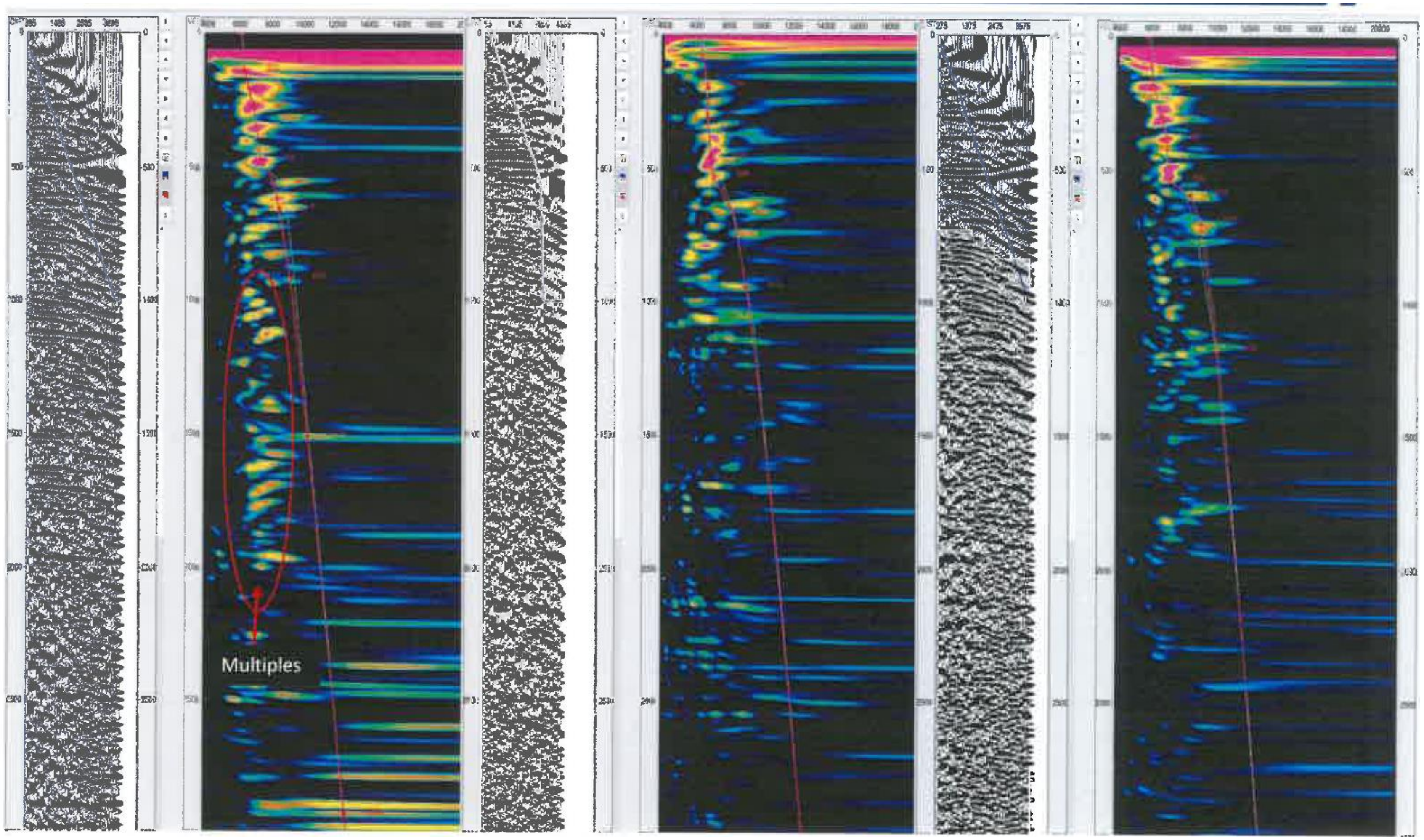
NORTH Dakota
Be Legendary.™

R-027-036: ND Ethanol Council Gateway to Science Ethanol Exhibit

- $500,000 award May 2016
- Gateway to Science closure during move Oct. 2022 – March 2023
- Over 50,000 visitors since grand opening

R-047-058: Midwest Ag Energy CO_2 Storage Assessment in Eastern ND

- $324,640 awarded August 2021
- Seismic surveys of subsurface geology near Spiritwood, ND
- Results suggest better potential for storage further west
- Final Report complete 2024, under budget
- $54,735.57 turnback to Renewable Energy Fund



R-048-060: BWR Renewable Hydrogen Microgrid

- $332,159 awarded November 2021
- Demonstration project for development of hydrogen microgrid generator
- Designed portable, scalable system
- Project complete and closed out March 2024

INDUSTRIAL COMMISSION OF NORTH DAKOTA
RENEWABLE ENERGY PROGRAM

TECHNICAL REVIEWERS' RATING SUMMARY

R-053-B
REGIONAL ELECTRIC VEHICLE INFRASTRUCTURE RESILIENCE (REVIR) PLAN

Principal Investigator: Dr. Daisy Selvaraj

Request for $375,000 Total Project Costs $1,875,000

TECHNICAL REVIEWERS' RATING SUMMARY

R-053-B

REGIONAL ELECTRIC VEHICLE INFRASTRUCTURE RESILIENCE (REVIR) PLAN

Principal Investigator: Dr. Daisy Selvaraj

Request for $375,000 Total Project Costs $1,875,000

Rating Category	Weighting Factor	Technical Reviewer 1B Rating	Technical Reviewer 3B Rating	Average Weighted Score
1. Objectives	9	4	3	31.50
2. Achievability	9	5	5	45.00
3. Methodology	7	4	3	24.50
4. Contribution	7	5	2	24.50
5. Awareness	5	4	4	20.00
6. Background	5	5	4	22.50
7. Project Management	2	3	3	6.00
8. Equipment Purchase	2	5	5	10.00
9. Facilities	2	5	5	10.00
10. Budget	2	4	4	8.00
Average Weighted Score		223	181	**202.00**
Maximum Weighted Score				250.00

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 4)

As the abstract states, this project has the potential to "foster EV sector growth, catalyze investment to diversify North Dakota's economy, expand use of renewable energy resources, and create renewable energy jobs, wealth, and tax revenues" – all of which is in line with North Dakota Industrial Commission/Renewable Energy Council goals.

The proposal clearly outlines the EV infrastructure resilience challenges the project aims to address, including harsh winter climate, extreme weather events, limited rural distribution grid infrastructure, lack of charging infrastructure, and low EV adoption.

It would have been nice to more explicitly outline the connections between EV charging, grid resilience, and economic development opportunities in line with ND's goals.

Reviewer 3B (Rating 3)
The application makes a clear connection between the resiliency/reliability of the EV charging network and the goals of the NDIC/REC. The connection appears to be public education through learning sessions and public service employee education/awareness of grid/service risks and various mitigation strategies. The application assumes the connection between EV usage and renewable energy usage which is marginal at a best-case scenario.

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)
The project has already been selected for award by the U.S. Department of Energy.

In addition, the list of partners that are already committed to participating in the working group is extensive and impressive. With this upfront buy-in from stakeholders, I am confident in the project's ability to achieve its objectives within the proposed time and budget.

Reviewer 3B (Rating 5)
The stated goals are certainly achievable within the budget and timeframe.

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 is clear and well thought-out.

I would have liked to see more information about what sort of outreach they plan to conduct and how they will prioritize participants for the working group.

Reviewer 3B (Rating 3)
Using the Idaho National Lab risk assessment methodology is excellent and provides a standard to identify and develop mitigation for associated risks. However, there are significant gaps in the working group members from a system.

Cass County REC is the only REC on the EV corridor
Xcel is the only Generation entity
Where are the Workforce training and Labor resources representatives
South Dakota DOT representative

The grant states that members may be added, I would have liked to have seen a list of members the RWG are actively pursuing.

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 5)

According to the goals of the North Dakota Industrial Commission/Renewable Energy Council that I was able to find online, this project will directly support these goals in an extremely significant way.

I was particularly interested to learn that "over half of the electricity generated in North Dakota goes to out-of-state customers, most to Minnesota." This underscores the importance of this regional collaboration.

Reviewer 3B (Rating 2)

The risk assessment will provide a small technical contribution to the NDIC/REC goals by increasing public awareness of the risks and rewards of EV infrastructure in the alt. fuel corridors. It is limited by the number of individuals and groups the outreach portion of the project. The reasoning of the small contribution is that many of the mitigation solutions exist for general grid reliability and equipment availability and need to be in a coherent package.

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 4)

Very little other research/literature was referenced in the proposal, but it's clear from the PI's resume that they are exceptionally aware of other research activity in this field.

Reviewer 3B (Rating 4)

The PI and team are engaged in relevant industry and research activities to lead this study.

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 5)

The PI has significant experience with energy infrastructure risk and resilience assessments, distribution system planning and analysis, load flow and hosting capacity analysis, studies on distributed energy resources (DER) impacts, and production cost and energy market simulations, all of which will be critical for this project.

The PI and assistant have already developed a North Dakota grid resilience plan.

Reviewer 3B (Rating 4)

The team appear to have the experience and expertise necessary to complete the assessment, interact with various stakeholder entities, and conduct information sessions.

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)

There is a proposed project schedule on page 14, but no milestones are included. The budget breakdown on page 15 is not broken down by task, and no concrete communication plan is provided.

Reviewer 3B (Rating 3)

There is a schedule for each task, however there is no spend schedule/financial plan or specific deliverable date list. Communication between parties in indirectly address in the application.

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 will be purchased.

Reviewer 3B (Rating 5)

N/A

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 5)

No equipment will be purchased for the project.

Reviewer 3B (Rating 5)

The EERC is well equipped to perform the grant activities.

10. The proposed budget "value"[1] relative to the outlined work and the financial commitment from other sources[2] 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 4)

The project has already received 80 percent of overall project funding from the Joint Office of Energy and Transportation (JOET) within the U.S. Department of Energy (DOE).

North Dakota is being asked to contribute only 20% of overall project funds.

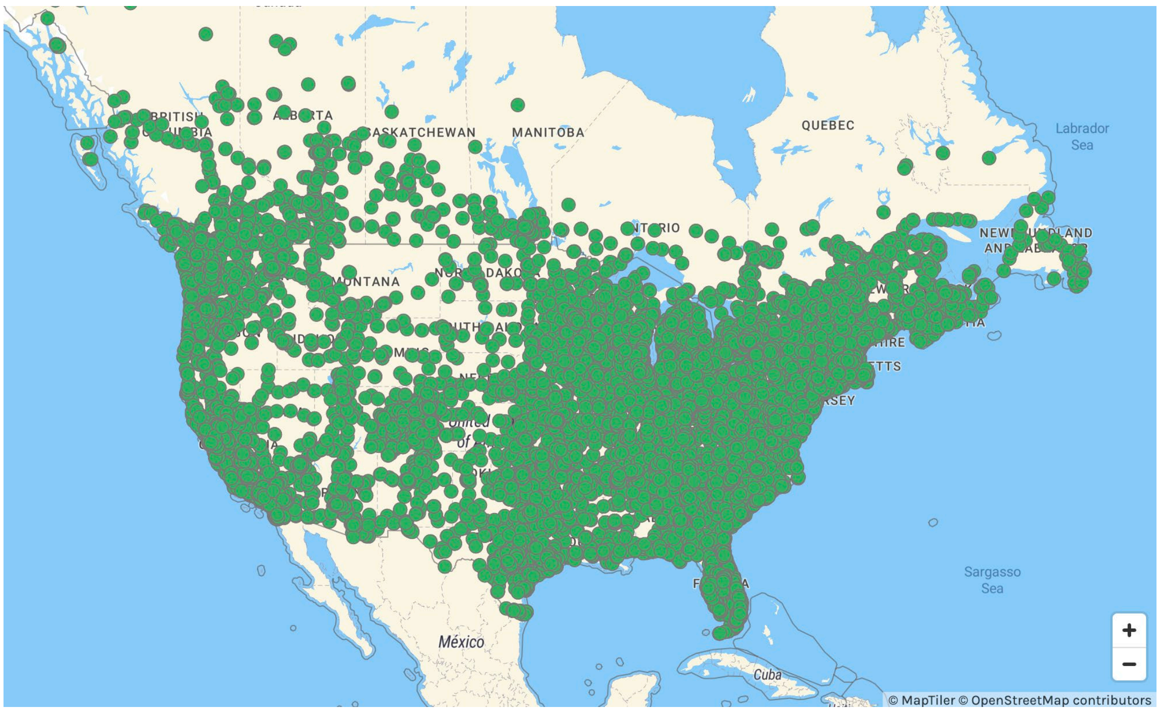
Reviewer 3B (Rating 4)

Addressing the risks and mitigation strategies for placing high power EV chargers in the wild (remote areas accessible to the public) has a value which can be utilized in a number of other important industries.

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
When one looks at the current placement of EV chargers across the U.S. (see screenshot below from the DOE Alternative Fuels Data Center), this region is particularly underserved



Reviewer 3B
The project is a good way to document and inform the various stakeholders of the issues with remote EV infrastructure. The risk mitigation package (REVIR plan) is needed to make various groups aware of the challenges of the other entities involved. I would like to see greater involvement beyond ND an MN. The challenges/risks are different between in frequency and magnitude between the states, even within a state.

Funding: Recommended

Energy & Environmental Research Center
15 North 23rd Street, Stop 9018 • Grand Forks, ND 58202-9018 • P. 701.777.5000 • F. 701.777.5181
www.undeerc.org

March 1, 2024

Mr. Reice Haase
Deputy Executive Director
ATTN: Renewable Energy Program
North Dakota Industrial Commission
State Capitol – 14th Floor
600 East Boulevard Avenue, Department 405
Bismarck, ND 58505-0840

Dear Mr. Haase:

Subject: EERC Proposal No. 2024-0126 Entitled "Regional Electric Vehicle Infrastructure Resiliency (REVIR) Plan"

The Energy & Environmental Research Center (EERC) of the University of North Dakota (UND) is pleased to submit this cost-share funding request to the Renewable Energy Program (REP) for the support of the REVIR plan project. The 2-year project has been selected for award by the U.S Department of Energy with a start date of May 1, 2024. The EERC is committed to completing the project on schedule and within budget should the Commission make the requested grant.

The EERC, a research organization within UND, an institution of higher education within the state of North Dakota, is not a taxable entity; therefore, it has no tax liability.

The $100 application fee (Check No. 2765) for this proposal was sent UPS overnight and was delivered Thursday, February 29, 2024, UPS tracking number 1ZX571891399267934. If you have any questions, please contact me by telephone at (701) 777-5105 or by email at dselvaraj@undeerc.org.

Sincerely,

DocuSigned by:
Daisy Selvaraj
7921E3286EF8479...
Dr. Daisy Selvaraj
Senior Research Engineer, EERC

Approved by:

DocuSigned by:
29499751F2B84D7...
Charles D. Gorecki, CEO
Energy & Environmental Research Center

DS/kl

c: Karen Tyler, North Dakota Industrial Commission

Application

Project Title: Regional Electric Vehicle Infrastructure Resilience (REVIR) Plan

Applicant: Energy & Environmental Research Center, University of North Dakota

Principal Investigator: Dr. Daisy Selvaraj

Date of Application: March 1, 2024

Amount of Request: $375,000

Total Amount of Proposed Project: $1,875,000

Duration of Project: 24 Months

Point of Contact (POC): Dr. Daisy Selvaraj

POC Telephone: (701)-777-5105

POC Email: dselvaraj@undeerc.org

POC Address: 15 North 23rd Street, Stop 9018
Grand Forks, ND 58202-9018

Renewable Energy Program

North Dakota Industrial Commission

TABLE OF CONTENTS

ABSTRACT

As electric vehicle (EV) charging infrastructure grows, resiliency planning will be critical to ensure that communities and energy systems are prepared for disruptive natural and manmade events that could compromise access to charging services. Such planning will foster EV sector growth, catalyze investment to diversify North Dakota's economy, expand use of renewable energy resources, and create renewable energy jobs, wealth, and tax revenues. **Objective:** The Energy & Environmental Research Center (EERC) will lead a consortium of regional stakeholders to develop a Regional Electric Vehicle Infrastructure Resilience (REVIR) plan that has broad support to serve as an actionable, adaptable, and evolving road map to strengthen and maintain secure, reliable, and resilient EV infrastructure in the four-state region (North Dakota, Montana, Minnesota, and South Dakota). **Expected Results:** The REVIR plan will support the North Dakota Industrial Commission (NDIC) Renewable Energy Program's (REP's) mission to promote the growth of North Dakota's vast renewable energy industries through research, development, marketing, and education. The resulting REVIR plan will map the developed networks and working

relationships among stakeholders, communities, and EV interest groups. The proposed work will provide guidance on resilience solutions to enhance the state's EV infrastructure plans as part of the National Electric Vehicle Infrastructure (NEVI) program [1] and other EV programs that can diversify North Dakota's economy, promote its renewable energy resources, and create jobs. **Duration:** 24 months, with an anticipated start date of May 1, 2024. **Total Project Cost:** $1,875,000, with $375,000 from NDIC REP, and $1.5 million from the Joint Office of Energy and Transportation (JOET) within the U.S. Department of Energy (DOE). **Participants:** ND Department of Transportation (DOT), MNDOT, MTDOT, ND Clean Cities, MN Clean Cities Coalition, ND Department of Commerce, ND Department of Emergency Services, MT Department of Environmental Quality, Fargo – Moorhead Metropolitan Council of Governments, Cass County Electric Cooperative, Mountrail–Williams Electric Cooperative, Xcel Energy, ZEF Energy, Connexus Capital LLC, SAGE Development Authority, and Native Sun Community Power Development.

PROJECT DESCRIPTION

The four-state region of Minnesota, Montana, North Dakota, and South Dakota encompasses a unique combination of EV infrastructure resilience challenges including harsh winter climate, extreme weather events, limited rural distribution grid infrastructure, lack of charging infrastructure, and low EV adoption. By leveraging U.S. Department of Energy (DOE) funds and coordinating with ongoing EV charging infrastructure build-out work and programs of the states' DOTs, charging network operators, utilities, planning departments, and community groups, the project team will build a consortium of stakeholders to identify, assess, and devise mitigation strategies to address risks specific to the regional EV charging infrastructure. With the goal of providing practical, achievable, and affordable mitigation strategies, project outcomes will translate to increased charging infrastructure resilience throughout the region. The proposed community benefits plan (CBP) will include sustained engagement with stakeholders, including representatives of tribal nations and disadvantaged communities, to invite participation in actively influencing REVIR plan development.

Objectives. The primary objective of this proposed effort is to provide technical assistance in developing the REVIR plan by 1) facilitating coordination between interstate, intrastate, and community-level working groups and stakeholders to plan for, respond to, and recover from anticipated and unanticipated disruptions to charging infrastructure availability and services; 2) identifying and addressing regional EV charging risks and providing mitigation strategies for ensuring maximum regionwide EV infrastructure reliability, resilience, and security; and 3) providing guidance to communities and stakeholders in preparing for and adapting to technological and socioeconomic developments in transportation electrification and implementing resilience solutions. Developing, nurturing, and strengthening these relationships will be essential to achieve project objectives and will enable effective response to longer-term opportunities and challenges in the energy industry.

Methodology. The project team will accomplish the proposed work by following a project structure that focuses on engagement and dialogue with all stakeholders involved. As depicted in Figure 1, the REVIR plan project is designed to feed and coordinate with other efforts in the region. The task structure is developed to provide consistency with the matching project awarded by the Joint Office of Energy and Transportation within the DOE.

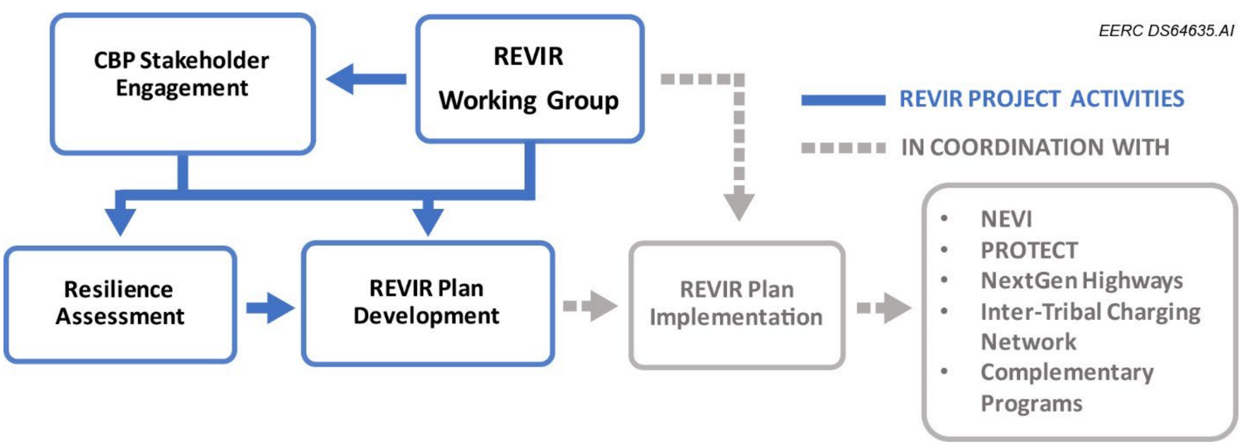


Figure 1. Proposed REVIR plan project approach.

Task 1 – Creation and Coordination of the REVIR Working Group (RWG). Resilience planning requires active participation from local government and community representatives, officials, private industries, and local businesses who have a diverse range of perspectives on EVs and EV infrastructure. An RWG will be created to provide a critical resource for data, technical analysis, and solutions. The RWG will offer strategic leadership, direction, stakeholder engagement, and assistance in REVIR plan development and recommendations for implementing resilience solutions for the regional EV infrastructure. Table 1 lists committed RWG members. Other members may be added over the course of the project.

Table 1. RWG Members

Transportation	Nongovernmental Energy and Consulting
• ND Department of Transportation • MN Department of Transportation • MT Department of Transportation • MN Clean Cities Coalition • ND Clean Cities	• Cass County Electric Cooperative • Mountrail–Williams Electric Cooperative • Xcel Energy • ZEF Energy • Connexus Capital LLC
Other State and Regional Agencies	**Tribal Relations**
• ND Industrial Commission • ND Department of Commerce • ND Department of Emergency Services • MT Department of Environmental Quality • Fargo–Moorhead Metropolitan Council of Governments	• SAGE Development Authority (Standing Rock Sioux Tribe) • Native Sun Community Power Development (Red Lake Nation)

Task 2 – CBP Implementation and Stakeholder Engagement. The effort will focus on gathering stakeholder input by identifying and engaging stakeholders, e.g., communities, government agencies, and other groups; industries such as charging station manufacturers/owners, network operators/providers, and EV manufacturers; local businesses, utilities, and policy makers. The CBP will lay the groundwork for a resilient EV charging infrastructure that supports broadly shared prosperity for communities, including workers and tribal nations, by doing the following:

- Soliciting input on goals, current and potential activities, and potential resources for executing the REVIR plan, such as knowledge sharing, lessons learned, and best practices.
- Leveraging outreach by partners to identify stakeholders to participate in plan development.
- Informing stakeholders about EV charging resilience, planning process, and benefits.

The stakeholder engagement activities will include meetings with communities, site hosts, and focus groups; listening sessions; surveys/questionnaires; and information sharing through websites.

Task 3 – Baseline and Risk Assessment of Regional EV Infrastructure. A robust resilience assessment framework is critical for assessing various threats and risks and developing and implementing solutions to address those risks and enhance resilience of the charging infrastructure. Illustrated in Figure 2, development of the framework begins with a *baseline assessment* to understand the current state of the regional EV infrastructure and energy systems and ends with identifying *risk mitigation* strategies. Examples of *threats* are provided in Table 2. *Vulnerabilities* are weaknesses within the charging infrastructure, processes, and supporting systems that may contribute to severe damage when a disruptive event occurs (e.g., lack of cyber defense leads to major economic loss or disruption of critical infrastructures).

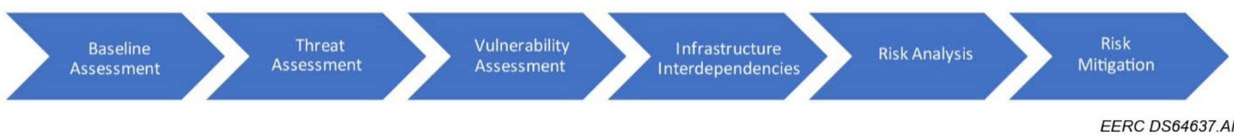


Figure 2. Steps to develop a resilience assessment framework.

Table 2. Threat Categories and Examples

Threats	Examples
Natural	Cold waves, snowstorms, high winds, floods, tornadoes
Technological	Electrical power outages, communication interruption, equipment breakdown
Manmade	Cyberattacks, accidents, vandalism, supply chain interruption

The RWG will consider stakeholder input in modeling additional threat scenarios as applicable to the regional charging infrastructure. For *risk analysis*, Idaho National Lab's (INL's) All Hazards Analysis (AHA) tool [2] will be used to simulate the regional threat scenarios and vulnerabilities and analyze the regional risks to the charging infrastructure. Potential mitigation options to reduce vulnerabilities and threats will be assessed for effectiveness along with viability, cost, and potential to reduce risk. The preliminary findings of the risk assessment will be compiled in a draft report to inform stakeholders about the regional EV infrastructure threats, vulnerabilities, and challenges and will be valuable for involving stakeholders in the subsequent development of resilience solutions (i.e., mitigation strategies). The findings of the risk assessment will be used to 1) refine REVIR plan goals, strategies, and actions that facilitate building a resilient EV infrastructure; and 2) ensure that the REVIR plan is focused on addressing the threats and vulnerabilities and proposing practical solutions.

Task 4 – Development of REVIR Plan. The REVIR plan for the four-state region will comprise the process flow presented in Figure 3. Through stakeholder engagement, the RWG will develop meaningful short- and long-term goals and innovative strategies for translating the conceptual resilience vision to practical and achievable resilience solutions. Clear goals and proactive strategies to achieve these goals will be the foundation for the comprehensive design of the REVIR plan, help communicate efforts to stakeholders, and provide a basis for tracking and measuring success. The REVIR plan will also provide guidance on the implementation of mitigation strategies that include the following components: 1) responsible agency/community, 2) collaborators/partners, 3) preliminary steps for implementation, 4) resources required, 5) potential barriers, and 6) estimated timeline. Stakeholder feedback will inform the final REVIR plan.

Figure 3. Process flow of REVIR plan development.

Task 5 – Project Management and Reporting. This task will include all quarterly, interim, and final reporting to project sponsors, including deliverables. Results will be provided in interim and final project reports and at one or more technical conferences.

Anticipated Results. The project will support REP's mission to promote the growth of North Dakota's vast renewable energy industries through research, development, marketing, and education. The primary result will be a REVIR plan that showcases the networks and working relationships among stakeholders, communities, and EV interest groups. The proposed work will provide guidance on resilience solutions to enhance the state's EV infrastructure plans as part of the NEVI program and other

EV programs underway that can diversify North Dakota's economy, create renewable energy jobs, and promote the use of North Dakota's renewable energy resources.

The primary long-term impact of the REVIR plan will be its use as an adaptable tool and framework for enhancing regional EV charging infrastructure reliability, resiliency, and accessibility as EV adoption increases and user patterns and markets evolve. In addition, the working relationships, organizational networks, and engendered trust established during the project will yield beneficial interdependencies and communication pathways that will facilitate preparing for and responding to disruptive events, technology improvements, evolving regulatory environments, social and demographic changes, and other as-yet unforeseen developments in transportation electrification.

Facilities and Resources. The EERC office and meeting rooms will be the main work location. The EERC's computers, communication networks, and clusters can support data storage, analysis, and simulation activities. The other project partners have the facilities and resources available to complete the scope of work. The project team will draw on research experience in infrastructure resilience assessments and electrical-grid-related impacts from EV adoption. In addition, the four states' DOTs have ongoing intrastate efforts to build the EV charging structure under federal programs including the NEVI program, the Promoting Resilient Operations for Transformative Efficient and Cost-saving Transportation (PROTECT) program, and the NextGen Highways program. The proposed work will leverage their collaboration with utilities, planning divisions, state agencies, charging network providers, charger manufacturers, fleet managers, local and tribal communities, and emergency services departments to help develop and implement the REVIR plan. The work will integrate the efforts of nongovernmental infrastructure development. SAGE Development Authority of the Standing Rock Sioux Tribe, Connexus Capital, ZEF Energy, and Native Sun Community Power Development have experience working on the charging network between the Standing Rock Sioux Tribe and Red Lake Nation in Minnesota. Xcel Energy, Cass County Electric Cooperative, and Mountrail–Williams Electric Cooperative will provide utility perspectives on EV charging demand, load growth, and grid reliability issues. ND Department of Emergency Services manages the state's Critical Infrastructure Program and will inform emergency planning. ND Clean Cities, MN Clean Cities Coalition, Fargo–Moorhead Metropolitan Council of Governments, ND Department of Commerce, and MT Department of Environmental Quality will support REVIR plan development. No equipment will be purchased for this project.

Techniques To Be Used, Their Availability and Capability. The project will use INL's AHA tool for resilience assessment, which INL has agreed to provide with required data on regional infrastructures.

Environmental and Economic Impacts while Project is Underway. The project comprises data gathering and analysis, computer simulation modeling, surveys/questionnaires, and paper studies. Environmental and economic impacts of the project will be minimal.

Ultimate Technological and Economic Impacts. The proposed project will support North Dakota's vision to promote the growth of North Dakota's renewable energy industries by improving the resiliency and thus increasing the reliability of electrified transportation. The proposed work will guide implementation of resilience solutions that can promote investment in EV infrastructure with the forethought to integrate resiliency, reliability, and security as well as partner with stakeholders who seek to develop resilient and independent energy systems into the future. The proposed project will foster sustainable growth of a resilient EV sector that can diversify North Dakota's energy economy, better leverage renewable energy resources, and create additional energy- and transportation-related jobs.

Why the Project Is Needed. North Dakota has a unique combination of EV infrastructure resilience challenges, including expansive sparsely populated geography, harsh winter climate, extreme weather events, personal-vehicle-dominated road transportation, and limited rural electric grid infrastructure. The region has relatively low EV adoption compared to national trends. Many of the plug-in-electric vehicles (PEVs) registered in the region are found in major urban areas, with few vehicles present in the more rural areas. The region also has limited EV charging infrastructure. Considering the number of public charging ports per 10,000 people for each state, the average figure for North Dakota is 2.3, which is less than the national average of 2.9 ports/10,000 people and far less than leading states (e.g., about 7–21 in California) [3-4]. Most of the region has less than one charging station for every 50 miles along the designated alternative fuel corridors. Because of the lack of EV charging infrastructure, the study region is referred to as a charging desert, and this may cause concerns to EV-driving road trippers and tourists. Given the low EV adoption and minimal EV infrastructure deployment to date, resilience and reliability issues have yet to emerge. The REVIR plan will facilitate the proactive development of a built-from-scratch resilience system, saving time, money, and lives in the future.

By leveraging and coordinating with ongoing EV charging infrastructure build-out work and programs of the states' DOTs, charging network operators, utilities, planning departments, and community groups, the project team will lead a consortium of stakeholders to identify, assess, and devise mitigation strategies to address risks specific to the regional EV charging infrastructure. With the goal of providing practical, achievable, and affordable mitigation strategies, project outcomes will translate to increased charging infrastructure resilience throughout North Dakota and the four-state region and will offer significant applicability to resilience plans for other regions. The proposed work will provide guidance on the implementation of resilience solutions to enhance state DOT EV infrastructure plans as part of the NEVI program, PROTECT program, NextGen Highways program, and intertribal charging networks already underway in the region.

STANDARDS OF SUCCESS

Success first requires delivery of a REVIR plan that has sufficiently broad and deep stakeholder support to serve as an actionable, adaptable, and continually evolving road map for strengthening and maintaining a secure, functioning, and resilient EV infrastructure in North Dakota and the region. The success metric will be the extent to which REVIR plan stakeholders and EV users are committed to implementing and building on the plan, as demonstrated by willingness to fund and participate in postproject working group(s) as needed to 1) keep the plan alive, 2) turn its directives and strategies into actions, and 3) achieve its objectives in the form of infrastructure, hardware, grid and resource management, operational strategies and policies, outreach and education, and increased EV adoption.

The resilience of EV charging stations will depend directly on the resilience of the electric utility serving the charging station. A substantial weather-induced power outage could shut down charging infrastructure and compromise consumer access with likely economic implications. In addition to weather and other uncontrollable threats, large-scale variations in demand profiles caused by unmanaged EV charging loads may lead to grid resource adequacy shortfalls and create needs for planned, rolling blackouts. A primary REVIR plan objective is to help build and maintain working groups (comprising EV industry, user, and community stakeholders) capable of 1) monitoring charging infrastructure use and performance, 2) regularly assessing risks to infrastructure availability, and 3) developing and implementing mitigation strategies to maximize infrastructure reliability and minimize downtime following an unavoidable shutdown.

VALUE TO NORTH DAKOTA

According to the Lignite Energy Council, over half of the electricity generated in North Dakota goes to out-of-state customers, most to Minnesota. Minnesota's new carbon-free energy standard (enacted by Minnesota lawmakers in 2023) requires Minnesota utility providers to transition to 100% carbon-free electricity sources by 2040. Twin Cities EV users will likely soon represent a major new and fast-growing power demand center. Therefore, demand for low-carbon power is growing in the immediate region. Cross-state industry–user–community alliances formed and guided by a working/living REVIR plan will help ensure continuing and expanded flow of North Dakota power to Minnesota, South Dakota, and Montana customers, benefiting North Dakota and its neighbors. Build-out of EV infrastructure will also yield greater connectivity within the region, allowing for EV travel corridors that enhance tourism opportunities and ensuring economic stability, growth, and opportunity in the renewable energy industry.

BACKGROUND/QUALIFICIATIONS

The EERC will draw on extensive experience successfully managing multimillion-dollar contracts involving myriad regulatory, industry, and nongovernmental partners to lead the project and manage tasks with input and support from the project partners to accomplish task goals and objectives. The principal investigator (PI) is Dr. Daisy F. Selvaraj, Senior Research Engineer at the EERC. Dr. Selvaraj will manage the project planning and reporting activities. Her research focuses on energy infrastructure risk and resilience assessment, distribution system planning and analysis, load flow and hosting capacity analysis, studies on distributed energy resources (DER) impacts, and production cost and energy market simulations. Dr. Selvaraj will be assisted by Mr. Bradley G. Stevens, Principal Research Engineer, Civil Engineering at the EERC. Mr. Stevens' principal areas of interest and expertise include soil, groundwater, and industrial process water remediation; process instrumentation and control; wind power generation; hydrogen production; and oil and gas production. Dr. Selvaraj and Mr. Stevens worked on the development of a North Dakota grid resilience plan. The team's prior work also includes the Military Installation Resilience Study for the Grand Forks Air Force Base. Ms. Charlene R. Crocker, Senior Research Scientist and Outreach Team Lead at the EERC, will lead Task 2. Ms. Crocker's principal areas of interest and expertise span public outreach and scientific research activities over more than 30 years, including energy transformations and emissions control, CO_2 capture and storage, and water quality. Resumes of key personnel can be found in Appendix A.

MANAGEMENT

The EERC will oversee all tasks, schedule regular internal and external meetings with project participants, and ensure that the project is conducted using acceptable scientific methodologies and practices in accordance with the project plan (budget, schedule, and deliverables) and is meeting quality objectives. The EERC will keep all partners informed of project progress, coordinate activities for successful project execution, and be responsible for timely submission of all project deliverables and products to the project team. Progress reports will be prepared and submitted to project sponsors for review. A broad team approach is key to successful execution of this project.

TIMETABLE

This project will be performed over 24 months. It is anticipated that DOE funds will be available by May 1, 2024, to initiate the project. Figure 4 depicts the proposed project schedule.

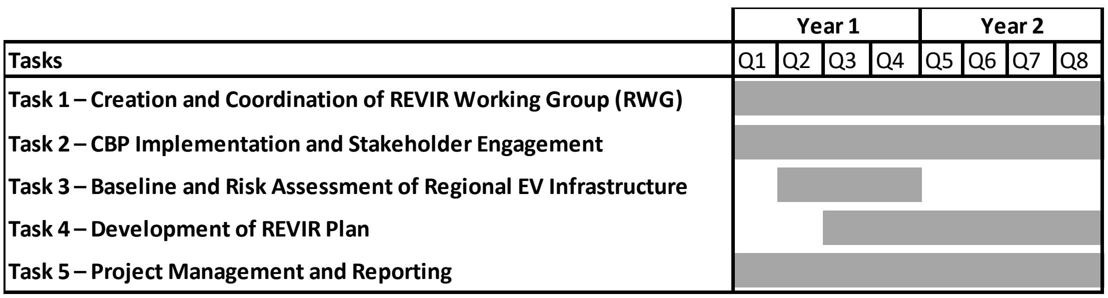


Figure 4. Proposed project schedule.

BUDGET

The total estimated cost for the proposed work is $1,875,000, as presented in Table 3. The EERC requests $375,000 from REP to be matched with $1,500,000 from JOET within DOE. Letters of support are provided in Appendix B. Budget notes can be found in Appendix C.

TAX LIABILITY. The EERC is a business unit within UND, which is a state-controlled institution of higher education and is not a taxable entity; therefore, the EERC has no tax liability.

CONFIDENTIAL INFORMATION. No confidential information is included in this proposal.

PATENTS/RIGHTS TO TECHNICAL DATA. It is not anticipated that any patents will be generated during this project. The rights to technical data generated will be held jointly by the EERC and project sponsors.

STATE PROGRAMS AND INCENTIVES. A listing of EERC projects funded by NDIC in the last 5 years can be found in Appendix D.

REFERENCES. All references cited are in Appendix E.

Table 3. Budget Breakdown

Project Associated Expense	NDIC Share (Cash)	DOE Share (Cash)	Total Project
Direct Costs			
Labor	$239,514	$801,638	$1,041,152
Travel	$–	$26,072	$26,072
Supplies	$800	$6,970	$7,770
Subcontractor – Matthew Stolz	$–	$40,000	$40,000
Communications	$–	$6,566	$6,566
Printing and Duplicating	$–	$2,926	$2,926
Food	$–	$2,508	$2,508
Rents and Leases – Venue Rental	$–	$1,200	$1,200
Honorarium	$–	$2,000	$2,000
Document Production Services	$7,130	$98,318	$105,448
Technical Software Fee	$–	$8,996	$8,996
Engineering Services Fee	$900	$9,796	$10,696
Total Direct Costs	$248,344	$1,006,990	$1,255,334
Facilities and Administration	$126,656	$493,010	$619,666
Total Project Costs	**$375,000**	**$1,500,000**	**$1,875,000**

APPENDIX A

RESUMES OF KEY PERSONNEL

DR. DAISY F. SELVARAJ
Senior Research Engineer
Energy & Environmental Research Center (EERC), University of North Dakota (UND)
15 North 23rd Street, Stop 9018, Grand Forks, North Dakota 58202-9018 USA
701.777.5105, dselvaraj@undeerc.org

Education and Training

Ph.D., Electrical Engineering, Visvesvaraya Technological University, Belagavi, India, 2018.
M.E., High-Voltage Engineering, College of Engineering Guindy, Anna University, Tamil Nadu, India, 2008.
B.E., Electrical and Electronics Engineering, Bharathidasan University, India, 1999.

Research and Professional Experience

2022–Present: Senior Research Engineer in the Energy Systems Group at the EERC, UND. Dr. Selvaraj's research focuses on distribution system planning and analysis, load flow and hosting capacity analysis, studies on distributed energy resources (DER) impacts, and production cost and energy market simulations. Her current research activities include a grid resilience study for the State of North Dakota and also energy storage modeling for a U.S. Department of Energy (DOE) project on ammonia storage. As a competent researcher and technical leader, Dr. Selvaraj has created strong collaborative engineering teams with national labs, government agencies, and utility partners. She has developed a number of new ideas and proposals over the years that led to successful research and business capabilities and subsequent funding from federal and state agencies. In addition, Dr. Selvaraj teaches Electrical Engineering graduate and undergraduate courses in the UND Department of Electrical Engineering as well as provides academic advising and mentoring to students.

2019–2022: Research Engineer, EERC, UND.

2018–2019: Postdoctoral Research Associate, School of Electrical Engineering & Computer Science, UND.

2017–2018: Assistant Professor, Department of Electrical and Electronics Engineering, Presidency University, Karnataka, India.

2013–2017: Senior Research Fellow, R&D Management Division, Central Power Research Institute, Karnataka, India.

2010–2013: Assistant Professor, Department of Electrical and Electronics Engineering, Rajiv Gandhi Institute of Technology, Karnataka, India.

2006–2008: Master's Degree Candidate, College of Engineering Guindy, Anna University, Tamil Nadu, India.

2003–2006: Lecturer, Department of Electrical and Electronics Engineering, J.J College of Engineering and Technology, Tamil Nadu, India.

2002: Production Engineer, Baby Industries, Tamil Nadu, India.

2000–2001: Programmer, Sierratronic India Pvt. Limited, Tamil Nadu, India.

Professional Activities

Member, Institute of Electrical and Electronics Engineers (IEEE)
Member, Indian Society for Technical Education
Reviewer, *IEEE Access*
Reviewer, DOE Artificial Intelligence and Decision Support for Complex System Review, July 2020.
Session Chair, Special Session on Electric Vehicles, Emerging Topics Track, 2019 North American Power Symposium (NAPS), Wichita, Kansas, USA, October 2019.
Reviewer, 2019 NAPS, Wichita, Kansas, USA, October 2019.
Reviewer, *IEEE Wireless Communications Magazine*
Reviewer, *IEEE Access*
Reviewer, *Elsevier Thermal Science and Engineering Progress*
Reviewer, *Elsevier Corrosion Science*
Reviewer, *MDPI Energies*

Publications

Mehrasa, M.; Salehfar, H.; Selvaraj, D.F.; Ahmed, S. I. Smart Bidirectional Charging for Frequency Support of a Low-Inertia Vehicle-To-Grid System in Presence of Energy Storage Systems Paper presented at 2023 IEEE Texas Power and Energy Conference (TPEC), College Station, TX, USA, 2023, pp. 1–6, doi: 10.1109/TPEC56611.2023.10078605.

Mehrasa, M.; Selvaraj, D. F.; Salehfar, H. Robust Control Strategy for a High-Power Off-Board EV Charger Connected to Grid-Tied Critical Loads. Paper presented at 2023 IEEE TPEC, College Station, TX, USA, 2023, pp. 1–6, doi: 10.1109/TPEC56611.2023.10078516.

Ibne Ahmed, S.; Salehfar, H.; Selveraj, D.F. Grid Integration of PV Based Electric Vehicle Charging Stations: A Brief Review. Paper presented at 2022 North American Power Symposium (NAPS), Salt Lake City, UT, USA, 2022, pp. 1–6, doi: 10.1109/NAPS56150.2022.10012159.

Mehrasa, M.; Hajar, K.; Razi, R.; Labonne, A. Fuzzy Logic-Based Charging Strategy for Frequency Control of an Electric Vehicles-Integrated Weak Grid. Paper presented at 2022 IEEE International Conference on Electrical Sciences and Technologies in Maghreb (CISTEM), Tunis, Tunisia, 2022, pp. 1–6, doi: 10.1109/CISTEM55808.2022.10044057.

Ahmed, S.I.; Salehfar, H.; Selvaraj, D.F. PV Hosting Capacity Assessment for Improved Planning of Low-Voltage Distribution Networks. Paper presented at 2021 NAPS, College Station, TX, Nov 14–16, 2021. DOI: 10.1109/NAPS52732.2021.9654614.

Ahmed, S.I.; Salehfar, H.; Selvaraj, D.F. Impact of Electric Vehicle Charging on the Performance of Distribution Grid. Paper presented at 2021 IEEE 12th International Symposium on Power Electronics for Distributed Generation Systems (PEDG), Chicago, IL, Jun 28 – Jul 1, 2021. DOI: 10.1109/PEDG51384.2021.9494268.

Bissing, D.; Klein, M.T.; Chinnathambi, R.A.; Selvaraj, D.F.; Ranganathan, P. A Hybrid Regression Model for Day-Ahead Energy Price Forecasting. *IEEE Access* **2019**, *7*, 26833–36842. DOI: 10.1109/ACCESS.2019.2904432.

El Mrabet, Z.; Selvaraj, D.F.; Ranganathan, P. Adaptive Hoeffding Tree with Transfer Learning for Streaming Synchrophasor Data Sets. *In* Proceedings of 2019 IEEE International Conference on Big Data (Big Data), p. 5697–5704.

El-Rewini, Z.; Sadatsharan, K.; Sugunaraj, N.; Selvaraj, D.F.; Plathottam, S.J.; Ranganathan, P. Cybersecurity Attacks in Vehicular Sensors. *IEEE Sensors Journal* **2020**, *20* (22), 13752–13767. DOI: 10.1109/JSEN.2020.3004275.

El-Rewini, Z.; Sadatsharan, K.; Selvaraj, D.F.; Plathottam, S.J.; Ranganathan, P. Cybersecurity Challenges in Vehicular Communications. *Vehicular Communications* **2020**, *23*, 100214

Synergistic Activities

1. Dr. Selvaraj is currently leading the EERC's diverse research portfolio that includes development of modeling schemes and control strategies for smart grid, grid integration of renewable energy systems and electric vehicles (EVs), hardware-in-the-loop testing, and data analytics for smart grid. Her work is supported by DOE and other leading federal and state funding agencies and private industry partners.
2. Dr. Selvaraj is coordinating current efforts for the development of a North Dakota energy resilience plan to address resilience risks associated with widespread and long-term electrical power outages in North Dakota.
3. Dr. Selvaraj was instrumental in the installation resilience study at Grand Forks Air Force Base.
4. Dr. Selvaraj has collaborated with North Dakota power distribution companies to support research on addressing broad grid integration issues with EVs. Through her collaborative approach, UND, along with regional partners, is establishing priorities, direct research, and development activities to address the technical challenges associated with increasing EV utilization across the state.
5. As a merit/panel reviewer, Dr. Selvaraj has reviewed DOE proposals for Artificial Intelligence and Decision Support for Complex Systems & Connected Communities.

BRADLEY G. STEVENS, P.E.
Principal Research Engineer, Civil Engineering
Energy & Environmental Research Center (EERC), University of North Dakota (UND)
15 North 23rd Street, Stop 9018, Grand Forks, North Dakota 58202-9018 USA
701.777.5293, bstevens@undeerc.org

Education and Training
B.S., Civil Engineering, University of North Dakota, 1989.
Registered Professional Engineer – North Dakota No. PE-4340.

Research and Professional Experience
2022–Present: Principal Research Engineer, Civil Engineering, EERC, UND. Responsibilities include managing a variety of projects and tasks in the areas of oil and gas production and processing, hydrogen production and utilization, electrical grid resiliency, and risk mitigation. Expertise includes soil, groundwater, and industrial process water remediation; process instrumentation and control; wind power generation; hydrogen production; and oil and gas production.

2021–2022: Senior Research Engineer, Civil Engineering Team Lead, EERC, UND.

2011–2021: Senior Research Engineer, EERC, UND. Mr. Stevens' responsibilities included execution of wide-ranging projects under the EERC's Bakken Production Optimization Program, including the study of alternative natural gas use, saline and hydrocarbon soil remediation, and statistical analysis of various oil and gas industry segments.

2005–2011: Research Manager/Engineer, EERC, UND. Mr. Stevens' responsibilities included management of the EERC's Plains Organization for Wind Energy Resources® (POWER®) wind energy program. POWER management duties included strategic planning, fiscal management, program presentation, proposal preparation, and personnel management. In addition, technical duties included installation and setup of wind-monitoring equipment, assessment and analysis of wind resource data, wind turbine production estimates, and theoretical project economics. Other responsibilities included supervision of the design, installation, and operation of an electrolysis-derived hydrogen production and dispensing system.

1998–2005: Research Engineer, Remediation, EERC, UND. Mr. Stevens' responsibilities included the following: management, testing, data analysis, and report preparation for the commercial application of a centrifugal membrane filtration; project management, specification, construction, and demonstration of a freeze–thaw process for the utilization of marginal waters; participation in the Red River Water Management Consortium (RRWMC) as a technical staff member advising RRWMC members regarding pertinent water supply and water quality issues; management and operation of data analysis and report preparation for a sorption and regeneration process for mercury removal from primary and secondary liquid wastes assessment; and data analysis activities related to wind energy.

1992–1998: Project Manager/Engineer, Summit Envirosolutions, Inc., Minneapolis, Minnesota. Mr. Stevens' responsibilities included the following: specification and coordination of the installation of remote data acquisition equipment for municipalities in Minnesota for use as aquifer resource management tools; specification, installation, and maintenance of groundwater flow control and flow measurement equipment in association with a research and development cooperative agreement with NASA involving state-of-the-art methods of remote data acquisition, patented as RealFlow®; design, installation, and maintenance of permanent and mobile remediation systems in Minnesota, Wisconsin, Nevada, and Arizona, including groundwater pump-and-treat systems, soil vapor extraction systems, and coupled air sparging–soil vapor extraction systems; and management of 20 projects in Minnesota, Wisconsin, and Illinois involving mechanical and electrical control and data retrieval for remedial systems including telemetry-based remedial systems. Other pertinent experience included work with programmable logic controllers and ladder logic programming and training in the use of Intellution FIX DMACS human–machine interface software.

1990–1992: Project Engineer, Delta Environmental Consultants, Inc., St. Paul, Minnesota. Mr. Stevens' responsibilities included the design, permitting, installation, and operation of treatment systems for remediation of contaminated groundwater and soils. Sites ranged from automotive service stations to railroad maintenance yards for projects located in a five-state region. Remediation technologies included subsurface air sparging and soil vapor extraction. Other project responsibilities included data interpretation and permit compliance for 14 remediation systems for a major oil company; supervising excavation of contaminated soils; and permitting and supervising in-place abandonment of a 12,000-gal underground storage tank.

1988–1990: Research/Engineering Technician, EERC, UND. Mr. Stevens' responsibilities included the design, construction, operation and maintenance, data collection and reduction, and formal report preparation for bench-scale treatability programs involving single-stage, two-stage, coupled nitrification–denitrification activated sludge systems, activated carbon adsorption, and ion exchange treatment of coal-processing waters. He maintained and operated the pure oxygen plug flow reactor for the biological treatment of synthetic wastewater. He also assisted in production of a pilot-scale wastewater treatment facility and design and analysis of bench-scale wastewater treatment models.

Patents

Barrett, D.P.; Davis, R.J.; Dustman, J.E.; Gibas, D.R.; Stevens, B.G.L.; Wilson, B.T. Measuring System for Measuring Real-Time Groundwater Data. U.S. Patent 5,553,492, Sept 10, 1996.

Publications

Mr. Stevens has authored or coauthored numerous publications.

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701.777.5018, ccrocker@undeerc.org

Education and Training
B.S., Chemistry, University of North Dakota, 1994; B.A., French, Colby College, Waterville, ME, 1986.

Research and Professional Experience
2002–Present: Senior Research Scientist, Outreach Team Lead, EERC, UND, Grand Forks, ND. Performs managerial and principal investigator duties for projects related to scientific research and public outreach. Outreach work has included development of programs for CO_2 sequestration, water, and fish advisories and development of CO_2 sequestration public outreach materials, water quality education, and water-based geoscience education program and outreach activities for middle and high school students. Research has included projects related to development of sorbents for emission control strategies in fossil fuel-fired energy systems; projects related to environmental management and air quality; collaborations in air and water monitoring, bioassessment tools, market research; proposal and report writing; data analysis; presentation of results; and budget tracking. Serves as the Energy Hawks Internship Program Coordinator and Supervisor, State Energy Research Center at the EERC; develops and implements energy literacy syllabus for multidisciplinary team of graduate and undergraduate students in 10-week internship program; guides development of white papers focused on value-added energy topics for North Dakota.
1994–2002: Research Chemist, EERC, UND. Managed projects relating to environmental management and air quality; collaborated with other scientists on fish consumption survey development, air sampling, coal ash, water purification, and surface decontamination research; wrote proposals and reports, analyzed data, presented results, and tracked budgets; developed air sampling protocols; participated in development of water-based geoscience education program and outreach activities for school children. Performed research on ultratrace elemental analyses on water and energy-related samples and followed quality control procedures.
1993–1994: Research Assistant, EERC, UND. Prepared and analyzed inorganic media for ultratrace elements, including mercury, and prepared reagents and solutions.
1990: Naturalist, Deep Portage Conservation Reserve, Hackensack, MN. Planned and conducted environmental education programs for children and adults; evaluated curriculum.
1988–1990: Sanctuary Manager, Wetlands, Pines & Prairie Audubon Sanctuary, Warren, MN. Planned and conducted environmental education programs, organized chapter meetings, published Sanctuary newsletter, and performed administrative tasks.
1988: Park Ranger/Interpreter, Boston Harbor Islands State Park, Boston, MA. Interpreted natural and human history, developed special programs, and conducted tours and school programs.

Relevant Publications
Crocker, C.R.; Krueger, N.M. Energy and CO_2 Management: Carbon Capture and Storage. Presented at 2023 Lignite Education Seminar, Bismarck, ND, June 13, 2023.
Crocker, C.R.; Leroux, K.M.; Massmann, N.M.; Crossland, J.L.; Manthei, M.M.; Glazewski, K.A.; Daly, D.J.; Hamling, J.A. Public Outreach Package for Carbon Capture and Storage in North Dakota; Task 5 Deliverable D3 for North Dakota Industrial Commission Contract No. R-038-047; EERC, Feb 2020.
Daly, D.J.; Crossland, J.L.; Crocker, C.R. Glazewski, K.A.; Massmann, N.M.; Peck, W.D. North Dakota CarbonSAFE Updated Outreach Plan Phase II, May 2019.

Crocker, C.R.; Daly, D.J. Low-Carbon Energy for North Dakota [documentary short]; Dambach, B.; Olien, M., Site Producers; Prairie Public Broadcasting (PPB): Fargo, ND, and EERC, 2019.
Crocker, C.R.; Daly, D.J. Coal: Engine of Change [DVD]; Dambach, B.; Steadman, E.N., Executive Producers; PPB and EERC, 2018.
Daly, D.J.; Crocker, C.R.; Crossland, J.L.; Massmann, N.M.; Peck, W.D. North Dakota Integrated Carbon Storage Complex Feasibility Study; Deliverable D3 (Outreach Toolkit) for U.S. Department of Energy (DOE) Cooperative Agreement (CA) DE-FE0029488; EERC: Grand Forks, ND, Feb 2018.
Daly, D.J.; Crossland, J.L.; Crocker, C.R.; Gorecki, C.D. Outreach Action Plan; Plains CO_2 Reduction (PCOR) Partnership Phase III Task 2 Deliverable D11 (Update 2) for DOE National Energy Technology Laboratory CA DE-FC26-05NT42592; EERC Publication 2016-EERC-09-02; March.
Daly, D.J.; Crocker, C.R.; Gorecki, C.D. Regionwide Outreach in a Project-Level World – Lessons from the PCOR Partnership. *Energy Procedia* **2017**, *114*, 7224–7236.
Crocker, C.R.; Daly, D.J.; Dambach, B.; Pearson, B.; Anderson, D. A Collaboration among PPB, Classroom Teachers, and the PCOR Partnership to Produce Classroom-Ready CCS Lessons. Presented at the International Workshop on Public Education, Training, and Community Outreach for Carbon Capture, Utilization, and Storage, Decatur, IL, July 30, 2014.

Synergistic Activities

- Outreach Team Lead (Oct 2018–present)/member of ND CarbonSAFE team (Phases II and III) since inception in June 2017, developing and implementing project outreach plan, facilitating Outreach Advisory Board, developing outreach materials, engaging educators and K–12 to postsecondary students on carbon capture and storage (CCS), and providing input and guidance to project timelines, budgets, and objectives.
- Outreach Team Lead (Jan 2019–Nov 2021)/member of RTE Ethanol CCS project since 2017, developing and implementing project outreach plan; developing outreach materials; handling media, talking points, and logistics for county commission appearances; preparing landowner packets and public notices for seismic surveys, environmental sampling events, and research results; overseeing logistics, preparing advertising, and developing materials for community open houses; and providing input and guidance to project timelines, budgets, and objectives.
- Outreach Team member for Regional Carbon Sequestration Partnerships (RCSP) Initiative's PCOR Partnership Program since inception in 2003.
- Associate Producer and Cowriter for seven CCS-related public television documentaries—*Coal: Engine of Change, The Bell Creek Story: CO_2 in Action, Global Energy and Carbon: Tracking Our Footprint, Managing Carbon Dioxide: The Geologic Solution, Out of the Air – Into the Soil: Land Practices That Reduce Atmospheric Carbon Levels, Reducing Our Carbon Footprint: The Role of Markets, Nature in the Balance: CO_2 Sequestration.*
- Codeveloped six outreach plans, 23 outreach posters, numerous fact sheets, general public and educational presentations, and a website focused on aspects of CCS and CCS projects.

APPENDIX B

LETTERS OF SUPPORT

NORTH Dakota | Transportation
Be Legendary.

July 19, 2023

Ms. Daisy Selvaraj
Senior Research Engineer
University of North Dakota
Energy & Environmental Research Center
15 North 23rd Street, Stop 9018
Grand Forks, ND 58202-9018

Dear Ms. Selvaraj:

Subject: Energy & Environmental Research Center Proposal in Response to DOE-NETL-EERE-DOT-JOINT-OFFICE-DE-FOA-0002881

Dear Ms. Selvaraj

This letter is to express North Dakota Department of Transportation's support of the Energy & Environmental Research Center's (EERC) subject proposal being submitted to the U.S. Department of Energy (DOE).

The proposed EERC project will develop and implement a regional Electric Vehicle (EV) infrastructure resilience plan that can assess the current and future threats and risks to regional EV charging infrastructure and provide solutions to ensure the continuity of operations and services of EV infrastructure and maximize benefits to all EV users in North Dakota, South Dakota, Montana, and Minnesota.

We look forward to working with the EERC team and other project partners. Your point of contact for this project if awarded is Russ Buchholz, who can be reach at (701) 328-2561.

Sincerely,

Ronald J. Henke, PE
Director

DEPARTMENT OF TRANSPORTATION

Minnesota Department of Transportation
Office of Sustainability and Public Health
395 John Ireland Blvd
Mail Stop 245
St. Paul, MN 55055

August 2, 2023

Ms. Daisy Selvaraj, Senior Research Engineer
University of North Dakota -Energy & Environmental Research Center
15 North 23rd Street, Stop 9018
Grand Forks, ND 58202-9018

Dear Ms. Selvaraj

This letter is to express Minnesota Department of Transportation's (MnDOT) support of the Energy & Environmental Research Center's (EERC) proposal being submitted to the U.S. Department of Energy (DOE).

In 2007, Minnesota passed the bi-partisan Next Generation Energy Act (NGEA), which established goals for the state to reduce greenhouse gas emissions by 15% below 2005 levels by 2015, 30% by 2025, and 80% by 2050. However, the state did not meet the 2015 goal and is not on track to meet our future goals. Transportation became the largest emitter of carbon pollution in the state in 2016. Electrification of transportation is a key strategy to reduce green house gas emissions from transportation. The EERC project will also support the MnDOT Office of Sustainability and Public Health's five focus areas that connect back to agency and statutory transportation and climate goals.

Participation in this project will provide resilience solutions to enhance the implementation of Minnesota's Electric Vehicle Infrastructure Plan as part of the National Electric Vehicle Infrastructure Program. MnDOT can offer learnings from our use of rights of way to support decarbonization of transportation and energy – an effort called NextGen Highways.

MnDOT can provide an in-kind match in the form of staff time to participate in working group meetings, contribute information and data as available, assist in implementation of resilience solutions as fits with our EV Infrastructure plan. We look forward to working with the EERC team and other project partners if awarded.

Sincerely,

Amber Dallman Digitally signed by Amber Dallman
Date: 2023.08.02 10:48:58 -05'00'

Amber Dallman
Office of Sustainability and Public Health Director

CC: Beth Kallestad, Principal Sustainability Planner
Jessica Oh, Strategic Partnerships Director
Siri Simons, Sustainability Program Supervisor
Anna Pierce, Interim Sustainability Program Supervisor

Equal Opportunity Employer

MONTANA
Department of Transportation

Malcolm D. Long, Director

2701 Prospect ▪ PO Box 201001
Helena MT 59620-1001

July 19, 2023

Ms. Daisy Selvaraj
Senior Research Engineer
University of North Dakota
Energy & Environmental Research Center
15 North 23rd Street, Stop 9018
Grand Forks, ND 58202-9018

Subject: Energy & Environmental Research Center Proposal in Response to DOE-NETL-EERE-DOT-JOINT-OFFICE-DE-FOA-0002881

Dear Ms. Selvaraj,

This letter is to express the Montana Department of Transportation's (MDT) support of the Energy & Environmental Research Center's (EERC) subject proposal being submitted to the U.S. Department of Energy (DOE).

The proposed EERC project will develop and implement a regional Electric Vehicle (EV) infrastructure resilience plan that can assess the current and future threats and risks to regional EV charging infrastructure and provide solutions to ensure the continuity of operations and services of EV infrastructure and maximize benefits to all EV users in North Dakota, South Dakota, Montana, and Minnesota. MDT appreciates the collaborative nature of this study, which plans to a working group with key stakeholders from the region that will come together to create recommendations to produce a flexible implementation plan that meets each state's unique needs.

As the agency responsible for managing and improving Montana's transportation system, we recognize the growing importance of EVs. With the rising adoption of EVs, it is crucial to assess and enhance the resiliency of our infrastructure to support transportation across the state. This research aligns closely with our own mission to innovate at all levels and invest in infrastructure that can accommodate the evolving needs of Montana's residents and visitors. Based on our mutual interests, we support the proposed project in the form of providing staff time, roadway data and statewide EV information. We look forward to working with the EERC team and the outcomes and insights that will emerge from this research, which will undoubtedly inform our future transportation planning and resiliency efforts.

Sincerely,

Malcolm D. Long

Malcolm D. Long, Director
Montana Department of Transportation

MINNESOTA CLEAN CITIES

NORTH DAKOTA Clean Cities

July 19, 2023

Ms. Daisy Selvaraj
Senior Research Engineer
University of North Dakota
Energy & Environmental Research Center
15 North 23rd Street, Stop 9018
Grand Forks, ND 58202-9018

Dear Ms. Selvaraj:

Subject: Energy & Environmental Research Center Proposal in Response to DOE-NETL-EERE-DOT-JOINT-OFFICE-DE-FOA-0002881

This letter is to express the commitment of Minnesota Clean Cities Coalition and North Dakota Clean Cities to the Energy & Environmental Research Center's (EERC's) subject proposal being submitted to the U.S. Department of Energy (DOE).

The proposed EERC project will develop and implement a regional electric vehicle (EV) infrastructure resilience plan that can assess the current and future threats and risks to regional EV charging infrastructure, provide solutions to ensure the continuity of operations and services of EV infrastructure, and maximize benefits to all EV users in North Dakota, South Dakota, Montana, and Minnesota.

Our Clean Cities coalitions have been active in developing the region's current EV charging ecosystem and strive to accelerate its growth. We currently lead or support several DOE-funded electric vehicle projects that are active in the region and work with a wide variety of relevant stakeholders in our states. Based on our mutual interests, we are proud to support the proposed project and partner with EERC to develop and implement the resilience plan. We look forward to working with the EERC team and other project partners if awarded.

Sincerely,

Jon Hunter
Interim Director
North Dakota Clean Cities

Lisa Thurstin
Director
Minnesota Clean Cities Coalition

NORTH Dakota | Commerce
Be Legendary.

July 12, 2023

Ms. Daisy Selvaraj
Senior Research Engineer
University of North Dakota
Energy & Environmental Research Center
15 North 23rd Street, Stop 9018
Grand Forks, ND 58202-9018

Dear Ms. Selvaraj:

Subject: Energy & Environmental Research Center Proposal in Response to DOE-NETL-EERE-DOT-JOINT-OFFICE-DE-FOA-0002881

This letter is to express North Dakota Department of Commerce's support of the Energy & Environmental Research Center's (EERC) subject proposal being submitted to the U.S. Department of Energy (DOE).

The proposed EERC project will develop and implement a regional Electric Vehicle (EV) infrastructure resilience plan that can assess the current and future threats and risks to regional EV charging infrastructure and provide solutions to ensure the continuity of operations and services of EV infrastructure and maximize benefits to all EV users in North Dakota, South Dakota, Montana, and Minnesota.

Commerce houses the North Dakota State Energy Office and the state energy resiliency plan. Our team is willing to provide resources such as staffing, research, collaboration on community involvement and other time and talent that will help EERC provide this plan for our state. We look forward to working with the EERC team and other project partners if awarded.

Sincerely,

Joshua Teigen
Commissioner, North Dakota Department of Commerce

NORTH Dakota | Emergency Services
Be Legendary.™

Aug. 17, 2023

Ms. Daisy Selvaraj
Senior Research Engineer
University of North Dakota
Energy & Environmental Research Center
15 North 23rd Street, Stop 9018
Grand Forks, ND 58202-9018

Dear Ms. Selvaraj:

Subject: Energy & Environmental Research Center Proposal in Response to DOE-NETL-EERE-DOT-JOINT-OFFICE-DE-FOA-0002881

This letter is to express the N.D. Department of Emergency Services' support of the Energy & Environmental Research Center's (EERC's) subject proposal being submitted to the U.S. Department of Energy (DOE).

The proposed EERC project will develop a regional electric vehicle (EV) infrastructure resilience plan that can assess the current and future threats and risks to regional EV charging infrastructure, provide solutions to ensure the continuity of operations and services of EV infrastructure, and maximize benefits to all EV users in North Dakota, South Dakota, Montana, and Minnesota.

As the central coordinating agency for emergencies and disasters, planning for disruptions to regional EV charging infrastructure is critical for an effective and intentional emergency response. Weather event-wise, North Dakota is a land of extremes. We know we need to consider the impact on our communities should EV infrastructure be impacted during a disaster. If there is a disruption to energy sources for electric vehicles, we would have citizens unable to travel to safety in the event an evacuation is necessary, or they could become stranded during extreme winter weather events. These scenarios must be planned for so we can identify ways to mitigate these impacts.

The N.D. Department of Emergency Services also manages our state's Critical Infrastructure Program, so we understand the importance of strengthening and maintaining a secure, functioning and resilient energy sector. Based on our mutual interests, we are proud to support the proposed project in the form of regular collaboration. The N.D. Department of Emergency Services will participate in the EERC's working group in which we will attend meetings and provide input for resilience and emergency planning. We look forward to working with the EERC team and other project partners if awarded.

Sincerely,

Darin Hanson
N.D. Department of Homeland Security Director

NDDES Homeland Security State Radio

Doug Burgum	Major General Alan S. Dohrmann	Darin Hanson	Darin Anderson
GOVERNOR	DIRECTOR - DEPARTMENT OF EMERGENCY SERVICES	DIRECTOR - DIVISION OF HOMELAND SECURITY	DIRECTOR - DIVISION OF STATE RADIO

Ensuring a safe and secure homeland for all North Dakotans

PO Box 5511 | Bismarck, ND 58506-5511 | 701.328.8100 | Fax: 701.328.8181 | Email: nddes@nd.gov | nd.gov/des

August 2, 2023

Ms. Daisy Selvaraj
Senior Research Engineer
University of North Dakota
Energy & Environmental Research Center
15 North 23rd Street, Stop 9018
Grand Forks, ND 58202-9018

Dear Ms. Selvaraj:

Subject: Energy & Environmental Research Center Proposal in Response to DOE-NETL-EERE-DOT-JOINT-OFFICE-DE-FOA-0002881

This letter is to express the Montana Energy Office at the Montana Department of Environmental Quality's support of the Energy & Environmental Research Center's (EERC's) subject proposal being submitted to the U.S. Department of Energy (DOE).

The proposed EERC project will develop and implement a regional electric vehicle (EV) infrastructure resilience plan that can assess the current and future threats and risks to regional EV charging infrastructure, provide solutions to ensure the continuity of operations and services of EV infrastructure, and maximize benefits to all EV users in North Dakota, South Dakota, Montana, and Minnesota.

The Montana Energy Office is committed to initiatives and research that help support resilient and reliable transportation electrification. Based on our mutual interests, we are proud to support the proposed project in the form of in-kind cost share. The Montana Energy Office will provide in-kind contribution in the form of staff time over the period of the project. Our staff contributions will include providing data and information related to electric vehicle charging development and installation and participation in the region-wide resilience working group meetings. We look forward to working with the EERC team and other project partners if awarded.

Sincerely,

Bjorn P. Brun

METROCOG Fargo-Moorhead Metropolitan Council of Governments

Case Plaza Suite 232 | One 2nd Street N
Fargo, North Dakota 58102-4807
p: 701.532.5100 | f: 701.232.5043
e: metrocog@fmmetrocog.org
www.fmmetrocog.org

July 18, 2023

Dr. Daisy Selvaraj, Senior Research Engineer
Energy & Environmental Research Center
University of North Dakota
15 N 23 Street, Stop 9018
Grand Forks, ND 58202-9018

RE: Energy & Environmental Research Center Proposal in Response to DOE-NETL-EERE-DOT-JOINT-OFFICE-DE-FOA-0002881

Dear Dr. Selvaraj,

This letter from the Fargo-Moorhead Metropolitan Council of Governments (Metro COG) is to express our support of the Energy & Environmental Research Center's (EERC) subject proposal being submitted to the U.S. Department of Energy (DOE).

The proposed EERC project will develop and implement a regional Electric Vehicle (EV) infrastructure resilience plan that can assess the current and future threats and risks to regional EV charging infrastructure and provide solutions to ensure the continuity of operations and services of EV infrastructure and maximize benefits to all EV users in North Dakota, South Dakota, Montana, and Minnesota.

Metro COG and area jurisdictions of the Fargo, ND-MN MSA understand the importance of understanding EV feasibility and its benefits within our transportation network, identifying current and potential barriers to EV adoption, and developing infrastructure-related best practices to meet current and future EV needs in our region. We look forward to working with the EERC team and other project partners if awarded.

Sincerely,

Ben Griffith

Ben Griffith, AICP
Executive Director
Fargo-Moorhead Metropolitan Council of Governments

Cass County
Electric Cooperative
A Touchstone Energy® Cooperative

August 2, 2023

Ms. Daisy Selvaraj
Senior Research Engineer
University of North Dakota
Energy & Environmental Research Center
15 North 23rd Street, Stop 9018
Grand Forks, ND 58202-9018

Dear Ms. Selvaraj:

Subject: Energy & Environmental Research Center Proposal in Response to DOE-NETL-EERE-DOT-JOINT-OFFICE-DE-FOA-0002881

This letter expresses Cass County Electric Cooperatives' support of the Energy & Environmental Research Center's (EERC's) subject proposal being submitted to the U.S. Department of Energy (DOE).

The proposed EERC project will develop and implement a regional electric vehicle (EV) infrastructure resilience plan that can assess the current and future threats and risks to regional EV charging infrastructure, provide solutions to ensure the continuity of operations and services of EV infrastructure and maximize benefits to all EV users in North Dakota, South Dakota, Montana, and Minnesota.

Cass County Electric Cooperative is an electric cooperative serving over 56,000 members in eastern North Dakota. We will support the proposed project through data sharing where applicable. If awarded, we look forward to working with the EERC team and other project partners.

Sincerely,

Jodi Bullinger

Jodi Bullinger
VP Engineering & Operations

Mountrail - Williams Electric Cooperative

Internet: www.mwec.com
Service Area
Toll Free: 1-800-279-2667

PO Box 1346
Williston, ND 58802-1346
(701) 577-3765

PO Box 129
Stanley, ND 58784-0129
(701) 628-2242

PO Box 59
New Town, ND 58763-0059
(701) 627-3550

August 21, 2023

Ms. Daisy Selvaraj
Senior Research Engineer
University of North Dakota
Energy & Environmental Research Center
15 North 23rd Street, Stop 9018
Grand Forks, ND 58202-9018

Dear Ms. Selvaraj:

Subject: Energy & Environmental Research Center Proposal in Response to DOE-NETL-EERE-DOT-JOINT-OFFICE-DE-FOA-0002881

This letter is to express Mountrail Williams Electric Cooperative's (MWEC) support of the Energy & Environmental Research Center's (EERC's) subject proposal being submitted to the U.S. Department of Energy (DOE).

The proposed EERC project will develop and implement a regional electric vehicle (EV) infrastructure resilience plan that can assess the current and future threats and risks to regional EV charging infrastructure, provide solutions to ensure the continuity of operations and services of EV infrastructure, and maximize benefits to all EV users in North Dakota, South Dakota, Montana, and Minnesota.

MWEC's service area covers the north half of the Bakken oil field in Mountrail and Williams counties. MWEC is rapidly growing and just reached 750MW peak load. US Hwy 2 goes through MWEC's service area as well. Based on our mutual interests, we are proud to support the proposed project in the form of assistance with engineering support. MWEC will provide system models, analysis, and engineering input. We look forward to working with the EERC team and other project partners if awarded.

Scott Iverson

Sincerely,

Scott Iverson
Senior Electrical Engineer
Mountrail-Williams Electric Cooperative

Xcel Energy®

P.O. Box 2747
Fargo, ND 58108

July 28, 2023

Ms. Daisy Selvaraj
Senior Research Engineer
University of North Dakota-Energy & Environmental Research Center
15 North 23rd Street, Stop 9018
Grand Forks, ND 58202-9018

Dear Ms. Selvaraj:

Subject: Energy & Environmental Research Center Proposal in Response to DOE-NETL-EERE-DOT-JOINT-OFFICE-DE-FOA-0002881

This letter is to express Xcel Energy's support of the Energy & Environmental Research Center's (EERC's) subject proposal being submitted to the U.S. Department of Energy (DOE).

The proposed EERC project will develop and implement a regional electric vehicle (EV) infrastructure resilience plan that can assess the current and future threats and risks to regional EV charging infrastructure, provide solutions to ensure the continuity of operations and services of EV infrastructure, and maximize benefits to all EV users in North Dakota, South Dakota, Montana, and Minnesota.

Xcel Energy, North Dakota's largest utility began operations in 1908 and is focused on the future of electrification of the transportation industry. Xcel Energy was the first utility to add an electric bucket truck to its fleet. Based on our mutual interests, we are proud to support the proposed project in the form of cost share. Xcel Energy will provide in-kind industry expertise to project working group to develop an EV resilience plan.

We look forward to working with the EERC team and other project partners if awarded

Sincerely,

Tony Grindberg

Tony Grindberg
Xcel Energy
North Dakota Principal Manager
2302 Great Northern Drive
Fargo, ND 58102

ZEF ENERGY

August 14, 2023

Ms. Daisy Selvaraj
Senior Research Engineer
University of North Dakota
Energy & Environmental Research Center
15 North 23rd Street, Stop 9018
Grand Forks, ND 58202-9018

Dear Ms. Selvaraj:

Subject: Energy & Environmental Research Center Proposal in Response to
DOE-NETL-EERE-DOT-JOINT-OFFICE-DE-FOA-0002881

This letter is to express ZEF Energy's support of the Energy & Environmental Research Center's (EERC's) EV Infrastructure Resiliency Plan proposal being submitted to the U.S. Department of Energy (DOE).

The proposed EERC project will develop and implement a regional electric vehicle (EV) infrastructure resilience plan that can assess the current and future threats and risks to regional EV charging infrastructure, provide solutions to ensure the continuity of operations and services of EV infrastructure, and maximize benefits to all EV users in North Dakota, South Dakota, Montana, and Minnesota. There are considerable grid resources needed to build out all of the EV charging infrastructure needed to support EV driers traveling in this legion. Further, resiliency planning will be key when planning for this infrastructure.

As an EV charging solutions provider (an EVSE manufacturer and network operator), ZEF sees the importance of this work. We specialize in working in rural areas and with mid and small sized utilities and communities. We see the importance of good planning so that investment decisions are well informed, especially with significant funding opportunities coming up over the next 5-7 years. Based on our mutual interests, we are proud to support the proposed project in the form of cost share. ZEF Energy will provide technical input along the way. We look forward to working with the EERC team and other project partners if awarded.

Sincerely,

Megan D. Hoye

Megan Hoye
Chief Development Officer

CONNEXUS
CONNEXUS CAPITAL, LLC

August 2, 2023

Ms. Daisy Selvaraj
Senior Research Engineer, University of North Dakota
Energy & Environmental Research Center
15 North 23rd Street, Stop 9018
Grand Forks, ND 58202-9018

Subject: Energy & Environmental Research Center Proposal in Response to DOE-NETL-EERE-DOT-JOINT-OFFICE-DE-FOA-0002881

Dear Ms. Selvaraj,

On behalf of Connexus Capital LLC, I submit this letter to express our support of the Energy & Environmental Research Center's ("EERC") subject proposal being submitted to the U.S. Department of Energy ("DOE").

The proposed EERC project will develop and implement a regional Electric Vehicle ("EV") infrastructure resilience plan that can assess the current and future threats and risks to regional EV charging infrastructure and provide solutions to ensure the continuity of operations and services of EV infrastructure and maximize benefits to all EV users in North Dakota, South Dakota, Montana, and Minnesota.

CONNEXUS is a black-owned and operated strategic advisory services firm that specializes in operations and project administration — with a particular focus on infrastructure-level physical & technological initiatives. The company has served clients in renewable energy, law, education, not-for-profit, and financial services. Partners have designed renewable-energy related solutions for nation-state actors, including transportation and energy grid planning programs for the State of California South Coast Air Quality Management District.

Based on our mutual interests, we are proud to support the proposed project in the form of cost-share. CONNEXUS will provide (i) its network, and (ii) the time and expertise of relevant members of its team as needed or otherwise requested to help fulfill project objectives.

We look forward to working with the EERC team and other project partners if awarded. Please feel free to contact me directly at william@connexus.io if I may be of further service.

Most sincerely,

William T. Whitaker
Founder & CEO

August 21, 2023

Ms. Daisy Selvaraj
Senior Research Engineer, University of North Dakota
Energy & Environmental Research Center
15 North 23rd Street, Stop 9018
Grand Forks, ND 58202-9018

Subject: Energy & Environmental Research Center Proposal in Response to DOE-NETL-EERE-DOT-JOINT-OFFICE-DE-FOA-0002881

Dear Ms. Selvaraj,

On behalf of SAGE Development Authority ("SAGE"), I submit this letter to express our support of the Energy & Environmental Research Center's ("EERC") subject proposal being submitted to the U.S. Department of Energy ("DOE"). The proposed EERC project will develop and implement a regional Electric Vehicle ("EV") infrastructure resilience plan that can assess the current and future threats and risks to regional EV charging infrastructure and provide solutions to ensure the continuity of operations and services of EV infrastructure and maximize benefits to all EV users in North Dakota, South Dakota, Montana, and Minnesota.

SAGE is a 100% Native-led organization, is dedicated to community development, institution-building, and self-determination for the Standing Rock Sioux Tribe. SAGE Development Authority exists to ensure energy independence, protect the environment, and promote economic growth in the region, for the Tribe. A federally chartered Section 17 Corporation created by the Standing Rock Sioux Tribe, SAGE acts as a Public Power Authority (PPA) that will control and operate all the energy production assets within the reservation. As an organization, SAGE institutionalizes Standing Rock's involvement in renewable energy projects, facilitates agreements with third-party entities, and holds the Standing Rock Sioux Tribe's equity interest.

Based on our mutual interests, we are proud to support the proposed project in the form of cost-share derived from the time and expertise of its team as needed to fulfill project objectives. SAGE will also engage its network as needed in service of the project's fact-finding, research, and solutions development efforts.

We are a committed partner to expanding the use of electric vehicles and charging infrastructure in the region. We look forward to working with the EERC team and other project partners if awarded. Thank you for leading this important project. Please contact me via email at joseph@sagesrst.com, at the office (701-854-4766), or on my cell (701-425-3776) if I may be further of service.

Sincerely,

Tatanka Wanjila – Joseph McNeil Jr. | General Manager

SAGE Development Authority

NATIVE SUN COMMUNITY POWER DEVELOPMENT

July 31, 2023

Ms. Daisy Selvaraj
Senior Research Engineer
University of North Dakota
Energy & Environmental Research Center
15 North 23rd Street, Stop 9018
Grand Forks, ND 58202-9018

Dear Ms. Selvaraj:

Subject: Energy & Environmental Research Center Proposal in Response to DOE-NETL-EERE-DOT-JOINT-OFFICE-DE-FOA-0002881

This letter is to express Native Sun's support of the Energy & Environmental Research Center's (EERC's) subject proposal being submitted to the U.S. Department of Energy (DOE).

The proposed EERC project will develop and implement a regional electric vehicle (EV) infrastructure resilience plan that can assess the current and future threats and risks to regional EV charging infrastructure, provide solutions to ensure the continuity of operations and services of EV infrastructure, and maximize benefits to all EV users in North Dakota, South Dakota, Montana, and Minnesota.

Native Sun is a native-led nonprofit that promotes energy efficiency, renewable energy and an equitable energy transition through education, workforce training and demonstration. We are building a dynamic clean energy future that works for all. Based on our mutual interests, we are proud to support the proposed project in the form of cost share. Native Sun will provide expertise in working with Tribal communities in planning for EV infrastructure. We look forward to working with the EERC team and other project partners if awarded.

Sincerely,

Robert Blake
Executive Director

APPENDIX C

BUDGET NOTES

BUDGET NOTES

ENERGY & ENVIRONMENTAL RESEARCH CENTER (EERC)

BACKGROUND

The EERC is an independently organized multidisciplinary research center within the University of North Dakota (UND). The EERC is funded through federal and nonfederal grants, contracts, and other agreements. Although the EERC is not affiliated with any one academic department, university faculty may participate in a project, depending on the scope of work and expertise required to perform the project.

INTELLECTUAL PROPERTY

The applicable federal intellectual property (IP) regulations will govern any resulting research agreement(s). In the event that IP with the potential to generate revenue to which the EERC is entitled is developed under this project, such IP, including rights, title, interest, and obligations, may be transferred to the EERC Foundation, a separate legal entity.

BUDGET INFORMATION

The proposed work will be done on a cost-reimbursable basis. The distribution of costs between budget categories (labor, travel, supplies, equipment, etc.) and among funding sources of the same scope of work is for planning purposes only. The project manager may incur and allocate allowable project costs among the funding sources for this scope of work in accordance with Office of Management and Budget (OMB) Uniform Guidance 2 CFR 200.

Escalation of labor and EERC recharge center rates is incorporated into the budget when a project's duration extends beyond the university's current fiscal year (July 1 – June 30). Escalation is calculated by prorating an average annual increase over the anticipated life of the project.

The cost of this project is based on a specific start date indicated at the top of the EERC budget. Any delay in the start of this project may result in a budget increase. Budget category descriptions presented below are for informational purposes; some categories may not appear in the budget.

Salaries: Salary estimates are based on the scope of work and prior experience on projects of similar scope. The labor rate used for specifically identified personnel is the current hourly rate for that individual. The labor category rate is the average rate of a personnel group with similar job descriptions. Salary costs incurred are based on direct hourly effort on the project. Faculty who work on this project may be paid an amount over the normal base salary, creating an overload which is subject to limitation in accordance with university policy. As noted in the UND EERC Cost Accounting Standards Board Disclosure Statement, administrative salary and support costs which can be specifically identified to the project are direct-charged and not charged as facilities and administrative (F&A) costs. Costs for general support services such as contracts and IP, accounting, human resources, procurement, and clerical support of these functions are charged as F&A costs.

Fringe Benefits: Fringe benefits consist of two components which are budgeted as a percentage of direct labor. The first component is a fixed percentage approved annually by the UND cognizant audit agency, the Department of Health and Human Services. This portion of the rate covers vacation, holiday, and sick leave (VSL) and is applied to direct labor for permanent staff eligible for VSL benefits. Only the actual approved rate will be charged to the project. The second component is estimated on the basis of historical data and is charged as actual expenses for items such as health, life, and unemployment insurance; social security; worker's compensation; and UND retirement contributions.

Travel: Travel may include site visits, fieldwork, meetings, and conferences. Travel costs are estimated and paid in accordance with OMB Uniform Guidance 2 CFR 200, Section 474, and UND travel policies, which can be found at https://campus.und.edu/finance/procurement-and-payment-services/travel/travel.html (Policies & Procedures, A–Z Policy Index, Travel). Daily meal rates are based on U.S. General Services Administration (GSA) rates unless further limited by UND travel policies; other estimates such as airfare, lodging, ground transportation, and miscellaneous costs are based on a combination of historical costs and current market prices. Miscellaneous travel costs may include parking fees, Internet charges, long-distance phone, copies, faxes, shipping, and postage.

Supplies: Supplies include items and materials that are necessary for the research project and can be directly identified to the project. Supply and material estimates are based on prior experience with similar projects. Examples of supply items are chemicals, gases, glassware, nuts, bolts, piping, data storage, paper, memory, software, toner cartridges, maps, sample containers, minor equipment (value less than $5000), signage, safety items, subscriptions, books, and reference materials. General purpose office supplies (pencils, pens, paper clips, staples, Post-it notes, etc.) are included in the F&A cost.

Subcontractor – Matthew Stolz: Subcontractors are budgeted based on project needs. Mr. Stolz will handle the technical consulting related to electric utility operation and regulation as it relates to electric vehicle (EV) infrastructure. Cost is based on conversations with vendor for Tasks 1.3/1.4 and 2.3/2.4. Please see the scope of work and background/qualifications for additional details.

Communications: Telephone, cell phone, and fax line charges are included in the F&A cost; however, direct project costs may include line charges at remote locations, long-distance telephone charges, postage, and other data or document transportation costs that can be directly identified to a project. Estimated costs are based on prior experience with similar projects.

Printing and Duplicating: Page rates are established annually by the university's duplicating center. Printing and duplicating costs are allocated to the appropriate funding source. Estimated costs are based on prior experience with similar projects.

Food: Expenditures for hosting listening sessions, focus groups, and engagement trips with community stakeholders where the primary purpose is dissemination of technical information may include the cost of food. EERC employees in attendance will not receive per diem reimbursement for meals that are paid by project funds. The estimated cost is based on the number and location of project partner meetings.

Rents and Leases – Venue Rental: Venue rental for listening sessions, focus groups, and engagement trips with community stakeholders. Two rentals at $600.

Honorarium: Nominal compensation for stakeholders to participate in listening sessions and focus groups. Based on 10 sessions with four people at $50 per.

Operating Fees: Operating fees generally include EERC recharge centers, outside laboratories, and freight.

EERC recharge center rates are established annually and approved by the university.

Document production services recharge fees are based on an hourly rate for production of such items as report figures, posters, and/or images for presentations, maps, schematics, website design, brochures, and photographs. The estimated cost is based on prior experience with similar projects.

Technical software fees are for Smartsheet software, which is to be used for tracking and reporting on project specific deliverables and milestones.

Engineering services recharge fees cover specific expenses related to retaining qualified and certified design and engineering personnel. The rate includes training to enhance skill sets and maintain certifications using Webinars and workshops. The rate also includes specialized safety training and related physicals. The estimated cost is based on the number of hours budgeted for this group of individuals.

Facilities and Administrative Cost: The F&A rate proposed herein is approved by the U.S. Department of Health and Human Services and is applied to modified total direct costs (MTDC). MTDC is defined as total direct costs less individual capital expenditures, such as equipment or software costing $5000 or more with a useful life of greater than 1 year as well as subawards in excess of the first $25,000 for each award.

APPENDIX D

EERC PROJECTS FUNDED BY NDIC IN THE LAST 5 YEARS

EERC PROJECTS FUNDED BY NDIC IN THE LAST 5 YEARS

Project Name	Start Date	End Date	Total Contracted
Bakken Production Optimization Program 2.0	11/01/16	05/31/20	$6,000,000
Initial Engineering, Testing, and Design of a Commercial-Scale CO_2 Capture System	09/01/17	12/31/19	$3,200,000
FERR 1.3 – Integrated Carbon Capture and Storage for North Dakota Ethanol Production	11/01/17	07/31/18	$345,000
iPIPE: The intelligent Pipeline Integrity Program	04/01/18	12/31/23	$2,600,000
Economic Extraction and Recovery of REES and Production of Clean Value-Added Products from Low-Rank Coal Fly Ash	06/16/18	02/15/20	$30,000
Low-Pressure Electrolytic Ammonia Production	06/16/18	06/30/22	$437,000
FERR 1.3 – Integrated Carbon Capture and Storage for North Dakota Ethanol Production	12/01/18	05/31/20	$500,000
State Energy Research Center	07/01/19	06/30/27	$17,500,000
Underground Storage of Produced Natural Gas – Conceptual Evaluation and Pilot Project(s)	06/01/19	06/30/23	$3,500,000
Assessment of Bakken and Three Forks Natural Gas Compositions	11/01/19	06/19/20	$300,650
Improving EOR Performance Through Data Analytics and Next-Generation Controllable Completions	01/27/20	09/30/24	$500,000
Wastewater Recycling Using a Hygroscopic Cooling System	01/31/20	09/30/22	$100,000
PCOR Partnership Initiative to Accelerate CCUS Deployment	02/01/20	09/30/24	$2,000,000
PCOR Partnership Initiative to Accelerate CCUS Deployment	02/01/20	09/30/24	$2,000,000
FERR 3.2 – Produced Water Management Through Geologic Homogenization, Conditioning, and Reuse	02/01/20	01/31/22	$300,000
Bakken Production Optimization Program 3.0	05/01/20	04/30/23	$6,000,000
EERC Technical Support for RTE CCS Activities – November 1, 2019	06/01/20	11/30/21	$500,000
Flue Gas Characterization and Testing	07/01/20	11/30/21	$3,741,450
Laboratory-Scale Coal-Derived Graphene Process	09/01/20	04/30/23	$162,500
Hydrogen Energy Development for North Dakota	07/01/21	06/30/23	$500,000
Ammonia-Based Energy Storage Technology	04/01/21	03/31/23	$101,390
Field Study to Determine the Feasibility of Developing Salt Caverns for Hydrocarbon Storage in Western North Dakota	07/01/21	06/30/23	$11,900,000
Williston Basin CORE-CM Initiative	02/01/22	05/31/23	$750,000
Front-End Engineering and Design for CO_2 Capture at Coal Creek Station	02/01/22	08/31/23	$7,000,000
Unitized Legacy Oil Fields: Prototypes for Revitalizing Conventional Oil Fields in North Dakota	07/01/21	06/30/24	$3,000,000
iPIPE 2.0: The intelligent Pipeline Integrity Program	01/01/22	12/31/23	$400,000
Advanced Processing of Coal and Waste Coal to Produce Graphite for Fast-Charging Lithium-Ion Battery	02/01/22	01/31/25	$500,000
Liberty H_2 Hub Front-End Engineering and Design	11/01/22	10/31/24	$10,000,000

Continued . . .

EERC PROJECTS FUNDED BY NDIC IN THE LAST 5 YEARS (continued)

Redundancy Study for CO_2 Capture at Coal Creek Station	5/26/2023	3/31/2024	$837,313
Coal Creek Carbon Capture: Geologic CO_2 Storage Complex Development	7/1/2023	5/31/2024	$6,119,690
BPOP 4.0 – Bakken Production Optimization Program 4.0	7/28/2023	10/31/2025	$6,000,000
Prairie Horizon Carbon Management Hub	11/1/2023	10/31/2025	$100,000
Rare-Earth Minerals Study	2/1/2024	4/30/2025	$1,500,000

APPENDIX E

REFERENCES

REFERENCES

1. North Dakota Electric Vehicle (EV) Infrastructure Plan: https://www.dot.nd.gov/construction-and-planning/transportation-plans-programs/north-dakota-electric-vehicle-ev#:~:text=North%20Dakota%20will%20receive%20approximately,charging%20experience%20for%20all%20users (accessed February 2024).

2. All Hazards Analysis (AHA), A Dynamic Approach to Critical Infrastructure Threats: https://inl.gov/ics-aha/ (accessed February 2024).

3. Electric Vehicle Charging Station Locations: https://afdc.energy.gov/fuels/electricity_locations.html#/find/nearest?fuel=ELEC (accessed February 2024).

4. U.S. State Population by Rank: https://www.infoplease.com/us/states/state-population-by-rank (accessed February 2024).

From: Srivats Srinivasachar <srivats.srinivasachar@envergex.com>
Sent: Wednesday, March 6, 2024 11:27 AM
To: Stieg, Erin E.
Cc: Haase, Reice
Subject: Re: Renewable Energy Grant R-050-064 (Biocoal)

Hi Erin,

Thank you for reaching out regarding the grant for R-050-064 (Novel process for biocoal production with CO_2 mineralization to achieve negative carbon emissions).

We had originally submitted this proposal with cost-share being provided by a USDA project. Due to unforeseen circumstances, the period of performance of the cost-share project did not match, and we do not have the cost-share at this time.

As we are not in a position to move forward with the project, please decommit the $174,830 back to the Renewable Energy Fund.

We appreciate your efforts in considering our proposal and making the award. We look forward to additional opportunities in the future.

Best regards,

Srivats Srinivasachar
Srivats Srinivasachar
Envergex LLC
10 Podunk Road
Sturbridge, MA 01566
Phone: (508) 347-2933
Mobile: (508) 479-3784
E-mail: srivats.srinivasachar@envergex.com

Docket for Hearing
Thursday, October 26, 2023
N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 30454, Order No. 33067: In the matter of a hearing called on a motion of the Commission to consider the confiscation of all production-related equipment and salable oil at the Brian and Linda Adams R-1 well (File No. 6365), NESW Section 27, T.161N., R.82W., Wiley Field, Bottineau County, ND, operated by Double AA Oil, L.L.C., or any working interest owner, pursuant to NDCC §§ 38-08-04 and 38-08-04.9.

Docket for Hearing
Thursday, October 26, 2023
N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 30455, Order No. 33068: In the matter of a hearing called on a motion of the Commission to consider the confiscation of all production-related equipment and salable oil at the Adams 2 well (File No. 9658), NWSW Section 27, T.161N., R.82W., Wiley Field, Bottineau County, ND, operated by Double AA Oil, L.L.C., or any working interest owner, pursuant to NDCC §§ 38-08-04 and 38-08-04.9.

Docket for Hearing
Thursday, October 26, 2023
N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 30456, Order No. 33069: In the matter of a hearing called on a motion of the Commission to consider the confiscation of all production-related equipment and salable oil at the Adams 3 well (File No. 9658), NWSW Section 27, T.161N., R.82W., Wiley Field, Bottineau County, ND, operated by Double AA Oil, L.L.C., or any working interest owner, pursuant to NDCC §§ 38-08-04 and 38-08-04.9.

Attachment 13

Docket for Hearing
Thursday, October 26, 2023
N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 30457, Order No. 33070: In the matter of a hearing called on a motion of the Commission to consider the confiscation of all production-related equipment and salable oil at the Adams 4 well (File No. 10391), SWSW Section 27, T.161N., R.82W., Wiley Field, Bottineau County, ND, operated by Double AA Oil, L.L.C., or any working interest owner, pursuant to NDCC §§ 38-08-04 and 38-08-04.9.

Docket for Hearing
Thursday, October 26, 2023
N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 30458, Order No. 33071: In the matter of a hearing called on a motion of the Commission to consider the confiscation of all injection-related equipment and salable oil at the Brian and Linda Adams SWD 1 well (File No. 90036), NWSW Section 27, T.161N., R.82W., Wiley Field, Bottineau County, ND, operated by Double AA Oil, L.L.C., or any working interest owner, pursuant to NDCC §§ 38-08-04 and 38-08-04.9.

Docket for Hearing
Thursday, October 26, 2023
N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 30459, Order No. 33072: In the matter of a hearing called on a motion of the Commission to consider the confiscation of all production-related equipment and salable oil at the Davis Perron 33-31 well (File No. 13929), NWSE Section 31, T.163N., R.85W., North Mouse River Park Field, Renville County, ND, operated by Double AA Oil, L.L.C., or any working interest owner, pursuant to NDCC §§ 38-08-04 and 38-08-04.9.

Docket for Hearing
Wednesday, December 13, 2023
N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 30542, Order No. 33155: Application of Phoenix Operating LLC for an order amending the applicable orders for the Big Stone and/or Skabo-Bakken Pool to establish a 1920-acre spacing unit described as Sections 2 and 11 T.159N., R.98W., Williams County, ND, and Section 35 T.160N., R.98W., Divide County, ND and to authorize 5 horizontal wells to be drilled on such unit and granting such other relief as may be appropriate.

Docket for Hearing
Wednesday, February 21, 2024
N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 30665, Order No. 33315: In the matter of a hearing called on a motion of the Commission to consider the establishment or altering of spacing units in the Burg, Big Stone, and Skabo-Bakken Pools in T.160N., R.99W.; T.160N., R.98W.; T.159N., R.99W.; and T.159N., R.98W., Divide and Williams Counties, ND, and such other relief as is appropriate. Crescent Point Energy U.S. Corp., Hess Bakken Investments II, LLC, Kraken Operating, LLC, Petro-Hunt, L.L.C., Phoenix Operating LLC, Whiting Oil and Gas Corp.

Docket for Hearing
Friday, February 23, 2024
N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 30664, Order No. 33314: Petition of Resonance Exploration (North Dakota) LLC for an order providing for the unitized management, operation, and further development of the proposed South Westhope-Charles (Huber) Unit Area, consisting of lands within the South Westhope Field in Bottineau County, North Dakota; for approval of the unit agreement and unit operating agreement constituting the plan of unitization for the proposed South Westhope-Charles (Huber) Unit Area; for approval of the plan of operation; vacating the applicable spacing orders; and for such further and additional relief.

Docket for Hearing
Friday, February 23, 2024
N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 30663, Order No. 33313: Application of Resonance Exploration (North Dakota) LLC for an order of the Commission determining that the plan of unitization for the South Westhope-Charles (Huber) Unit Area, Bottineau County, ND, has been signed, ratified or approved by owners of interest owning that percentage of the working interest and royalty interest within said unit as is required by applicable statutes and rules of the Commission.

Docket for Hearing
Wednesday, March 20, 2024
N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 30607, Order No. 33256: Application of Petro-Hunt, L.L.C. for an order amending the applicable orders for the Tioga, East Tioga and/or White Earth-Bakken Pools to establish an overlapping 3840-acre spacing unit described as Sections 20, 21, 28, 29, 32 and 33, T.158N., R.94W., Mountrail County, ND, and authorize one horizontal well to be drilled on such unit, or granting such other relief as may be appropriate.

Docket for Hearing
Wednesday, March 20, 2024
N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 30723, Order No. 33382: A motion of the Commission to consider the termination, or any other appropriate action, of the Eland East-Lodgepole Unit, Stark County, ND, operated by Wesco Operating, Inc.

Docket for Hearing
Thursday, March 21, 2024
N.D. Oil & Gas Division N.D. Oil & Gas Division 1000 East Calgary Avenue

Case No. 30693, Order No. 33343: Application of XTO Energy Inc. for an order granting temporary authority to use the Nygaard Federal 13X-5A well (File No. 21702), Nygaard Federal 13X-5BXC well (File No. 32917), Nygaard Federal 13X-5B well (File No. 32919), located in a spacing unit comprised of Sections 8 and 17, T.148N., R.96W., and the Nygaard Federal 13X-5AXD well (File No. 32921), located in a spacing unit comprised of Sections 7, 8, 17 and 18, T.148N., R.96W., Dunn County, ND, as injection wells for a pilot enhanced oil recovery operation in the Lost Bridge-Bakken Pool, and such further and additional relief.

April 30, 2024

TO: Industrial Commission

FR: David Flohr, Executive Director

RE: 2025 Low Income Housing Tax Credit Qualified Allocation Plan

The NDHFA Advisory Board recommends the **Industrial Commission approve the 2025 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 2025 QAP was published on February 14, 2024 for a 15-day public comment period that ended at 5 pm on March 1, 2024. A public hearing was held on March 5, 2024. 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, 2024, and close on the last business day in September.

Section II. Project Rating (Scoring Criteria)

1. Universal Design (page 12)

The universal design scoring category incentivizes applicants to add certain accessibility features to the multi-family development. Significant changes were proposed to the universal design standards to reflect more objective and measurable design features, including incorporating design features that are required to be project wide and others that are required in a percentage of the units. The total points available under the category was increased from 12 to 15. A separate universal design policy was created and will be used by all multifamily funding programs that have points for universal design. A copy of the policy is attached to the plan. The universal design policy underwent a separate public consultation process that included participation from the Centers for Independent Living, Money Follows the Person, Health and Human Services Aging Services Division, affordable housing development and architect partners.

2. Housing for Older Persons (page 13)

This section was updated to follow the Fair Housing Act's exemption of housing for older persons which allows for senior housing to be defined as:

a. Provided under any state or federal program the Secretary of HUD has determined is specifically designed and operated to assist elderly persons; or
b. 100% occupied by persons 62 years of age or older; or
c. 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+.

Previously the scoring criteria referenced only exemption c. The proposed change expands the allowance to reflect all senior housing options that are available under the fair housing exemption, which was the initial intent of the criteria.

3. Preserve Existing Affordability (page 14)

The scoring criteria was redesigned to reflect different definitions of preserving affordability including

a. Asset Preservation – preserving the physical asset. 10 pts.
b. LIHTC Preservation- preserving an existing LIHTC project. 5 pts.
c. Subsidy Preservation- preserving the housing subsidy. 10 pts.
d. Subsidy Preservation Between Interested Parties- preserving existing subsidy, but the party that is receiving the subsidy is also the party that initially controls the subsidy. 5 pts.

NDHFA uses this scoring criteria to prioritize preserving existing affordable projects, providing assistance to housing authorities to reposition public housing inventory, and to ensure that we can maintain the current affordable housing portfolio. The new descriptions of preservation allow higher need preservation projects to rise to the top of the scoring criteria, while still providing some priority points to projects that are at less risk of immediate loss.

Comments were received requesting the agency to specifically name eligible programs such as HUD repositioning. The agency determined that attempting to identify all potential preservation projects may inadvertently qualify or disqualify projects that may or may not meet the intention of the scoring criteria.

Other Comment Received:

New Development/Preservation Parity (page 15)

Written comments were received requesting NDHFA to consider projects that preserve existing affordability to qualify under the preservation parity. This set aside parity is simply to ensure that annually at least one project that adds additional units and one project that rehabilitates/preserves existing units are selected for funding.

The category was updated to better describe the preservation to mean renovation or replacement of existing units.

2025 ALLOCATION PLAN

Low Income Housing Tax Credit Program

NORTH DAKOTA housing FINANCE AGENCY

Planning and Housing Development 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.ndhfa.org | hfainfo@nd.gov

Una traducción al español de este documento está disponible en ndhfa.org

EQUAL HOUSING OPPORTUNITY

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
t800-435-8590 (Spanish)
711 (Voice or TTY)

TABLE OF CONTENTS

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 the 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**: Non-acquisition eligible basis may be increased by 30% for projects meeting any of the following conditions.

   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).
   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.

   Applicants must provide a narrative explanation justifying the need to increase the eligible basis. Basis boost is not available on 4% acquisition LIHTCs. The potential basis boost under paragraph 3 herein does not apply to tax-exempt bond financed projects. The potential boost to non-acquisition basis under paragraphs 1 and 2 herein does apply to tax-exempt bond financed projects.

C. **Maximum Developer Fee**: Developer fee will be limited to 15% of the project's eligible basis. Fees paid to consultants as well as fees the Developer charges will be included in this limitation. The Developer fee for the acquisition portion of an acquisition/rehabilitation project shall not exceed 5% of acquisition basis. The fees of all parties with an Identity of Interest with the Developer in the project will be taken into consideration when calculating the Developer's maximum fees. When the Developer and the contractor are the same or related entity, in addition to the fee limits stated above, the combined sum of Developer fee and contractor fees may not exceed 20% of eligible basis. All Developer fees exceeding the established maximums will not be included in the eligible basis. Applications for 4% credits will be limited to 20% of the project's eligible basis with the combined sum, described above, limited to 25 %. Any developer fee over 15% 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**: Prior to a final allocation of LIHTCs, 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. The owner must record this agreement as a restrictive covenant.

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**: 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 cycles, the only requests remaining are from Applicants that have not reached the Maximum Credit Limit.
2. If, after the regular cycles, 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 provisions of the Violence Against Women Reauthorization Act of 2013 (VAWA 2013). Guidance 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 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 VII of this Plan.

O. **Identity of Interest**: The Applicant must disclose all relationships, generally based on financial interests or family ties, with others involved in the project. 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. **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. **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.

SECTION 3: TYPES OF DEVELOPMENTS

A. **Substantial Rehabilitation**: The minimum average rehabilitation threshold of $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 Minimum Housing 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 XV 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 of 4 units or less which are occupied by the owner or a relative of the owner; nursing homes; life care facilities; and mobile home communities.

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 substation, 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, 2024	$3,185,000 plus any additional amounts

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 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 NDHFA 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**: NDHFA's currently published Multifamily Application must be fully completed and executed. All applicable Exhibit's to the application must be fully completed and submitted.

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

C. **Zoning, Codes, and Ordinances**: Evidence of current appropriate zoning for the entire scope of the proposed project. If current zoning does not comply, verification 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 companies and the city official.

   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 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 currently 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.

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.

An Applicant who has not yet placed a 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.

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 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 must disclose the intent to sell or transfer the project and, if known, the names and backgrounds of those who will purchase or receive the project. 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 nonrefundable 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.

G. **Financial Projections**: NDHFA'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**: The application package must include a signed certification as to the full extent of all federal, state, and local subsidies expected to apply to the project.

I. **Public Housing Waiting List**: The application package must include a copy of a written communication from the Applicant to the applicable 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 granting waitlisted households' priority in obtaining occupancy within the project.

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.

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.

L. **Appraisal**: Applicant must provide a written acknowledgement confirming the Applicant's requirement to provide an appraisal of the subject property associated to the application if any of the following are proposed or, prior to closing, include:

1. Acquisition costs exceeding 15.00% of the Total Development Costs
2. Any source of Project-Based Rental Subsidy
   a. Projects proposing the acquisition of land held in a Tribal Trust and are proposing a source of Project-Based Rental Subsidy from HUD's Office of Native American Programs (ONAP) shall be exempt from producing an appraisal prior to equity closing so long as all necessary parties concur with the omission of an appraisal for purposes of any Subsidy Layering Analysis.

M. **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.

N. **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.

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: $312.40
2. Unit size exceeds the square feet of living space (excluding garages and, in multi-level Single-family Style Structures, interior stairwells) per unit. The Agency may consider basis for special circumstances such as adaptive reuse projects limited by the existing architecture of the building.

	Multi-Level Single-family Style	Multifamily Style
1 bedroom	1,150	862
2 bedroom	1,250	1036
3 bedroom	1,514	1,335
4 bedroom	1,686	1,460

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.

A. For applications of 4% LIHTC received outside a competitive funding round, the Application Processing Fee shall be remitted by the Applicant 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:

A. Installment 1: Reservation: A Reservation Fee of 1% of the LIHTC Allocation 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) allocation year shall pay to the Agency a Carryover Fee of 1% of the LIHTC Allocation prior to the Agency's execution of any Carryover Allocation Agreement.
   - For Projects with tax-exempt bonds, Installment 2 shall be due upon issuance.

C. Installment 3: 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 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. 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**	
% of Total Units	Points	% of Total Units	Points	% of Total Units	Points
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

All fractions of units are rounded up (i.e. 10% of 24 units is 2.4 or 3 units).

B. **Redevelopment and Revitalization** **5 points**
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.

Adaptive reuse projects are eligible for points under this scoring category. Rehabilitation of existing habitable and occupied housing is not.

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. **Tenant Support Coordinator** **Up to 10 points**
Projects which are committed to supporting tenants with special needs affecting their long-term housing stability and which create an environment that encourages and provides service coordination may receive up to 10 points.

1. **Tenant Support Coordinator** **5 points**
   Owner will provide, either through direct employment or by contract with an experienced third party, a dedicated Tenant Support Coordinator (TSC) for at least one hour per project unit per month. The TSC would be required to develop and maintain working relationships with tenants in the project. The TSC's role is to increase the ability of all tenants to maintain stability and uphold lease obligations through the following: facilitating provision of supportive services by connecting tenants with appropriate providers, identifying needs for assistance, and educating tenants on available resources.

2. **Tenant Support Coordinator and Medicaid-Approved Service Provider** **5 points**
   Owner will provide the TSC provisions in paragraph 1 herein and also enter into a formal letter of intent with one or more qualified service agencies with demonstrated experience providing housing stability services consistent with the needs of the project's residents. The service provider(s) must document their ability to process for Medicaid reimbursement and provide their Medicaid biller number issued by the State of North Dakota. The letter of intent must be detailed regarding the suite of supports and services to be made available to tenants who need and want them.

Projects receiving points under this scoring category must include tenant support coordination capable of the following, at a minimum:

a. Support the person to understand and maintain income and benefits to retain housing by providing the following:
   - Household budgeting and financial management.
   - Assistance in applying for benefits related to housing affordability.
   - Assistance with establishment of payee/guardian services as needed.
   - Assistance with the income recertification process.
   - Wealth and asset building initiatives.

b. Support the building of natural housing supports and resources in the community.

c. Encouragement of community activity.

d. Facilitation of meetings with a tenant support team.

e. Identify and prevent behaviors that may jeopardize continued housing.

f. Coordination with parole and probation requirements.

g. Collaboration with law enforcement (i.e. the creation of safety plans).

h. Training in lease compliance, household management and best practices of successful tenants.

i. Promote health and wellbeing that enable tenants to retain housing by providing the following:
   - Connecting tenants with health providers.
   - Assistance in securing and increasing employment.
   - Assistance in securing childcare.
   - Identifying educational opportunities in areas such as nutrition, education, and physical wellness.
   - Parenting supports.
   - Life coaching via peer support specialists.
   - Facilitating connections to Home and Community-Based Care services.

A tenant selection plan must be provided as part of the initial application. The tenant selection plan must describe in detail how individuals and/or families with special needs will be identified, affirmatively marketed to, and assisted in renting units at the project.

Projects which received 10 points under this scoring category will be required to submit, prior to equity closing, a formal executed agreement with each provider identified in the letter(s) of intent.

Compliance monitoring activities will include:

j. Confirmation of hiring or contracting with a TSC.

k. Confirmation of the provision of the services pledged at the time of LIHTC application, if applicable.

l. Review of marketing efforts targeted at special needs populations.

For purposes of this scoring category, tenants with special needs include individuals or families who:

m. Suffer from serious or persistent mental illness.

n. Suffer from substance use disorders.

o. Have disabilities, including intellectual, physical, or developmental.

p. Are experiencing long-term homelessness or are at significant risk of long-term homelessness.

q. Are justice involved.

r. Are frail elderly, defined as those 62 years of age or older, who are unable to perform one or more "activities of daily living" without help. Activities of daily living comprise walking, eating, bathing, grooming, dressing, transferring, and home management activities. Assisted living, or projects serving a similar purpose, are not eligible under this Plan.

E. **Design Standards** **Up to 10 points**

1. Elevator in each residential building..10 points

~~No more than four units per outside main entrance. 3 points~~

2. A separate outside main entrance for each unit. ....10 points

Project's 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~~ 15 points**

Applicants seeking Project Standards points are required to provide a written statement from the project's architect, verifying the architect has fully reviewed NDHFA'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.. 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 NDHFA'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.

~~1.~~2. Greater-than or equal to 10.00% but less than 15.00% of the units .... 3 points

~~2.~~3. Greater-than or equal to 15.00% but less than 20.00% of the units .... 6 points

~~3.~~4. Greater than or equal to 20.00% but less than 25.00% of the units .... 9 points

~~4.~~5. One point for each universal design unit which is two-bedroom or larger..Up to 3 points

~~F.~~G. **Green Communities** **Up to 7 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 points
2. 17 Green Communities' criteria .... 5 points
3. LEED, Green Communities, or ICC 700 National Green Building Standard Certification .... 7 points

Application NOT involving rehabilitation:

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

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

Commitment to set aside at least 5% of the tenant paid rent for homeownership. The owner shall enter into a binding contract with all tenants of LIHTC units, at the tenant's initial occupancy, agreeing to a rebate of rent should the tenant household move directly into homeownership upon the tenant's vacancy from the Project. The accrual of rent to be rebated must be for the tenant's entire term of occupancy within a project. Any vesting period can be no longer than three years of continuous occupancy. Applications seeking points in scoring category K are not eligible for points under this scoring category.

~~H.~~I. **Tenant Ownership** **1 point**

To be eligible to earn any points in this scoring category, all residential buildings in the Project must be individually surveyed, platted, and have separate physical addresses. 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.

~~I.~~J. **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 are not eligible for points under this scoring category.

K. **Housing for Older Persons** **6 points**

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. 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.
~~1.~~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+.

L. Preserve Existing Affordability **Up to 10 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 NDHFA 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 NDHFA 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. NDHFA 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 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, it shall be eligible for up to 10 points.

2. LIHTC with waived EUP Asset Preservation .... 5 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) will be eligible for a maximum 5 points.

3. Subsidy Preservation .... 10 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. Eligible for up to 10 points.

4. Subsidy Preservation between Interested Parties .... 5 points
   A transfer of a subsidy by or between parties with an identity of interest in the proposed project will be eligible for a maximum of 5 points under this scoring category.

~~J.~~M. **Committed Leverage** **Up to 4 points**

An Applicant who provides signed, firm commitments for contributions or incentives from local government, private parties and/or philanthropic, religious, or charitable organizations which are NOT in the form of an interest-bearing loan and excluding commitment from entities with an identity of interest or those with a significant role in the project.

1. At least 1% but less than or equal to 5% of the total development costs, will receive .... 2 points
2. At more than 5% but less than or equal to 10% will receive .... 3 points
3. Greater than 10.00% .... 4 points
4. Applications proposing twin-financed 9% LIHTCs and 4% tax-exempt financing .... 2 points

~~K.~~N. **Geographic Location**

No more than two projects will be approved in any one city during an 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 limits identified in Section H herein.

C. New Development/~~Preservation~~ 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. ~~Preservation~~ 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 selection of a new development project under the non-profit and Native American set-asides, the highest-scoring qualified ~~preservation~~ renovation project will be eligible for a conditional commitment of LIHTCs. If instead a preservation project is selected under the non-profit set-aside, all remaining unselected project applications will, following the selection of a project under the Native American set-aside, compete for ~~the~~ any remaining available 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 Place-in-Service. Agency shall prepare & execute for Owner, IRS Form 8609(s).

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 within 30 days of 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 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 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.

D. Carryover Allocation: Projects not able to have all 8609(s) issued prior to December 15th of the credit allocation 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 (NDHFA-approved model letter is available upon request) verifying the results of the CPA's Examination and UAP 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.
5. The results of the CPA's Examination and UAP of the Owner's Actual Basis Incurred verifying at least 10% of the Project's Reasonably Expected Basis has been Incurred by the Owner.
6. The results of the CPA's Audit of Actual Costs and Eligible Basis of the Final Cost Certification.

7. 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-current Exhibit A in Excel format.
2. Final Cost Certification in PDF format (Exhibit A "Development Budget" tab).
3. An Independent Accountant's Report verifying the results of the CPA's Audit of Actual Costs and Eligible Basis of the Final Cost Certification.
4. Receipt of Allocation Fee Installment 3: Final Allocation by the Agency.

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 Place-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 the credits returned plus the additionally awarded credits. Fees for the new allocation will follow the same fee structure outlined in VI. 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
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NORTH DAKOTA housing FINANCE AGENCY

David A. Flohr Executive Director

INDUSTRIAL COMMISSION
Doug Burgum Governor
Drew H. Wrigley Attorney General
Doug Goehring Agriculture Commissioner

April 30, 2024

TO: Industrial Commission

FR: David Flohr, Executive Director

RE: 2024 Housing Incentive Fund Allocation Plan Approval

The NDHFA Advisory Board recommends the Industrial Commission **approve the 2024 Housing Incentive Fund Allocation Plan as presented**:
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 2024 Plan made available public comment February 14-March 1, 2024. A public hearing was held on March 5th, 2024 at NDHFA's office and via Microsoft Teams.

During the 68th Legislative Assembly, HIF was appropriated $13.75 million and had two significant changes to century code, NDCC 54.17.40.

1. Addition of eligible activity 3.b. New Construction, Rehabilitation, preservation, or acquisition of a single-family housing project in a developing community or community land trust project.
2. Removal of the 10 percent set aside requirement for homelessness activities.

The agency set aside $12 million for multifamily housing projects and $1,750,000 for single family housing projects. A program update for the Single family program will be provided in a separate report.

Attached is a copy of the draft 2024 HIF allocation plan with the a summary of the substantial changes proposed and public comments received.

1. General Provisions (page 4)

Added Single-Family Project as an eligible use. Identified that a separate program addendum will be established for the activity.

2. Maximum Award (page 5)

a. Added language to allow the maximum award for a Developing Rural Community (pop. 5,000 or below) to qualify for up HIF up to 50 percent of the total development costs, not to exceed $3,000,000.

This proposed change was a solution identified by the Rural Housing Task Force. A copy of the task force’s white paper is attached.

b. Increase maximum allowable HIF for a 9% tax credit awards to $400,000, $800,000 developing community, and $1,500,000 for developing rural community.

Discussion
Written comments were received requesting the agency consider increasing the amount available to a 9% LIHTC award from $300,000 to $1 million. After consideration of the amount of HIF and other gap funding sources available, the proposed change is to increase to $400,000, $800,000 and $1,600,000 respectively.

3. Recognizable Costs (page 5)

Increase the maximum total development costs per unit from $200,000 to $300,000 per unit.

Discussion
Written comments were received to consider increasing the maximum total development costs per unit. The cost per unit was last updated in 2021.

4. Application Processing Fee (page 6-7)

Added a $250 application processing fee for subsequent NDHFA-funded program applications.

Discussion
The proposal is to charge a nominal fee for each application that staff must review. The fee is to discourage frivolous multiple sources applications.

Scoring Changes Criteria Changes

1. Universal Design (page 12)

The universal design scoring category incentivizes applicants to add certain accessibility features to the multi-family development. Significant changes were proposed to the universal design standards to reflect more objective and measurable design features, including incorporating design features that are required to be project wide and others that are required in a percentage of the units. The total points available under the category was increased from 15 to 20. A separate universal design policy was created and will be used by all multifamily funding programs that have points for universal design. A copy of the policy is attached to the plan. The universal design policy underwent a separate public consultation process that included participation from the Centers for Independent Living, Money Follows the Person, Health and Human Services Aging Services Division, affordable housing development and architect partners.

Housing Incentive Fund

2024 Allocation Plan

North Dakota Housing Finance Agency
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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)

EQUAL HOUSING OPPORTUNITY

I. 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.

II. 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 Credits

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.

III. GENERAL PROVISIONS

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:

1) Multifamily Project:
    a. Costs associated to on-site development, construction, rehabilitation, acquisition, renovation, accessibility improvements, and/or adaptive reuse of a Multifamily Project; and/or
    b. Development and/or construction cost gap assistance; and/or
    c. Retirement of market rate debt.
2) Single-Family Project:
    a. New construction, rehabilitation, preservation, and/or acquisition of a single-family housing project in a Developing Community or a Community Land Trust.
3) Homelessness Prevention:
    a. 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 to contact the Agency and refer to the applicable HIF Homeless or HIF Single-family Program Addendums for application information.

Eligible Projects

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

1) New construction of multifamily rental housing units.
2) Rehabilitation of an existing multifamily building(s) containing one or more uninhabitable rental unit(s).
3) Acquisition, rehabilitation, and/or preservation of Rent Restricted housing at risk of becoming uninhabitable or obsolete.
4) 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.
5) Adaptive reuse of existing non-residential building(s).
6) 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.
7) The purchase of existing publicly-owned housing, resulting in divestiture by the public entity.

Eligible Project's six (6) and seven (7) will be strictly interpreted by the Agency. Applicants considering these projects are advised to contact the Agency well in advance of submitting an application.

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:

1) 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.
2) 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.

Maximum Award

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

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

   ~~a) An amount required to ensure the project's financially feasibility;~~
   ~~b)~~a)$~~300,000~~400,000;
   ~~c)~~b)If the project is located within a Developing Community, $~~600,000~~800,000;
   ~~d)~~c)If the project is located within a Developing Rural Community, $1,~~500,000~~600,000.
4) $3,000,000.

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.

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 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 Property Standards can be found on our website Minimum Rehabilitation and Property Standards Manual.

Recognizable Costs

The Agency reserves the right to decline any application in which projected Total Development Costs exceed $~~200,000~~ 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

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.

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.

IV. 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 2023 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
1	September 30, 2023	Up to $12,000,000
2	September 30, 2024	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 until application round 2.

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.

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.

1) For an application in which HIF is the only NDHFA-funded program being applied for in the Application Round, the Application Processing Fee shall be $500.

2) For an application in which more than one NDHFA-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 NDHFA-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.

V. 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 NDHFA 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: NDHFA's currently published Multifamily Application must be fully completed and executed. All applicable Exhibit's to the application must be fully completed and submitted.

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

C. Zoning, Codes and Ordinances: Evidence of current appropriate zoning for the entire scope of the proposed project. If current zoning does not comply, verification 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 companies and the city official.

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.

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 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 currently 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.

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.

An applicant who has not yet placed a 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.

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 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 must disclose the intent to sell or transfer the project and, if known, the names and backgrounds of those who will purchase or receive the project. Failure to provide this information may result in forfeiture of any outstanding Conditional Commitment or Financial Award.

Funds are Awarded to the proposed project's Owner. A sale or transfer of a controlling ownership interest of the Owner prior to Project Completion requires an amended application, Agency approval and payment of a nonrefundable transfer fee of $2,500, or 1% of the HIF Award currently awarded to the Owner for the proposed project, whichever is greater. Payment of this fee does not oblige the Agency to approve the transfer.

G. Financial Projections: NDHFA'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: The application package must include a signed certification as to the full extent of any federal, state and/or local subsidies expected to apply to the project.

I. Public Housing Waiting List: The application package must include a copy of a written communication from the Applicant to the 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 granting waitlisted households' priority in obtaining occupancy within the project.

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.

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; and

(2) Structural systems, both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system, and drainage; and

(3) Interiors, including unit and common area finishes (i.e. carpeting, tile, plaster walls, paint condition, etc.), unit kitchen finishes, cabinets and appliances, unit bathroom finishes and fixtures, and common area lobbies and corridors; and

(4) Mechanical systems, including plumbing and domestic hot water; HVAC, electrical, lighting fixtures, fire protection, and elevators.

Project's proposing the demolition and new construction replacement of existing housing must demonstrate the benefit of such activity over rehabilitation, including an opinion of costs of rehabilitation to assist the Agency in determining the cost savings and/or other benefits.

L. Appraisal: Applicant must provide a written acknowledgement confirming the applicant's requirement to provide an appraisal of the subject property associated to the application if any of the following are proposed or, prior to closing, include:

(1) Acquisition and/or equity contributions of real estate exceed 15.00% of the proposed project's Total Development Costs; or

(2) Any source of Project-Based Rental Subsidy.

   a. Projects proposing the acquisition of land held in a Tribal Trust and are proposing a source of Project-Based Rental Subsidy from HUD's Office of Native American Programs (ONAP) shall be exempt from producing an appraisal prior to equity closing so long as all necessary parties concur with the omission of an appraisal for purposes of any Subsidy Layering Analysis.

If required, the appraisal shall be completed no longer than six (6) months prior to the project's closing date by a state-certified general real property appraiser and must support the total amount of acquisition cost presented within the Total Development Costs.

M. **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.

N. **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.

VI. 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).

VII. 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. Projects are 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 Households .... 5 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 Households..........10 points

(2) 40% of total project units serve Low Income Households..........25 points

(3) 60% of total project units serve Low Income Households..........40 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 Households..........5 points

(2) 25% of total project units serve Moderate Income Households..........10 points

(3) 50% of total project units serve Moderate Income Households..........15 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 Community..........15 points

(2) Located within a Developing Rural Community..........25 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 NDHFA 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.

For purposes of scoring in this category, funds which require a 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.

(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 ~~15~~ 20 points

Applicants seeking Project Standards points are required to provide a written statement from the project's architect, verifying the architect has fully reviewed NDHFA'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 points

Applicants seeking Unit Standards points are required to provide a written statement from the project's architect, verifying the architect has fully reviewed NDHFA'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 or equal to 10.00% but less than 15.00% of the project's total units .... 4 points

(3) Greater-than or equal to 15.00% but less than 20.00% of the project's total units .... 8 points

(4) Greater-than or equal to 20.00% but less than 25.00% of the project's total units .... 12 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.

VIII. 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 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.

IX. 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.

X. 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 lead debt financing and/or 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.

XI. 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 at www.ndhfa.org.

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

1) 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:

1) Annual Rental Compliance Report (SFN 60046).
2) 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).
3) 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).
4) Reserve account statements, if not already documented within the Balance Sheet.
5) 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.

XII. 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.

XIII. 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.

April 30, 2024

TO: Industrial Commission

FR: David Flohr, Executive Director

RE: Report 2024 HOME Investment Partnership Program Allocation Plan and 2024 National Housing Trust Fund Allocation Plan

2024 HOME Investment Partnership Program

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 2024 HOME Allocation plan (Plan) makes available a total of $3,697,504.45 in funds 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.

The Plan was published for public comment February 14 - March 1, with a public hearing held March 5, 2024. The Plan will now be incorporated into the development of the 2024 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. The Homebuyer Down Payment Assistance program was opened to any experience and registered Community Land Trust, previously Grand Forks CLT was the pilot organization to receive funds.

Changes proposed and comments received pertained to Rental Production and Rehabilitation and are summarized below.

1. Fees (page 17)

Added a $250 application processing fee for subsequent NDHFA-Funded program applications.

2. Preserve Existing Affordability (page 23)

The scoring criteria was redesigned to reflect different definitions of preserving affordability including

a. Asset Preservation – preserving the physical asset. 10 pts.

b. LIHTC Preservation- preserving an existing LIHTC project. 5 pts.
c. Subsidy Preservation- preserving the housing subsidy. 10 pts.
d. Subsidy Preservation Between Interested Parties- preserving existing subsidy, but the party that is receiving the subsidy is also the party that initially controls the subsidy. 5 pts.

NDHFA uses this scoring criteria to prioritize preserving existing affordable projects, providing assistance to housing authorities to reposition public housing inventory, and to ensure that we can maintain the current affordable housing portfolio. The new descriptions of preservation allow higher need preservation projects to rise to the top of the scoring criteria, while still providing some priority points to projects that are at less risk of immediate loss.

Comments were received requesting the agency to specifically name eligible programs such as HUD repositioning. The agency determined that attempting to identify all potential preservation projects may inadvertently qualify or disqualify projects that may or may not meet the intention of the scoring criteria.

Comments were received requesting consideration decrease the point advantage of rehabilitation projects. The commentor indicated that rehabilitation can receive an extra 10 points plus preservation points.

The agency reviewed the recent HOME awards and determined the point structure is sufficient to allow both rehabilitation and new construction to be selected. Of the last seven projects awarded four were rehabilitation and three were new construction.

2024 National Housing Trust Fund

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 14, 2024 opening a 15-day public comment period. One written comment was received. The public input hearing was held on March 5, 2024.

HTF plan will incorporated into the 2024 State Annual Action Plan as part of the State Consolidated plan. A 30-day public comment period for the 2024 Annual Action 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.

Summary of Substantial Changes and Comments Received

1. Fees (page 7)

Added a $250 application processing fee for subsequent NDHFA-Funded program applications.

2. Universal Design (page 13)

The universal design scoring category incentivizes applicants to add certain accessibility features to the multi-family development. Significant changes were proposed to the universal design standards to reflect more objective and measurable design features, including incorporating design features that are required to be project wide and others that are required in a percentage of the units. The total points available under the category was increased from 12 to 17. A separate universal design policy was created and will be used by all multifamily funding programs that have points for universal design. A copy of the policy is attached to the plan. The universal design policy underwent a separate public consultation process that included participation from the Centers for Independent Living, Money Follows the Person, Health and Human Services Aging Services Division, affordable housing development and architect partners.

3. Design Standards (Page 14)

The scoring criteria was updated to match the design standards scoring category in the LIHTC QAP.

2024 ALLOCATION PLAN

HOME Investment Partnerships Program

DRAFT Pending HUD Approval

NORTH DAKOTA housing FINANCE AGENCY

Planning and Housing Development Division

2624 Vermont Ave. | PO Box 1535 | Bismarck, ND 58502-1535

800-292-8621 or 701-328-8080 | 800-435-8590)Spanish) | 711 (TTY)

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Una traducción al español de este documento está disponible en ndhfa.org

EQUAL HOUSING OPPORTUNITY

DRAFT Pending HUD Approval

The HOME program contained herein is contingent upon HUD's allocation of formula grant amounts to the State of North Dakota as well as HUD's acceptance and approval of this Allocation Plan. Any approvals to and from the program are subject to such acceptance, approval, and allocation by HUD.

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

The U.S. Department of Housing and Urban Development (HUD) has designated the State of North Dakota as a Participating Jurisdiction (PJ) and as such it may apply for and distribute HOME Investment Partnerships Program (HOME) funds. The state agency responsible for administration of HOME is the North Dakota Housing Finance Agency (NDHFA).

NDHFA will distribute the State's FY2024 HOME funds and administer the program according to the goals identified in North Dakota's Consolidated Plan (CP). Accordingly, the State will use its HOME funds to help address the following identified housing needs:

- Rehabilitation of Owner-Occupied and Rental Property
- Acquisition, New Construction, Site Improvements or Demolition Linked to a Project
- Homebuyer Assistance
- Administrative Costs

SECTION 2: GENERAL PROVISIONS

The 2013 HOME Final Rule revised several commitment and completion deadlines and imposed new occupancy deadlines:

A. HOME projects must be completed within 4 years of commitment. Any HOME awards received by a project that is not completed in a timely manner will be terminated and PJs will be required to repay HOME funds drawn as described in 24 CFR § 92.205(e)(2).

B. HOME-assisted rental units must be occupied by income-eligible households within 18 months of project completion. If not, PJs must repay HOME funds for the vacant units. (Note: for units that remain vacant for 6 months following completion, the PJ must identify and develop an enhanced marketing plan and report this information to HUD per 24 CFR § 92.252.

C. A homebuyer unit must have a ratified sales contract within 9 months of construction completion. The PJ and Subrecipients must either convert the unit to a HOME rental property or repay the full HOME investment as described in 24 CFR § 92.254(a)(3).

D. The Consolidated Appropriations Act of 2019 (PL 116-6) temporarily suspended the Community Development Housing Organization (CHDO) 24-month commitment requirement for set-aside funds to specific projects (Section 231(b). The suspension applies to 2018-2021 CHDO funds.

   - This appropriation act also continues the temporary suspension of the regular HOME funds 24-month commitment requirement to specific projects for 2016-2021 funds. The Consolidated Appropriations Act of 2020 (PL 116-94) added 2022 to the years covered by the suspension.
   - Both commitment requirements are suspended through Dec. 31, 2022.

E. CHDO Fund Set-Aside

   - PJs shall reserve not less than 15% of the grant for projects to be developed, sponsored, or owned by CHDOs.
   - If after 24 months those funds are not committed, PJs may elect to use the funds for any HOME project and are no longer restricted to CHDO projects.
   - Uncommitted CHDO set-aside funds at the end of the 24-month period may be reprogrammed to other eligible HOME activities, subject to procedures established by HUD.

F. The PJ may not "reserve" CHDO funds for future projects identified "at a later date" per 24 CFR § 92.2 Commitment and § 92.300(a)(1).

G. HOME funds have a period of 9 fiscal years until expiration. This period is based on 4 fiscal years during which HUD may obligate funds to the PJ (i.e., period of availability in the appropriation act) plus the 5-year expenditure deadline beginning after the last day of the month in which HUD notifies the PJ of HUD's execution of the HOME Agreement for a specific fiscal year allocation. Any funds that are not expended before this deadline will be deobligated by HUD. This 9-year period is determined annually by Congress, which generally begins when Congress appropriates funds to HUD per 24 CFR § 92.500(d)(1)(A) and (C) and § 92.500(d)(2).

H. Property Standards
All activities funded with HOME funds must meet minimum property standards as outlined in the Minimum Rehabilitation and Property Standards. NDHFA is aware that HUD intends the Uniform Physical Inspection Condition Standards (UPCS) to be replaced by NSIRE during the 2024 program year. The Minimum Rehabilitation and Property Standards manual will be updated when NSPIRE is finalized. More information on NSPIRE standards is available on the HUD Exchange.

SECTION 3: DISTRIBUTION PLAN

The State will administer its program through Subrecipients, non-profit and for-profits, and CHDOs. HOME funds will be allocated to Subrecipients through a non-competitive set-aside. The non-profit and for-profit and CHDO categories will be competitive and receive awards based on scoring criteria. If CHDO funds remain, NDHFA may open a second round of CHDO applications, at its discretion, accepted from CHDOs only.

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

A CHDO must have a history of serving the community in which housing to be assisted with HOME funds is to be located. In general, an organization must be able to show 1 year of serving the community before HOME funds are reserved for the organization and have demonstrated capacity for carrying out housing projects assisted with HOME funds as described in 24 CFR § 92.2.

The State may reallocate funds based on high demand, a natural disaster, or other determinations where performance-based measures have not been met. If during the preparation of the next program year Annual Action Plan there are project funds set-aside for Single-family Rehabilitation or Homebuyer Down Payment Assistance that have not been applied for or committed, the State may reallocate those funds to the Rental Production and Rehabilitation General Pool. Uncommitted CHDO set-aside funds at the end of the 24-month period may be reprogrammed to other eligible HOME activities, subject to procedures established by HUD.

State Program Income, Repayments and Recaptured Funds receipted by NDHFA will be allocated, at the agency's sole discretion, to any Project completing an Eligible Activity in the proceeding program year and shall be committed to Project(s) prior to any newly allocated HOME funds are drawn from the Treasury account, except for funds in the Treasury account which are required to be reserved, in accordance with the HUD Interim Final Rule for the HOME program published on Dec. 2, 2016 and 24 CFR § 92.503.

3.01 HOME Projects and Eligible Activities

The HOME Program focuses on three major housing needs:

- Single-family Homeowner Rehabilitation
- Rental Production and Rehabilitation

- Homebuyer Down Payment Assistance

Each of these housing needs is considered a high or medium priority need for the use of HOME funds. These needs are addressed and prioritized locally by set-aside(s), determined by NDHFA, to their Recipients and Subrecipients. Each Subrecipient delivers HOME in their respective geographic jurisdiction. Each year, the State will review the needs and completed goals to determine if goals will be updated based on the new developments which create changing housing needs around the state.

3.02 HOME Performance Measures

Recipients and Subrecipients are required to report performance data for all activities. Performance data reporting consists of entering one of three objectives for the program:

- Create a Suitable Living Environment
- Provide Decent Affordable Housing
- Create Economic Opportunities

In addition, the following appropriate outcomes are also required: Availability/Accessibility and Affordability or Sustainability. Based on the objectives and outcomes selected, the system will populate the specific output indicators for each activity. NDHFA will then enter this information on HUD's Integrated Disbursement and Information System (IDIS).

3.03 HOME Summary of Funding Estimate

2024 Summary of Funding ESTIMATE*

*Funding levels are subject to receipt of a HUD Allocation Notice and any Program Income Received prior to July 1, 2024.

Any additional funds received will be allocated to the Rental Production and Rehabilitation Project Funding.
2023 Uncommitted funds will be reallocated for the Rental Production and Rehabilitation 2024 Activity.

Annual HUD Allocation	$3,000,000.00	
Prior Year's Program Income	*$57,504.45	
Recaptured Funds	$0.00	
Prior Years Project Funds Unobligated	$640,000	
Total Available	$3,697,504.45	
Administration	$300,000.00	
Projects	$3,397,504.45	
	Projects	**Administration**
CHDO Set-Aside	$450,000.00	
CHDO Operating	$50,000.00	
Single-family Homeowner Rehabilitation	$840,000.00	$60,000.00
Rental Production and Rehabilitation	$1,557,504.45	
Homebuyer Down Payment Assistance	$500,000.00	$0.00
State PJ Administration		$240,000.00
TOTAL	**$3,397,504.45**	**$300,000.00**

SECTION 4: ELIGIBLE USES

All Recipients are expected to locally meet the HOME match requirement of 25% unless specifically waived by NDHFA. All estimated matches must be reported at project application and finalized before final draw.

Only HOME assistance forms listed in 24 CFR § 92.205(b) will be allowed. Applicants should use Community Development Block Grant, Federal Home Loan Bank, Low Income Housing Tax Credit, National Housing Trust Fund, North Dakota Housing Incentive Fund, U.S. Department of Energy, USDA Rural Development, other grant/loan programs or private funds to help leverage HOME activities.

Additional match sources not identified by close-out in IDIS must be reported throughout the period of affordability. **Match source data must be submitted to NDHFA no later than July 15 of each year.**

Administration

NDHFA is allowed to receive HOME funds for administrative expenses. These costs may not exceed 10% of the State's Annual Allocation.

Subrecipient Definition

A Subrecipient is defined as a public agency or non-profit organization selected by NDHFA to administer all or a portion of the HOME program. A public agency or non-profit organization which receives HOME funds solely as a developer or owner of a housing project is not a Subrecipient. NDHFA's selection of a Subrecipient is not subject to the procurement procedures and requirements. Single-family Homeowner Rehabilitation and Homebuyer Down Payment Assistance programs will be delivered through Subrecipients.

CHDO Operating

Up to $50,000 in CHDO operating grant funds will be available for certified CHDOs that are receiving set-aside funds for an activity or activities or expected to receive set-aside funds within 24 months of the date of the CHDO Operating grant agreement. These funds may be used for operating expenses that are reasonable and necessary costs of operation of the CHDO. A CHDO requesting a CHDO operating grant will need to apply for CHDO operating expense grant. Applications will be accepted on a first come first serve basis. The grant is limited to $50,000 per certified CHDO.

Single-family Homeowner Rehabilitation

HOME funds will be set aside for Community Action Agencies (CAA) which have fully expended and closed out all HOME funding from previous 2016-2019 funding years.

- A complete HOME Annual Application Plan must be submitted to NDHFA.
- Applications may be submitted beginning Aug. 1, 2024, and will be accepted until fully awarded.

Financial Awards will be provided for each approved CAA application. Funds from one award may not be used for any other activity than what was approved.

Eligible activities can include all necessary rehabilitation required to bring an existing owner-occupied home up to the HOME property standards as defined in 24 CFR § 92.251(b) and the North Dakota State Building Code (or locally amended North Dakota State Building Code). Rehabilitation work must meet all applicable state and local code requirements. When rehabilitation is selected as a regional priority, neither the estimated value of the house prior to rehabilitation nor the after-rehab value of the housing shall exceed the annually published HOME Homeownership Value Limits for the county in which property is located. Each homeowner will be required to sign a Housing Rehabilitation Program Homeowner Agreement and a Declaration of Lien Interest prior to work beginning.

No choice-limiting action may be taken, and no construction activity may begin until the environmental review has been completed, the homeowner agreement has been signed, and an authorization to proceed has been issued.

The period of affordability is as follows:

HOME Assistance Per Unit	Minimum Period of Affordability
Single-Family Homeowner Rehabilitation	5 years

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

Month	Recapture	Month	Recapture	Month	Recapture	Month	Recapture	Month	Recapture
1	100%	13	80.0%	25	60.0%	37	40.0%	49	20.0%
2	98.3%	14	78.3%	26	58.3%	38	38.3%	50	18.3%
3	96.6%	15	76.6%	27	56.6%	39	36.6%	51	16.6%
4	95.0%	16	75.0%	28	55.0%	40	35.0%	52	15.0%
5	93.3%	17	73.3%	29	53.3%	41	33.3%	53	13.3%
6	91.6%	18	71.6%	30	51.6%	42	31.6%	54	11.6%
7	90.0%	19	70.0%	31	50.0%	43	30.0%	55	10.0%
8	88.3%	20	68.3%	32	48.3%	44	28.3%	56	8.3%
9	86.6%	21	66.6%	33	46.6%	45	26.6%	57	6.6%
10	85.0%	22	65.0%	34	45.0%	46	25.0%	58	5.0%
11	83.3%	23	63.3%	35	43.3%	47	23.3%	59	3.3%
12	81.6%	24	61.6%	36	41.6%	48	21.6%	60	1.6%

When housing rehabilitation is selected, each CAA must develop Homeowner Rehabilitation Policies and Procedures. The Policies and Procedures must be submitted with the CAA's Annual Application and contain the following:

1. The criteria used to determine applicant eligibility based on income as defined by either Part 5/Section 8 annual income or adjusted gross income as defined for reporting on IRS Form 1040, assets, ownership, occupancy, and location. Any priorities which are used to select households for assistance (e.g., households with income less than 50% of area median income) along with how the income information will be verified.
2. Provide the CAA Affirmative Marketing requirements and procedures (24 CFR § 92.351).
3. The types of property or properties eligible for assistance (e.g., a single-family dwelling, condominium, cooperative unit, or manufactured housing. Manufactured housing must be located on permanent foundation and private lot).
4. Provide a description of any type of homeowner contribution required (e.g., cash, labor or materials).
5. A description of how you will inspect for HOME property standards as defined in 24 § 92.251(b). Assurance that all work complies with the North Dakota State Building Code (or a locally amended North Dakota State Building Code) and Agency Minimum Housing Rehabilitation and Property Standards. Also include how your agency will ensure that newly constructed housing meets the current edition of the Model Energy Code, Uniform Building Code, and Uniform Mechanical Code.
6. Define how you will meet lead-based paint regulations of section 24 CFR § 92.355 and § 35.
7. Describe the minimum and maximum amount of assistance allowed along with the terms of the assistance. Indicate what will happen if a house cannot be brought up to HOME property standards with the maximum investment.
8. Describe how you will ensure that no more than the necessary amounts of HOME Program funds are invested in any one project (i.e., Layering).
9. Specify the form of financial assistance in which HOME funds are provided (e.g., grant or deferred-

payment loan).

10. Address special requirements for reconstruction or rehabilitation of manufactured housing units as set forth in 24 CFR § 92.251(e).
11. Describe the process for written construction documents and cost estimates as required by 24 CFR § 92.251(b)(2), contractor selection to ensure cost reasonableness, and inspections and approvals of work as required by 24 CFR § 92.251(b)(3).
12. Define the staff, owner, and contractor roles and responsibilities. Include a grievance procedure for applicants and disputes between an owner and a contractor.
13. Provide a statement that outlines your conflict-of-interest policy in Section II, HOME Statement of Assurances.
14. Describe the homeowner counseling services that are available to each client.

Uncommitted Funds
If by January 1, 2024, there remains uncommitted set-aside funds under the single-family rehabilitation project, CAAs who have expended and drawn down 75% of any outstanding grant award(s) may apply for remaining funds. Eligible awardees may request an amendment to their existing award at any date after January 2 of the calendar year proceeding the current award's issuance. Any uncommitted HOME Funds as of August 1, 2024, will be reallocated to Rental Production and Rehabilitation.

Recaptured Funds
The recaptured funds must be returned to NDHFA to be used to carry out HOME-Eligible Activities.

Homebuyer Down Payment Assistance

When funds are made available a non-profit Community Land Trust (CLT), registered with the North Dakota Secretary of State which operates within the State of North Dakota, may apply for funding under this program. The CLT must demonstrate community support and capacity to undertake activities including but not limited to experience and financial stability.

1. Assistance may only be provided to homebuyers whose income (i.e., Section 8 definition) does not exceed 80% of the median for the area.
2. Assisted housing may be either a single-family dwelling, condominium, cooperative unit or manufactured housing.
3. The Subrecipient must demonstrate compliance with NDHFA homebuyer guidelines and perform sound underwriting of the homebuyer's ability to afford and sustain homeownership.
4. All homebuyers assisted under the HOME program must receive housing counseling that is performed by a certified housing counselor who has passed the HUD certification examination and is employed by a HUD-approved housing counseling agency prior to receiving homebuyer assistance as required at 24 CFR 254(a)(3).
5. NDHFA will determine which level of environmental review (CEST or CENST) and procedures that will be required for the homebuyer project according to 24 CFR Part 58 definitions and the procedures and in 24 CFR 92.352.
   - Homebuyer acquisition providing only down payment assistance are Categorically Excluded but Not Subject to Other Federal Laws and Authorities (CENST) as long as the project meets one of the following criteria:
     - Activities to assist homebuyers to purchase an existing dwelling unit or dwelling units under construction, including closing costs and down payment assistance.

*These units must be constructed or under construction at the time of application.

- The ONLY activities that can be initiated prior to NDHFA releasing funds are costs associated with program administration, project delivery cost necessary to determine eligibility and underwrite the household, contracting for preliminary architectural/engineering fees, and costs associated with the environmental review process.
    - For all other activities, Subrecipients cannot obligate or incur costs or draw down funds until the environmental review requirements are satisfied and NDHFA has released funds to the project.

6. If only acquisition assistance (i.e., down payment assistance) is provided, the property must meet the Uniform Physical Condition Standards (UPCS) and all applicable state and local housing quality standards, habitability standards, and code requirements at the time of initial occupancy as required at 24 CFR § 92.251(c)(3). *It is anticipated that UPCS will be replaced by NSPIRE standards during the 2024 program year. Policies and procedures will be updated and subrecipients will be provided with training when more information is available. For more information review HUD NSPIRE Training.
7. If the project includes acquisition assistance and rehabilitation, the property must be free from health or safety hazards before occupancy and within 6 months of the transfer of ownership and meet all applicable state and local housing quality standards and code requirements. The housing must not contain the specific deficiencies proscribed by HUD based on the applicable inspectable items and inspected areas in HUD-prescribed physical inspection procedures (i.e., UPCS) issued pursuant to 24 CFR § 5.705.
8. The housing must comply with HUD's Lead Safe Housing Regulations. All lead-based paint hazards must be identified and subsequently addressed (i.e., reduced) per the regulations of 24 CFR § 92.355 and § 35.
9. The Subrecipient must inspect the housing and document this compliance based upon an inspection that is conducted no earlier than 90 days before the commitment of HOME assistance. If the housing does not meet these standards, the housing must be rehabilitated to meet these standards, or it cannot be acquired with HOME funds. New construction must conform to all local building code requirements.
10. A certified appraisal is required prior to acquisition to determine the initial purchase price. Neither the purchase price nor the appraised value of a HOME-assisted property may exceed the annually published HOME and Housing Trust Fund Homeownership Value Limits for the county in which property is located.
11. The minimum HOME assistance is $1,000 per unit.
12. Period of Affordability (POA). This period is based on the amount of direct HOME subsidy to the buyer, as follows:

HOME Down Payment Assistance to Homebuyer	Minimum Period of Affordability
Less than $15,000	5 years
$15,000 - $40,000	10 years
More than $40,000	15 years

13. Property must be occupied as a principal residence by the homebuyer and subsequent low-income buyers throughout the POA. No subleasing is allowed. The Subrecipient must monitor and verify primary residency of the homebuyer on an annual basis for the affordability period. The

most current utility statement, proof of paid taxes, and homeowner's insurance are acceptable documentation.

14. During grant monitoring of the Subrecipient, NDHFA will review deed restrictions, covenants attached to the land, mortgages, or other similar mechanisms placed on the HOME-assisted property to ensure the provisions being used are in accordance with those stated in the written agreement with the Subrecipient.

Resale & Recapture Provisions
Resale will be required for CLT properties that are subject to ground lease controls. (Note: The HOME Final Rule also requires Resale restrictions to be used when there is no buyer assistance, which would only occur in development projects and not in a DPA-only program.) Recapture will be used for all other non-CLT properties.

Resale Provisions
The HOME resale requirements are established in the HOME rule at 24 CFR § 92.254(a)(5)(i). Under HOME resale provisions, the PJ (and Program Administrator) is required to ensure that, when a HOME-assisted homebuyer sells a property voluntarily or involuntarily during the affordability period that:

- The property is sold to another low-income homebuyer who will use the property as his or her principal residence.
- The original homeowner(s) receives a "fair return" on their investment, (i.e., the homeowner's share of the value of the property, including the value capital improvements made to the house).
- The property is sold at a price that is "affordable to a reasonable range of low-income buyers."

Under resale, 24 CFR § 92.254(a)(5(i) of the HOME rule states that the POA is based on the total amount of HOME funds invested in the housing. In a DPA-only program, this would include the assistance directly provided to the buyer plus any project delivery costs that are charged as project costs rather than as administrative costs.

HOME Project Funds	Minimum Period of Affordability
Less than $15,000	5 years
$15,000 - $40,000	10 years
More than $40,000	15 years

Calculation of Resale Price and Fair Return
When the homeowner sells, the following procedures and calculations will be used to determine the Fair Return to the seller as required by the HOME Final Rule:

1. Homeowner's Initial Ownership Interest – the homeowner's ownership interest at time of original purchase is the percentage of the Initial Appraised Value that the homeowner provided, as defined and calculated below.
   a. Homeowner's Base Price: the price paid by the homeowner upon the execution of the Program Administrator Ground Lease. (Homeowner's Base Price equals the Homeowner's Ownership Interest at time of purchase.)
   b. Initial Appraised Value of Home and Leased Land: the fee simple value of the home and the leased land based on an independent appraisal at time of original purchase.
   c. Homeowner's Initial Ownership Interest (%): the Homeowner's Initial Ownership interest is the ratio of Homeowner's Base Price to Initial Appraised Value, expressed as a percentage.

2. Homeowner's Ownership Interest at Resale – the ownership interest at time of resale is determined through appraisal to include the value of homeowner capital improvements and the homeowner's share of the appraised value of the property at resale.
   a. Appraised Value at Resale: an independent appraisal determines the appraised value of Home and Leased Land at resale.
   b. Value of Homeowner's Capital Improvements (if applicable): if the homeowner has submitted Capital Improvements, the appraised value of the improvements will be identified in the appraisal, and the homeowner will be credited with 100% of the appraised value of the Improvements.
   c. Appraised Value of Homeowner's Ownership Interest at Resale - the Appraised Value of the Homeowner's Ownership Interest is calculated by adding:
      i. The Appraised Value of Homeowner's Capital Improvements.
      ii. The "net" Appraised Value at Resale (with Value of Capital Improvements subtracted) multiplied by the Homeowner's Initial Ownership Interest percentage.
3. Formula Resale Price – the resale price at time of resale is defined and calculated below.
   a. Appraised Value of Increased Homeowner's Ownership Interest at Resale includes:
      i. The Value of Homeowner's Capital Improvements, if any.
      ii. The Homeowner's Share of the Increase in Appraised Value, which is the "net" increase in Appraised Value multiplied by 40%.
   b. Maximum (Formula) Resale Price – the maximum price at which the home can be resold is determine by Formula Resale Price, calculated by adding:
      i. The Homeowner's Base Price.
      ii. The Appraised Value of Increased Homeowner's Ownership Interest at resale (which includes 100% of the Value of Homeowner's Capital Improvements plus the Homeowner's Share of the Increase in Appraised Value.)
4. Purchase Option Price – The Purchase Option Price will be used if the Program Administrator elects to exercise the Purchase Option. If elected, the Purchase Option Price is the lesser of:
   a. The Appraised Value of Homeowner's Ownership Interest at Resale (calculated in 2c above).
   b. The Formula Resale Price as defined in 3b above.

Capital Improvements

When a homeowner completes an eligible capital improvement to their community land trust home post-purchase, they are eligible for 100 percent of the improvement value and appreciation deemed attributable to improvement. Eligible Improvements include the following:

- Increase in legal bedroom size.
- Increase in legal bathroom size.
- Addition of or substantial rehabilitation to garage.
- Other substantial modifications approved by the Program Administrator, which are anticipated to increase value by a minimum $2,500 and increase functionality of the home. Improvements made solely for cosmetic purposes or considered routine maintenance will not be considered.

Improvements must comply with the ground lease and documentation of completion must be submitted. Upon refinancing or resale, the homeowner must submit a request for capital improvements calculation. The Appraisal will indicate a monetary value of improvements and the Formula Resale Price calculation will be modified to incorporate the capital improvements calculation.

Purchase Option Price and Formula Price Example

The following are examples of the calculations specified above, one for an appreciating value and one for declining value:

Calculation Step	Appreciating Value - Sample Calculation
1.a. Homeowner's Base Price	$150,000
1.b. Initial Appraised Value	$200,000
1.c. Homeowner's Initial Ownership Interest	$150,000/$200,000 = 75%
2.a. Appraised Value at Resale	$240,000
2.b. Appraised Value of Capital Improvements	$10,000
2.c. Value of Homeowner's Interest at Resale	$10,000 + ($240,000-$10,000) * 75% = $182,500
3.a. Value of Homeowner's Increased Interest at Resale	$10,000 + ($172,500-$150,000) * 40% = $19,000
3.c. Maximum (Formula) Resale Price	$150,000 + $19,000 = $169,000
4. Purchase Option Price	Lesser of $182,500 & $169,000 = $169,000

Calculation Step	Declining Value - Sample Calculation
1.a. Homeowner's Base Price	$150,000
1.b. Initial Appraised Value	$200,000
1.c. Homeowner's Initial Ownership Interest	$150,000/$200,000 = 75%
2.a. Appraised Value at Resale	$180,000
2.b. Appraised Value of Capital Improvements	$8,000
2.c. Value of Homeowner's Interest at Resale	$8,000 + ($180,000-$10,000) * 75% = $135,500
3.a. Value of Homeowner's Increased Interest at Resale	$8,000 + ($135,500-$150,000) * 40% = $2,000
3.c. Maximum (Formula) Resale Price	$150,000 + $2,000 = $152,000
4. Purchase Option Price	Lesser of $135,500 & $152,000 = $135,500

Resale Requirements

During the period of affordability, the home must be resold to another Low-Income (LI) buyer approved by the Program Administrator. The Program Administrator may repurchase the home and convey it to an eligible LI buyer using the Purchase Option or permit the homeowner to find an eligible buyer, as described below.

Upon notice by the homeowner of intent to sell, the Program Administrator shall have the option to purchase the home at the Purchase Option Price as defined above in step 4.

If the Program Administrator elects to purchase the home, it may exercise the purchase option by either proceeding to purchase the home directly or assigning the Purchase Option to a HOME-eligible low-income person.

If the purchase (by Program Administrator or it's assignee) is not completed within 120 days as stated in the executed Program Administrator Ground Lease, the homeowner may sell the home and homeowner's rights to the leased land for a price no greater than the then applicable Purchase Option Price, to any party if that party is a HOME-eligible low-income person.

If the Program Administrator does not exercise its option and complete the purchase of the homeowner's property as described above, and if the homeowner (a) is not then residing in the home and (b) continues to hold the homeowner's property out for sale but is unable to locate a buyer and execute a binding purchase and sale agreement within one year of the date of the Notice of Intent to Sell, then the Program Administrator may appoint its attorney in fact to seek a buyer, negotiate a reasonable price that furthers the purpose of the Program Administrator Ground Lease, sell the property, and pay to the homeowner the proceeds of the sale, minus the Program Administrator's costs of sale and any other sums owed to the Program Administrator by the homeowner.

Recapture Provisions
In all projects that are not CLT properties, the Recapture method will be used. The HOME recapture provisions are established at 24 CFR § 92.254(a)(5)(ii). Unlike the resale approach, recapture permits the original homebuyer to sell the property to any willing buyer during the period of affordability and the PJ recaptures all or a portion of the HOME-assistance provided to the original homebuyer.

The HOME Final Rule permitted four models or options for recapture. NDHFA has elected the "full recapture" option. Under this option, the PJ (or Program Administrator) recaptures the entire amount of the direct HOME subsidy, subject to the net proceeds available from the sale, as defined below.

- The original direct HOME subsidy is the amount of HOME assistance that enabled the homebuyer to buy the unit. The direct subsidy includes down payment, closing costs, interest subsidies, or other HOME assistance provided directly to the homebuyer. In addition, direct subsidy includes any assistance that reduced the purchase price from fair market value to an affordable price.
- Net proceeds are defined as the sales price minus superior loan repayment (other than HOME funds) and any closing costs incurred by the seller. Under no circumstances can the PJ (or Program Administrator) recapture more than is available from the net proceeds of the sale. Seller Costs must be supported by the Settlement Statement.

Subsequent Sale of Home to an Income Eligible Homebuyer
The HOME Final Rule at 24 CFR § 92.254(a)(5)(ii) permits PJs to allow the subsequent homebuyer to assume the HOME assistance if:

- The homebuyer is Low-Income.
- No additional HOME assistance is provided.
- The new buyer agrees to be subject to the HOME requirements for the remainder of the original period of affordability.

This option is authorized for this DPA program. If the Program Administrator determines through underwriting that the subsequent Low-Income homebuyer needs additional HOME assistance beyond the amount of the original HOME assistance, additional HOME homebuyer assistance may be provided and will be combined with their assumption amount of the existing note to determine the new POA and execute a new (i.e., replacement) written agreement and declaration of lien interest for the total assistance.

SECTION 5 RENTAL PRODUCTION AND REHABILITATION

Definitions

Affordability Period: See Period of Affordability.

Agency: North Dakota Housing Finance Agency or NDHFA.

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. NDHFA publishes Income Limits, based on household size, annually and from time-to-time as necessary.

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.

Commitment Date: The Effective Date of the HOME Loan Agreement. Often referred to as the closing date.

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 HOME.

HOME-Assisted Units Rule: If a project has five (5) or more HOME-Assisted Units, a minimum of 20% of the HOME-Assisted Units must be restricted to HOME's 50% AMI limit with Low-HOME Rent for the entirety of the Period of Affordability.

Initial Occupancy Rule: HOME-Assisted Units restricted to HOME's 80% AMI limit shall be initially occupied by tenants with total household income at or below 60% AMI, subsequent occupants will then be subject to household income limit at or below 80% AMI.

Match
All awardees of HOME funds are expected to meet the HOME Program match requirement of 25 percent (25%), unless specifically waived by NDHFA.

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

Minimum HOME-Assisted Units: The minimum number and configuration of units required to be income and rent restricted by the HOME Program as determined by the applicant's selected HOME Cost Allocation Method within the Application Exhibit A.

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.

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

Proposed HOME-Assisted Units: The number and configuration of units the applicant proposes to be income and rent restricted by the HOME Program. This number may never be less than the number and configuration of units as determined by the Minimum Home-Assisted 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.

ELIGIBLE APPLICANTS

A. Owner

Rental housing is considered "owned" if the housing organization is the owner in fee simple absolute of multifamily, or single-family housing (or has a long-term ground lease) for rental to low-income families in accordance with 24 CFR § 92.252. If the housing is to be rehabilitated or constructed, the housing organization must prove internal capacity, or hire and oversee the developer that rehabilitates or constructs the housing. At minimum, the housing organization must hire or contract with an experienced project manager to oversee all aspects of the development, including: 1) obtaining zoning, 2) securing non-HOME financing, 3) selecting a developer or general contractor, 4) overseeing the progress of the work, and 5) determining reasonable costs. The housing organization must own the rental housing during development and for a period at least equal to the period of affordability in 24 CFR § 92.252. If the housing organization acquires housing that meets the property standards in 24 CFR § 92.251, the organization must own the rental housing for a period at least equal to the period of affordability in 24 CFR § 92.252.

B. Developer

Rental housing is "developed" by a housing organization if: 1) the housing development organization is the owner of multifamily or single-family housing in fee simple absolute (or has a long-term ground lease) and 2) the housing developer of new housing that will be constructed, or existing substandard housing that will be rehabilitated for rent to low-income families in accordance with 24 CFR § 92.252. To be the "housing developer," the housing organization must be in sole charge of all aspects of the development process, including obtaining zoning, securing non-HOME financing, selecting architects, engineers, and general contractors, overseeing progress of the work, and determining reasonable costs. At a minimum, the housing development organization must own the housing during development, and for a period at least equal to the period of affordability in 24 CFR § 92.252.

C. Sponsor (CHDO only)

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

- The private non-profit organization may not be created by a governmental entity.
- The HOME funds must be provided to the entity that owns the project.
- The HOME funds must be invested in the project that is owned by the CHDO.
- Before commitment of HOME funds, the CHDO sponsor must select the private non-profit organization that will obtain ownership of the property.

- The private non-profit organization assumes the CHDO's HOME obligations (including any repayment of loans) for the rental project at a specified time after completion of development.
- If the housing is not transferred to the private non-profit organization, the CHDO organization sponsor remains responsible for the HOME assistance and the HOME project.

D. Community Housing Development Organization (CHDO)

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

NDHFA will certify non-profit organizations that meet defined criteria as CHDOs in the HOME Final Rule Subpart A, 24 CFR § 92.2. CHDOs must be certified annually by completing and submitting a certification application by April 1 of each year. To apply for funding, a CHDO must have an updated certification.

In addition, CHDOs must meet and satisfactorily demonstrate the prescribed requirements. NDHFA will be using the HUD guidance on CHDO qualifications. CHDOs are also eligible to participate in CHDO Operating activities. A CHDO requesting operating grant funds will need to submit an application for CHDO operating expense grant. The grant is limited to $50,000 per certified CHDO. CHDOs must demonstrate to NDHFA that their certification status is maintained during each year of the POA of a rental development project.

Up to 10% of the CHDO set-aside may be used for pre-development loans to assist specific projects at the discretion of NDHFA. Per 92.301 these loans can be used for technical assistance and site control, and seed money loans. The CHDO must repay the loan to the PJ from construction loan proceeds or other project income, or the loan may be combined with the subsequent CHDO project funding. The PJ may waive repayment of the loan, in part or in whole, if there are impediments to project development that the PJ determines are reasonably beyond the control of the borrower. Pre-development loan repayments must be sent to NDHFA. The repaid funds will be added to the next FY allocation.

CHDO Definition - A non-profit organization that:

1. Is organized under state or local laws.
2. Has no part of its net earnings inuring to the benefit of any member, founder, contributor or individual.
3. Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization. A CHDO may be sponsored or created by a for-profit entity, but:
    a. The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, developer, or real estate management firm.
    b. The for-profit entity may not have the right to appoint more than one-third of the membership of the organization's governing body. Board members appointed by the for-profit entity may not appoint the remaining two-thirds of the board members.
    c. The CHDO must be free to contract for goods and services from vendors of its own choosing.
    d. The officers and employees of the for-profit entity may not be officers or employees of the CHDO.
4. Has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 (26 CFR 1.501(c)(3)-1 or 1.501(c)(4)-1)), is classified as a subordinate of a central organization non-profit under section 905 of the Internal Revenue Code of 1986, or if the private non-profit organization is a wholly owned entity that is disregarded as an entity separate from its owner for tax purposes (e.g., a single member limited liability company

that is wholly owned by an organization that qualifies as tax-exempt), the owner organization has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 and meets the definition of "CHDO."

5. Is not a governmental entity (including the PJ, other jurisdiction, Indian tribe, public housing authority, Indian housing authority, housing finance agency, or redevelopment authority) and is not controlled by a governmental entity. An organization that is created by a governmental entity may qualify as a CHDO; however, the governmental entity may not have the right to appoint more than one-third of the membership of the organization's governing body and no more than one-third of the board members may be public officials or employees of governmental entity. Board members appointed by a governmental entity may not appoint the remaining two-thirds of the board members. The officers or employees of a governmental entity may not be officers or employees of a CHDO.
6. Has standards of financial accountability that conform to 24 CFR 84.21, "Standards for Financial Management Systems."
7. Has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions, or by-laws.
8. Maintains accountability to low-income community residents by:
    a. Maintaining at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations. For urban areas, "community" may be a neighborhood or neighborhoods, city, county, or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, town, village, county, or multi-county area (but not the entire state).
    b. Providing a formal process for low-income program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of affordable housing.
9. Has a demonstrated capacity for carrying out housing projects assisted with HOME funds. A designated organization undertaking development activities as a developer or sponsor must satisfy this requirement by having paid employees with housing development experience, who will work on projects assisted with HOME funds. For its first year of funding as a CHDO, an organization may satisfy this requirement through a contract with a consultant who has housing development experience to train appropriate key staff of the organization. An organization that will own housing must demonstrate capacity to act as owner of a project and meet the requirements of 24 CFR § 92.300(a)(2). A non-profit organization does not meet the test of demonstrated capacity based on any person who is a volunteer or whose services are donated by another organization.
10. Has a history of serving the community within which housing to be assisted with HOME funds is to be located. In general, an organization must be able to show one year of serving the community before HOME funds are reserved for the organization. However, a newly created organization formed by local churches, service organizations or neighborhood organizations may meet this requirement by demonstrating that its parent organization has at least one year of serving the community.

E. Non-Profit and For-Profit Developers

Note: Non-profit and for-profits are not required to be designated CHDOs to apply for HOME funding, but funding for such projects will not utilize funds reserved for a CHDO.

Non-profit and for-profits can participate in the HOME Program as owners or developers of multifamily housing. The on- and for-profits must not be disqualified from any program administered by NDHFA or under debarment, proposed debarment or suspension by a federal agency.

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

- The non-profit and for-profits have successfully administered, following all the cross-cutting requirements (e.g., Davis Bacon, Section 3, and Contact Compliance) at least 1 HOME, CDBG or NSP funded development of similar nature and scope.

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

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

SECTION 6: RENTAL PRODUCTION AND REHABILITATION APPLICATION PROCESS

Applications for HOME Rental and Development are due by the last business day in September, each year.

The approval of applications for CHDOs and non-profit and for-profit developers will be a competitive process in which applications that meet threshold requirements will be ranked and scored. Applications will be awarded a conditional commitment in order of the highest score. NDHFA's Multifamily Housing Programs Application can be found online: https://www.ndhfa.org/

6.01 Underwriting Standards

The following HOME Program Underwriting standards are incorporated within the Application Exhibit A.

Affordability Period: project type of New Construction and Acquisition of New Construction projects shall have a 20-year Affordability Period. Project types of Acquisition, Rehabilitation, or Acquisition & Rehabilitation shall have an Affordability Period determined by the amount of HOME Funds per HOME-Assisted Unit using the following chart:

HOME Funds per HOME-Assisted Unit	Affordability Period
Less than $15,000.00	5 years
$15,000.00 to $40,000.00	10 years
Greater than $40,000.00	15 years

Fixed or Floating Units: applicant shall make an election of the HOME-Assisted Units being fixed to specific units or floating throughout the entirety of the Project's total units.

Rent Floor Election: the currently published rent limits in effect as of the project's Commitment Date shall be used to determine the lowest monthly gross rents required to meet throughout the Period of Affordability.

Utility Allowance(s): HUD Utility Schedule Model ("HUSM") or other Project-specific methodology which meets the HOME regulatory requirements shall be used. See HOMEfires – Vol. 13 No. 2 for further information on HUSM or other acceptable methodologies.

Vacancy Factor: agency utilizes a minimum vacancy factor of 7.00% for projecting Effective Gross Income. For Project's in which one vacant unit would exceed 7.00% of the Project's total units, the percentage derived from one vacant unit shall be the minimum vacancy factor when projecting Effective Gross Income.

HOME Cost Allocation: prior to a Conditional Commitment, issuance of a Financial Award, the Project's

Closing, and Final Cost Certification NDHFA shall review the HOME Cost Allocation within the Exhibit A for determination of the proposed or awarded HOME Funds Award not exceeding the Maximum Project Subsidy determined by the selected Cost Allocation Method. All necessary information, data, and elections must be entered into Exhibit A to determine the Cost Allocation Method(s) which are acceptable to use. While more than one Cost Allocation Method may be acceptable to use, only one method should be completed per project.

6.02 Maximum Award

Award Allocations from HOME for any single Multifamily Project will be limited to the lesser of:

- The Maximum Project Subsidy determined from the selected HOME Cost Allocation Method; or
- An amount required to secure project financing and make the project financially feasible; or
- 70% of the project's proposed HOME eligible costs.

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

HOME funds may only be expended on the actual costs, up to the maximum per-unit subsidy limit. The following are HOME Per-Unit Subsidy Limits, effective as of April 07, 2023. Upon HUD's publication of updated per-unit subsidy limits, NDHFA shall immediately implement the updated limits. Applicants will be subject to HUD's current in-effect limits.

Commented [JF1]: Update Date & Limits when published by HUD

Unit Type	Greater ND	Fargo
Efficiency/Studio	$ 173,011	$194,638
1 Bedroom	$ 198,331	$223,123
2 Bedroom	$ 241,176	$271,323
3 Bedroom	$ 312,005	$351,005
4 Bedroom	$ 342,482	$385,293

6.03 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 HOME is the only NDHFA-funded program being applied for in the Application Round, the Application Processing Fee shall be $500.
- For an application in which more than one NDHFA-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 NDHFA-funded program being sought by the Applicant for the Project in the Application Round.

6.04 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 NDHFA 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:** NDHFA's currently published Multifamily Application must be fully completed and executed. All applicable Exhibit's to the application must be fully completed and submitted.

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

C. **Zoning, Codes, and Ordinances:** Evidence of current appropriate zoning for the entire scope of the proposed project. If current zoning does not comply, verification 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 companies and the city official.

   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.

   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 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:

   1. Application including the use of HOME and/or HTF funding shall include a copy of the Applicant's currently Active Registration on Sam.gov.
   2. 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.

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.

An applicant who has not yet placed a 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.

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.

F. **Ownership:** The applicant 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 must disclose the intent to sell or transfer the project and, if known, the names and backgrounds of those who will purchase or receive the project. Failure to provide this information may result in forfeiture of any outstanding Conditional Commitment or Financial Award.

   Funds are Awarded to the proposed project's Owner. A sale or transfer of a controlling ownership interest of the Owner prior to Project Completion requires an amended application, Agency approval and payment of a nonrefundable transfer fee of $2,500, or 1% of the HOME Award currently awarded to the Owner for the proposed project, whichever is greater. Payment of this fee does not oblige the Agency to approve the transfer.

G. **Financial Projections:** NDHFA'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:** The application package must include a signed certification as to the full extent of any federal, state and/or local subsidy that are expected to apply to the project.

I. **Public Housing Waiting List:** The application package must include a copy of a written communication from the Applicant to the 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 granting waitlisted households' priority in obtaining occupancy within the project.

~~I.~~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.

~~J.~~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 (i.e. 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.

Project's proposing the demolition and new construction replacement of existing housing must demonstrate the benefit of such activity over rehabilitation, including an opinion of costs of rehabilitation to assist the Agency in determining the cost savings and/or other benefits.

~~K.~~L. **Appraisal:** Applicant must provide a written acknowledgement confirming the applicant's requirement to provide an appraisal of the subject property associated to the application if any of the following are proposed or, prior to closing, include:

1. Acquisition and/or equity contributions of real estate exceed 15.00% of the proposed project's Total Development Costs.
2. Any source of Project-Based Rental Subsidy.
    a. Projects proposing the acquisition of land held in a Tribal Trust and are proposing a source of Project-Based Rental Subsidy from HUD's Office of Native American Programs (ONAP) shall

be exempt from producing an appraisal prior to equity closing so long as all necessary parties concur with the omission of an appraisal for purposes of any Subsidy Layering Analysis.

If required, the appraisal shall be completed no longer than six (6) months prior to the project's closing date by a state-certified general real property appraiser and must support the total amount of acquisition cost presented within the Total Development Costs.

~~L.~~M. **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.

~~M.~~N. **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.

6.05: PROJECT RATINGS

A. Cross-Cutting Exclusion

There are several broad federal rules which must be adhered to while administering the program. While NDHFA is responsible for implementing these rules, applicants and all the transaction's related entities must also be aware and actively ensure the Project complies.

Any applicant or proposed related party to a Project with substantial noncompliance, unresolved issues, or who have had substantial findings related to other federal funds from NDHFA including these federal cross-cutting requirements within the last 4 years are not eligible to apply.

- 24 CFR § 92.350 – Federal requirements set forth in 24 CFR part 5, subpart A: nondiscrimination, fair housing, and equal opportunity; disclosure requirements, debarred, suspended or ineligible contractors; drug-free work; and housing counseling
- 24 CFR § 92.351 – Employment and Contracting; Affirmative marketing; minority outreach program; Section 3
- 24 CFR § 92.352 – Environmental review
- 24 CFR § 92.253 – Displacement, relocation, and acquisition
- 24 CFR § 92.354 – Labor
- 24 CFR § 92.355 – Lead-based Paint
- 24 CFR § 92.356 – Conflict of interest
- 24 CFR § 92.357 – Executive order 12372
- 24 CFR § 92.358 – Consultant activities
- 24 CFR § 92.359 – VAWA requirements

B. Scoring Deductions

Applications not meeting a minimum amount of HOME Matching Contribution (Scoring Criteria 3) 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).

C. Scoring Criteria

Each application meeting the threshold requirements will be reviewed and assigned points according to the following selection criteria.

Applications must achieve a **minimum score of 90 points** to be eligible for funding.

Applicants may request no more than 70 percent of the Project's proposed hard construction costs from HOME.

1. **HOME Assisted Units** **Up to 30 points**
Points awarded based on the minimum number of HOME-Assisted Units, as determined by the applicant's selected HOME Cost Allocation, and the applicant's Proposed number of HOME-Assisted Units.

    - Minimum HOME-Assisted Units is equal-to or less-than eleven (11) .... 20 points
    - Proposed HOME-Assisted Units equals Minimum HOME-Assisted Units .... 10 points

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

    - Located within a Developing Community .... 15 points
    - Located within a Developing Rural Community .... 25 points

3. **HOME Matching Contribution** **Up to 25 points**
Points awarded for applications which include funding source(s), identified within Exhibit A, and with a firm commitment from an eligible HOME matching contribution, see 24 CFR 92.220. Projects located within another HOME Participating Jurisdiction's (PJ) service area must provide written verification from the other PJ(s) of the Agency's sole right to claim the HOME match source. If not provided, the match source is not eligible for consideration within this scoring criteria.

    - Combined value less than 25% of HOME Funds Requested ....20-point reduction
    - Combined value of at least 25% of HOME Funds Requested...................................... 25 points

4. **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 the 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.

5. **New Construction** **Up to 20 points**
Points awarded for applications which primarily propose to create new structure(s) which will contain rental housing. An application is eligible for points under Scoring Category 5 or Scoring Category 6, not both.

    - >= $110,000 < $145,000 HOME Funds per HOME-Assisted Unit .... 10 points
    - >= $145,000 < $175,000 HOME Funds per HOME-Assisted Unit .... 15 points
    - >= $175,000 HOME Funds per HOME-Assisted Unit .... 20 points

6. **Rehabilitation** **Up to 30 points**
Points awarded for applications which primarily propose to rehabilitate existing structure(s) that are currently, or at-risk of becoming, uninhabitable or obsolete. An application is eligible for points under Scoring Category 5 or Scoring Category 6, not both.

    - >= $75,000 < $110,000 HOME Funds per HOME-Assisted Unit .... 5 points
    - >= $110,000 < $145,000 HOME Funds per HOME-Assisted Unit .... 10 points

- >= $145,000 < $175,000 HOME Funds per HOME-Assisted Unit .... 20 points
- >= $175,000 HOME Funds per HOME-Assisted Unit .... 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. **One-for-one unit replacement ratio minimum is required.**

7. Preserve Existing Affordability **Up to 10 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 NDHFA 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 NDHFA 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. NDHFA 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.

- Asset Preservation .... 10 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 24-months shall be eligible for up to 10 points.

- LIHTC with waived EUP Asset Preservation.. 5 points
  A proposed project is an existing LIHTC project past its initial 15-year compliance period and waived its ability to opt out of the Extended Use Period (EUP) will be eligible for a maximum 5 points.

- Subsidy Preservation .... 10 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 shall be eligible for up to 10 points.

- Subsidy Preservation between Interested Parties .... 3 points
  A transfer of a subsidy by or between parties with an identity of interest will be eligible for a maximum of 3 points.

8. Tenant Support Coordinator **Up to 10 points**

Projects which are committed to supporting tenants with special needs affecting their long-term housing stability and which create an environment that encourages and provides service coordination.

a. Tenant Support Coordinator

Projects which provide, either through direct employment or by contract with an experienced third party, a dedicated Tenant Support Coordinator (TSC) for at least one hour per project unit per month will receive 5 points. The TSC would be required to develop and maintain working relationships with tenants in the project. The TSC's role is to increase the ability of all tenants to maintain stability and uphold lease obligations through the following: facilitating provision of supportive services by connecting tenants with appropriate providers, identifying needs for assistance, and educating tenants on available resources.

b. Tenant Support Coordinator and Medicaid-Approved Service Provider
Projects which provide the TSC provisions in the preceding paragraph (a) and also enter into a formal letter of intent with one or more qualified service agencies with demonstrated experience providing housing stability services consistent with the needs of the project's residents will receive 10 points. The service provider(s) must also be able to process Medicaid reimbursement. The letter of intent must be detailed regarding the suite of supports and services to be made available to tenants who need and want them.

Projects receiving points under this category must include tenant support coordination capable of the following, at a minimum:

- Support the person to understand and maintain income and benefits to retain housing:
    - Household budgeting and financial management.
    - Assistance in applying for benefits related to housing affordability.
    - Establishment of payee/guardian services as needed.
    - Assistance with the income recertification process.
    - Wealth and asset building initiatives.
- Support the building of natural housing supports and resources in the community:
    - Encouragement of community activity.
    - Facilitation of meetings with a tenant support team.
- Identify and prevent behaviors that may jeopardize continued housing:
    - Coordination with parole and probation requirements.
    - Collaboration with law enforcement (i.e., the creation of safety plans).
    - Training in lease compliance, household management and best practices of successful tenants.
- Promote health and wellbeing that enable tenants to retain housing:
    - Connecting tenants with health providers.
    - Assistance in securing and increasing employment.
    - Assistance in securing childcare.
    - Identifying educational opportunities in areas such as nutrition, education, and physical wellness.
    - Parenting supports.
    - Life coaching via peer support specialists.
    - Facilitating connections to Home and Community-Based Care services.

A tenant selection plan must be provided as part of the initial application. The tenant selection plan must describe in detail how individuals and/or families with special needs will be identified, affirmatively marketed to, and assisted in renting units at the project.

Projects which received 10 points under this scoring category will be required to submit a formal executed agreement with each provider identified in the letter(s) of intent at the time of project completion.

Compliance monitoring activities will include:

- Confirmation of hiring or contracting with a TSC.
- Confirmation of the provision of the services pledged at the time of application.
- Review of marketing efforts targeted at special needs populations.
  For purposes of this scoring category, tenants with special needs include individuals or families who:
  - Suffer from serious or persistent mental illness.
  - Suffer from substance use disorders.
  - Have disabilities, including intellectual, physical, or developmental.
  - Are experiencing long-term homelessness or are at significant risk of long-term homelessness.
  - Are justice involved.
  - Are frail elderly, defined as those 62 years of age or older, who are unable to perform one or more “activities of daily living” without help. Activities of daily living comprise walking, eating, bathing, grooming, dressing, transferring, and home management activities. Assisted living, or projects serving a similar purpose, are not eligible under this Plan.

SECTION 7: STATEMENT OF ASSURANCES APPLICABLE TO ALL HOME ACTIVITIES

7.01 Other Federal requirements and nondiscrimination

The Federal requirements set forth in 24 CFR part 5, subpart A, are applicable to participants in the HOME program. The requirements of this subpart include nondiscrimination and equal opportunity; disclosure requirements; debarred, suspended or ineligible contractors; and drug-free workplace.

The nondiscrimination requirements of section 282 of the Act are applicable.

The Violence Against Women Act (VAWA) requirements set forth in 24 CFR part 5, subpart L, apply to all HOME tenant-based rental assistance and rental housing assisted with HOME funds as applied by 24 CFR 92.359. VAWA compliance guidance is available at https://www.ndhfa.org/index.php/compliance/vawa/.

Consultant Activities. No person providing consultant services in an employer-employee type relationship shall receive more than a reasonable rate of compensation for personal services paid for with HOME funds. In no event, however, shall such compensation exceed the limits in effect under the provisions of any applicable statute (e.g., annual HUD appropriations acts which have set the limit at the equivalent of the daily rate paid for Level IV of the Executive Schedule, see the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, Pub. L. 104-204 (September 26, 1996)). Such services shall be evidenced by written agreements between the parties which detail the responsibilities, standards, and compensation. Consultant services provided under an independent contractor relationship are not subject to the compensation limitation of Level IV of the Executive Schedule.

Affirmative Marketing

A. Affirmative marketing requirements and procedures apply to all HOME-funded programs, including, but not limited to, TBRA and down payment assistance programs. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status, or disability. If PJ's written agreement with the project owner permits the rental housing project to limit tenant eligibility or to have a tenant preference in accordance with 24 CFR § 92.253(d)(3), the PJ must have affirmative marketing procedures and requirements that apply in the context of the limited/preferred tenant eligibility for the project.

B. The affirmative marketing requirements and procedures adopted must include:

   1. Methods for informing the public, owners, and potential tenants about Federal fair housing laws and the PJ's affirmative marketing policy (e.g., the use of the Equal Housing Opportunity logotype or slogan in press releases and solicitations for owners, and written communication to fair housing and other groups).

   2. Requirements and practices each Subrecipient and owner must adhere to in order to carry out the PJ's affirmative marketing procedures and requirements (e.g., use of commercial media, use of community contacts, use of the Equal Housing Opportunity logotype or slogan, and display of fair housing poster).

   3. Procedures to be used by Subrecipients and owners to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing program or the housing without special outreach (e.g., through the use of community organizations, places of worship, employment centers, fair housing groups, or housing counseling agencies).

   4. Records that will be kept describing actions taken by the PJ and by Subrecipients and owners to affirmatively market the program and units and records to assess the results of these actions.

   5. A description of how the PJ will annually assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.

C. A state that distributes HOME funds to units of general local government must require each unit of general local government to adopt affirmative marketing procedures and requirements that meet the requirement in paragraphs (a) and (b) of this section.

Affirmative Marketing Guidance

NDHFA will take the following actions to provide information to attract eligible persons from all racial, ethnic, and gender groups in the housing market area that is assisted by HOME funding. Affirmative Fair Housing Marketing Plan Guidance is available online.

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

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

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

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

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

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

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

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

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

Minority Outreach

A. A PJ must prescribe procedures acceptable to HUD to establish and oversee a minority outreach program within its jurisdiction to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, under-writers, accountants, and providers of legal services, in all contracts entered into by the participating jurisdiction with such persons or entities, public and private, in order to facilitate the activities of the PJ to provide affordable housing authorized under this Act or any other Federal housing law applicable to such jurisdiction. Section 85.36(e) of this title describes actions to be taken by a PJ to assure that minority business enterprises and women business enterprises are used, when possible, in the procurement of property and services.

Environmental Review

A. **General:** The environmental effects of each activity carried out with HOME funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321) and the related authorities listed in HUD's implementing regulations at 24 CFR parts 50 and 58. The applicability of the provisions of 24 CFR part 50 or part 58 is based on the HOME project (new construction, rehabilitation, acquisition) or activity (TBRA) as a whole, not on the type of the cost paid with HOME funds.

B. **Responsibility for review**

   1. The jurisdiction (e.g., the PJ or State Recipient) or insular area must assume responsibility for environmental review, decision making, and action for each activity that it carries out with HOME

funds, in accordance with the requirements imposed on a Recipient under 24 CFR part 58. No funds may be committed to a HOME activity or project before the completion of the environmental review and approval of the request for release of funds and related certification, except as authorized by 24 CFR part 58.

2. A State PJ must also assume responsibility for approval of requests for release of HOME funds submitted by State Recipients.
3. HUD will perform the environmental review, in accordance with 24 CFR part 50, for a competitively awarded application for HOME funds submitted to HUD by an entity that is not a jurisdiction.

Completion of the environmental review process is MANDATORY before taking ANY action on a specific site or making a commitment or expenditure of HUD or any other non-HUD project funds for property acquisition or transfer, rehabilitation, conversion, lease, repair, inhabiting a property or construction activities. 24 CFR Part 58.22 describes limitations on activities pending clearance as (a) neither a Subrecipient nor any participant in the development process, including public or private non-profit or for-profit entities, or any of their contractors, may commit HUD or non-HUD assistance under a program listed in 58.1(b) on an activity or project until HUD has approved the Subrecipient's Request Release of Funds (RROF) and NDHFA has issued the certification to use HOME funds to the Subrecipient. This certification will come in a letter through email addressed to the Subrecipient's contact person. If a violation occurs resulting in adverse environmental impact or limiting the choice of reasonable alternatives during this vital step in the NEPA process, funds will not be able to be utilized for the site that violated NEPA.

A. A **choice-limiting action** is ANY action done prior to the certification being issued by NDHFA. This is not an all-inclusive list of choice-limiting actions: acquisition, purchase, moving tenants or homebuyers into property, rehabilitation, groundwork, lease, repair, demolition, landscaping, etc. The Subrecipient is to use "due diligence" that a violation does not occur during this step of the NEPA process, or the funds will be lost to the project site.

B. The ONLY activities that can be initiated prior to NDHFA releasing funds are costs associated with program administration, project delivery cost necessary to determine eligibility and underwrite the household, contracting for preliminary architectural/engineering fees, and costs associated with the environmental review process. Keep in mind, even these exempt costs can only occur after the effective date of the contract. No costs incurred or obligated prior to the contract effective date are allowable HOME costs and could result in the loss of the Subrecipient's HOME award. When a Subrecipient spends money on these exempt costs, they are taking a financial risk because if the environmental review concludes that a site is not eligible, the Subrecipient will not be reimbursed for those costs spent.

C. For all other activities, Subrecipients cannot obligate or incur costs or draw down funds until the environmental review requirements are satisfied, and NDHFA has issued a Release of Funds to the Project.

D. Each HOME activity or project must have a written record of the environmental review process that documents the steps taken for the project that completed the NEPA process according to rules and authorities. **This is the Environmental Review Record (ERR), which must be available for public review.**

7.02 Uniform Relocation Act and Section 104(d)

Federal Law protects tenants from uncompensated displacement in certain areas.

Subrecipients/Developers ("Recipients") who accept federal funding for acquisition and/or rehabilitation and reconstruction must minimize displacement of existing residents, advise them of their legal rights, provide relocation counseling and assistance, and compensate tenants in a timely manner for relocation made necessary by such activities.

HOME program Recipients are subject to the Uniform Relocation Assistance and Real Property Policies Act of 1970 (URA) and in instances when funding demolishes a low-income dwelling, converts to a non-residential use, or make it unaffordable to low-income residents is also subject to Section 104 (d) of the Housing and Community Development Act of 1974, as amended (42 USC 5304 (d)) also known as Section 104 (d).

NDHFA and Recipients of HOME funds are required to follow the requirements of the Agency's URA Policy Guide. General principals include:

A. The URA applies to all federally assisted acquisition, rehabilitation, and demolition projects (unless exempted like section 18).
B. Section 104(d) applies to demolition or conversion of housing units to something other than lower-income dwellings in connection with a CDBG or HOME project.
C. Acquisition rules apply to every acquisition for the project (including most easements), whether or not the acquisition itself is federally funded.
D. Sellers of real property are to be informed in writing of property values **prior** to negotiating the purchase (exceptions at 49 CFR 24.101(b)(3)-(5)).
E. While not required by federal regulation, consider including a clause in any executed purchase agreement that gives the purchaser right to tenant access for notification purposes (to issue General Information Notices (GINs)).
F. HUD program regulations often expand tenant protections beyond the URA.
G. Recipients must follow an anti-displacement plan and take all reasonable steps to minimize displacement. For HOME projects, to the extent feasible, residential tenants must be provided a reasonable opportunity to lease and occupy a suitable decent, safe, sanitary, and affordable dwelling unit in the completed project.
H. All occupied and vacant-occupiable dwelling units removed from the housing stock through demolition or conversion must be replaced on a 1-for-1 basis.
I. Project occupancy must be tracked from application to project completion.
J. Notices are required for all occupants and proof of delivery must be maintained.

7.03 Labor

A. General

    1. Every contract for the construction (rehabilitation or new construction) of housing that includes 12 or more units assisted with HOME funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 3141), to all laborers and mechanics employed in the development of any part of the housing. Such contracts must also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701).
    2. The contract for construction must contain these wage provisions if HOME funds are used for any project costs in 24 CFR § 92.206, including construction or non-construction costs, of housing with 12 or more HOME-assisted units. When HOME funds are only used to assist homebuyers to acquire single-family housing, and not for any other project costs, the wage provisions apply to the construction of the housing if there is a written agreement with the owner or developer of the housing that HOME funds will be used to assist homebuyers to buy the housing and the construction contract covers 12 or more housing units to be purchased with HOME assistance. The wage provisions apply to any construction contract that includes a total of 12 or more HOME-

assisted units, whether one or more than one project is covered by the construction contract. Once they are determined to be applicable, the wage provisions must be contained in the construction contract so as to cover all laborers and mechanics employed in the development of the entire project, including portions other than the assisted units. Arranging multiple construction contracts within a single project for the purpose of avoiding the wage provisions is not permitted.

3. PJs, contractors, subcontractors, and other participants must comply with regulations issued under these acts and with other Federal laws and regulations pertaining to labor standards, as applicable. PJs shall be responsible for ensuring compliance by contractors and subcontractors with labor standards described in this section. In accordance with procedures specified by HUD, PJ shall:

    a. Ensure that bid and contract documents contain required labor standards provisions and the appropriate Department of Labor wage determinations.

    b. Conduct on-site inspections and employee interviews.

    c. Collect and review certified weekly payroll reports.

    d. Correct all labor standards violations promptly.

    e. Maintain documentation of administrative and enforcement activities.

    f. Require certification as to compliance with the provisions of this section before making any payment under such contracts.

B. Volunteers: The prevailing wage provisions of paragraph (a) of this section do not apply to an individual who receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered and who is not otherwise employed at any time in the construction work. See 24 CFR part 70.

C. Sweat equity: The prevailing wage provisions of paragraph (a) of this section do not apply to members of an eligible family who provide labor in exchange for acquisition of a property for homeownership or provide labor in lieu of, or as a supplement to, rent payments.

7.04 Lead-Based Paint

Housing assisted with HOME funds is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, J, K, M and R of this title.

7.05 Conflict of Interest

A. Applicability: In the procurement of property and services by PJ, State Recipients, and Subrecipients, the conflict-of-interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, apply. In all cases not governed by 24 CFR 85.36 and 24 CFR 84.42, the provisions of this section apply.

B. Conflicts prohibited: No persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities may obtain a financial interest or financial benefit from a HOME-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to the HOME-assisted activity, or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. Immediate family ties include (whether by blood, marriage, or adoption) the spouse, parent (including a stepparent), child (including a stepchild), brother, sister (including a stepbrother or stepsister), grandparent, grandchild, and in-laws of a covered person.

C. Persons covered: The conflict-of-interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the PA, State Recipient, or Subrecipient which are receiving HOME funds.

D. Exceptions: Threshold requirements. Upon the written request of the PJ, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME Investment Partnerships Program and the effective and efficient administration of the PJ's program or project. An exception may be considered only after the PJ has provided the following:

   1. A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

   2. An opinion of the PJ's or State Recipient's attorney that the interest for which the exception is sought would not violate state or local law.

E. Factors to be considered for exceptions: In determining whether to grant a requested exception after the PJ has satisfactorily met the requirements of paragraph (D) of this section, HUD will consider the cumulative effect of the following factors, where applicable:

   1. Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available.

   2. Whether the person affected is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class.

   3. Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted activity in question.

   4. Whether the interest or benefit was present before the affected person was in a position as described in paragraph (C) of this section.

   5. Whether undue hardship will result either to the PJ or the person affected when weighed against the public interest served by avoiding the prohibited conflict.

   6. Any other relevant considerations.

F. Owners and developers

   1. No owner, developer, or sponsor of a project assisted with HOME funds (or officer, employee, agent, elected or appointed official, or consultant of the owner, developer, or sponsor or immediate family member or immediate family member of an officer, employee, agent, elected or appointed official, or consultant of the owner, developer, or sponsor) whether private, for-profit or nonprofit (including a CHDO when acting as an owner, developer, or sponsor) may occupy a HOME-assisted affordable housing unit in a project during the required period of affordability specified in 24 CFR § 92.252(e) or § 92.254(a)(4). This provision does not apply to an individual who receives HOME funds to acquire or rehabilitate his or her principal residence or to an employee or agent of the owner or developer of a rental housing project who occupies a housing unit as the project manager or maintenance worker.

   2. Exceptions: Upon written request of a housing owner or developer, the PJ (or State Recipient, if authorized by the State PJ may grant an exception to the provisions of paragraph (f)(1) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME program and the effective and efficient administration of the owner's or developer's HOME-assisted project. In determining whether to grant a requested exception, the PJ shall consider the following factors:

a. Whether the person receiving the benefit is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted housing, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class.

b. Whether the person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted housing in question.

c. Whether the tenant protection requirements of 24 CFR § 92.253 are being observed.

d. Whether the affirmative marketing requirements of 24 CFR § 92.351 are being observed and followed.

e. Any other factor relevant to the PJ's determination, including the timing of the requested exception.

7.06 Executive Order 12372

A. General: Executive Order 12372, as amended by Executive Order 12416 (3 CFR, 1982 Comp., p. 197 and 3 CFR, 1983 Comp., p. 186) (Intergovernmental Review of Federal Programs) and HUD's implementing regulations at 24 CFR part 52, allow each State to establish its own process for review and comment on proposed Federal financial assistance programs.

B. Applicability: Executive Order 12372 applies to applications submitted with respect to HOME funds being competitively reallocated under subpart J of this part to units of general local government.

7.07 Civil Rights

It will comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 200d et seq.), and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied in the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant received Federal financial assistance and will immediately take any measures necessary to effectuate this assurance. If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the applicant, this assurance shall obligate the applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits.

7.08 Equal Opportunity

It will comply with:

A. Section 109 of the Housing and Community Development Act of 1974 (ACT), as amended, and the regulations issued pursuant thereto (24 CFR 570.601), which provides that no person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits, of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds provided under the act.

B. The Age Discrimination Act of 1975, as amended (42 U.S.C. 6101 et seq.) The act provides that no person shall be excluded from participation, denied program benefits or subjected to discrimination on the basis of age under any program or activity receiving federal funding assistance.

C. Section 504 of the Rehabilitation Act of 1973 amended (29 U.S. C. 794). The act provides that no otherwise qualified individual shall, solely, by reason of his or her handicap be excluded from participation, denied program benefits or subjected to discrimination on the basis of age under any program or activity receiving federal funding assistance.

D. The grant recipient must complete or update a Self-Evaluation, in accordance with 24 CFR Part B of the Federal Register. An example of a Self-Evaluation guidebook will be provided upon request.

E. Section 3 of the Housing and Community Development Act of 1968 (12 U.S.C. 170/u) (24 CFR Part 135). Section 3 of the Housing and Urban Development Act of 1968 requires, in connection with the planning and carrying out of any project assisted under the Act, to the greatest extent feasible, that opportunities for training and employment be given to lower-income persons residing within the unit of local government or the non-metropolitan county in which the project is located, and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part, by persons residing in the project area. The grantee must assure good faith efforts toward compliance with the statutory directive of Section 3.

F. Executive Order 11246, as amended by Executive Orders 11375 and 12086, and the regulations issued pursuant thereto (24 CFR Part 130 and 41 CFR Chapter 60) prohibit a HOME recipient and subcontractors, if any, from discriminating against any employee or applicant for employment because of race, color, religion, sex or national origin. The grantee and subcontractors, if any, must take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action must include, but not be limited to, the following: employment; upgrading; demotion or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship. The grantee and subcontractors must post in conspicuous places, available to employees and applicants for employment, notices to be provided setting for the provisions of this nondiscrimination clause. For contracts over $10,000, the grantee or subcontractors will send to each applicable labor union a notice of the above requirements, the grantee and subcontractors will comply with relevant rules, regulations and orders of the U.S. Secretary of Labor. The grantee or subcontractors must make their books and records available to state and federal officials for purposes of investigation to ascertain compliance.

G. Executive Order 13166 eliminates, to the extent possible, limited English proficiency as a barrier to full and meaningful participation by beneficiaries in all federally assisted and federally conducted programs and activities.

7.09 Fair Housing

It will affirmatively further fair housing and will comply with:

A. Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.), as amended. The law states that it is the policy of the United States to provide for fair housing throughout the United States and prohibits any person from discriminating in the sale or rental of housing, the financing of housing or the provision of brokerage services, including in any way making unavailable or denying a dwelling to any person, because of race, color, religion, sex, national origin, familial status or disability. HOME grantees must also administer programs and activities relating to housing and community development in a manner that affirmatively promotes fair housing and furthers the purposes of Title VIII.

B. Executive Order 11063, as amended by Executive Order 12259, requires HOME recipients to take all actions necessary and appropriate to prevent discrimination because of race, color, religion, creed, sex or national origin; in the sale, leasing, rental and other disposition of residential property and related facilities (including land to be developed for residential use); or in the use of occupancy thereof if such property and related facilities are, among other things, provided in whole or in part with the aid of loans, advances, grants or contributions from the federal government.

SECTION 8: RESOURCES

- HUD Exchange - HOME Investment Partnership Program
- Electronic Code of Federal Regulations – Title 24, Subtitle A, Part 92

- Suspension of the HOME Commitment and CHDO Reservation Deadline
- Notice of CPD-18-10: Suspension of the 24-month HOME Commitment Requirement
- Notice of CPD-20-01: Four-Year Completion Requirement for HOME-Assisted Projects
- Federal Registrar/Vol. 81, No. 232/December 2, 2016 – Changes to HOME Program Commitment Requirement Interim Final Rule
- FY2013 HOME Final Rule – Amendment of HOME Program Regulations
- Title II of the Cranston-Gonzalez National Affordable Housing Act

SECTION 9: DISCLAIMER OF NDHFA LIABILITY

NDHFA seeks to allocate sufficient HOME assistance to a project to make the project economically feasible. Such decision shall be made solely at the discretion of NDHFA 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 NDHFA shall be personally liable concerning any matters arising out of, or in relation to, the allocation of HOME assistance.

SECTION 10: MODIFICATION TO THE ALLOCATION PLAN

The Executive Director may make minor modifications deemed necessary to facilitate the administration of HOME or to address unforeseen circumstances. Further, the Executive Director is authorized to waive any conditions not mandated by federal statute or regulation on a case-by-case basis for good cause shown. As a matter of practice, NDHFA will document any waivers from the established priorities and selection criteria of this Allocation Plan and will make this documentation available to the public, upon request.

2024 ALLOCATION PLAN

National Housing Trust Fund

DRAFT Pending HUD Approval

NORTH DAKOTA housing FINANCE AGENCY

Planning and Housing Development 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.ndhfa.org | hfainfo@nd.gov

Una traducción al español de este documento está disponible en ndhfa.org

EQUAL HOUSING OPPORTUNITY

DRAFT Pending HUD Approval

The Housing Trust Fund program contained herein is contingent upon HUD's allocation of formula grant amounts to the State of North Dakota as well as HUD's acceptance and approval of this Allocation Plan. Any approvals to and from the program are subject to such acceptance, approval, and allocation by HUD.

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 (NDHFA) is dedicated to maximizing housing opportunities for all North Dakotans and proactively addressing the housing needs of low- and moderate-income households.

The National Housing Trust Fund (HTF) is a permanent federal program, established as part of the Housing and Economic Recovery Act of 2008. 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 percent of the area median income (AMI), including homeless families. The HTF is funded by an assessment on all business booked by Fannie Mae and Freddie Mac. Parties interested in pursuing HTF funding should refer to the Code of Federal Regulations, Title 24, Part 93 (24 CFR Part 93) for further guidance.

NDHFA is responsible for the administration of the HTF for the State of North Dakota, including the development of an Annual Allocation Plan (the Plan) which defines the process by which HTF funds are distributed to qualifying properties throughout the state. The Plan promotes the selection of those properties which serve to address the most crucial needs of the state within the priorities outlined in the North Dakota Consolidated Plan,[1] as well as the relevant strategies identified in North Dakota's 10-Year Plan to End Long Term Homelessness:[2]

North Dakota Consolidated Plan Housing Strategies

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

North Dakota Consolidated Plan Homeless Strategies

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

North Dakota's 10-Year Plan to End Long Term Homelessness: Relevant Strategies

- Develop permanent supportive housing.
- Improve the ability to pay rent.
- Expand supportive services to wrap around housing.

The Plan was developed with input from our partners and stakeholders, solicited during a public comment period, and finalized through a public hearing process.

[1] North Dakota Department of Commerce, Division of Community Services, "2020-2024 North Dakota Consolidated Plan" (2020), available at https://www.communityservices.nd.gov/communitydevelopment/ConsolidatedPlan/

[2] North Dakota Interagency Council on Homelessness, "Housing the Homeless: North Dakota's 10-Year Plan to End Long Term Homelessness" (2018), available at https://www.ndhfa.org/wp-content/uploads/2020/07/HomelessPlan2018.pdf.

SECTION 2: DEFINITIONS

For purposes of the HTF program, the following definitions shall apply.

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.

Extremely Low-Income (ELI): The primary affordability target of the HTF, defined by the United States Department of Housing and Urban Development (HUD) as household income of not more than the greater of 30 percent of area median income (AMI) or the federal poverty line.

Grantee: The state entity that prepares the HTF Allocation Plan, receives the HTF dollars from HUD, and administers the HTF in the state. NDHFA is the HTF grantee for the State of North Dakota.

Grayfield: Previously developed property.

HTF-Assisted Unit: A housing unit which meets the HTF eligibility requirements and benefits from financial assistance from the HTF.

Multifamily: Any building or group of buildings totaling four or more permanent residential rental units operated as a single housing project. Initial leases must be for a term of at least six months.

Period of Affordability: Also, “affordability period.” Units in projects receiving HTF assistance will be required to maintain affordability to extremely low-income households for a period of at least 30 years.

Recipient: An entity which is awarded assistance from the HTF for the development, rehabilitation, or operation of multifamily rental property for the benefit of ELI households.

Rent Restricted: Rent that does not exceed the published Maximum HTF Rent Limit, which is based on an assumed 1.5 persons per bedroom (single person in an efficiency). Rental Assistance is allowed, so long as the tenant pays no more than 30 percent of their adjusted income and such tenant-paid portion does not exceed the published HTF rent limit.

Stabilized Occupancy: For purposes of the HTF, occupancy of at least 90 percent of the units in the property for a period of at least 90 days.

Total Development Cost: The all-in cost of developing the project including acquisition, pre-development costs, hard and soft construction or rehab costs, financing costs, developer fees, and reserve account capitalization.

SECTION 3: GENERAL PROVISIONS

Available HTF Funding
North Dakota is expected to receive the small-state allocation from the National Housing Trust Fund. HUD authorizes NDHFA to expend from the HTF up to a maximum of 10 percent of the state allocation for reasonable costs to administer the HTF program. The maximum amount of administrative costs NDHFA may expend from the HTF will be evaluated as to reasonableness each year during allocation plan development.

Eligible Recipient
The organization or agency that applies to NDHFA for funds to carry out the HTF project must be an eligible recipient. Eligible recipients include units of local, state, and tribal government; local and tribal housing authorities; community action agencies; regional planning councils; nonprofit organizations, and for-profit developers. Individuals are not eligible to receive direct assistance from the HTF.

Eligible recipients must demonstrate their familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs.

Eligible Uses
All applications for assistance through the HTF must contain a detailed description of the eligible activities to be conducted with HTF funds. Federal statute authorizes HTF funds to be used for the production, preservation, and rehabilitation of the ELI portion of a multifamily rental housing project.

The HTF can pay those development costs, identified in 24 CFR Part 93.201, associated with the new construction, rehabilitation, acquisition, or adaptive reuse of a multifamily housing project. Such development costs include acquisition, site improvements and development hard costs, related soft costs, demolition, financing costs, relocation assistance, and rent-up reserve capital (not to exceed 18 months).

Projects involving rehabilitation must perform a minimum of $15,000 in rehabilitation per unit. Please refer to the ND Housing Trust Fund Rehabilitation Standards document on our website at www.ndhfa.org for additional requirements of rehabilitation projects. HTF funds may not be used to refinance existing debt.

Ineligible Projects
Projects under construction are not eligible for consideration. HTF funds cannot be used for development hard costs or acquisition undertaken before the HTF funds are committed to the project in the form of an executed Written Agreement between the borrower and NDHFA.

Ineligible Uses of HTF Funds
HTF funds may not be used for:

- Laundry and community facilities which are not located in the same building as the housing.
- Providing assistance during the affordability period of a project previously assisted with HTF funds. Additional HTF funds may be committed to a project up to one year after project completion, but the total assistance is subject to the maximum per-unit HTF subsidy limit identified in the Recognizable Costs paragraph of this section.
- Payment of delinquent taxes, fees, or charges on properties to be assisted with HTF funds.
- Payment for political activities, advocacy, lobbying, counseling services, travel expenses (other than those eligible under 24 CFR Part 93.202(b)), or preparing or providing advice on tax returns.
- Payment for any cost not eligible under 24 CFR Parts 93.201 and 93.202.

Maximum HTF Award
Generally, net allocations from the HTF for a single eligible project will be limited to the lesser of a) the equity required to secure necessary project financing and make the project feasible; or b) up to 100 percent of the HTF-assisted units' share of actual development cost, subject to the following Recognizable Cost limits. Exceptions to these maximums may be made on a case-by-case basis at the sole discretion of NDHFA, to accomplish overall program goals, such as meeting the priorities outlined in the North Dakota Consolidated Plan.

Recognizable Costs
NDHFA has elected subsidy limits which are aligned with the state's HOME Investment Partnerships Program (HOME) limits.

Recognizable Costs for determining maximum HTF assistance will be calculated for a project by utilizing a HUD-approved Cost Allocation method.

The following are HOME Per-Unit Subsidy Limits, effective as of April 07, 2023. Upon HUD's publication of updated per-unit subsidy limits, NDHFA shall immediately implement the updated limits. Applicants will be subject to HUD's current in-effect limits.

Commented [JF1]: Update date and subsidy limits when published by HUD

Unit Type	***Greater ND***	***Fargo***
Efficiency/Studio	$ 173,011	$194,638
1 Bedroom	$ 198,331	$223,123
2 Bedroom	$ 241,176	$271,323
3 Bedroom	$ 312,005	$351,005
4 Bedroom	$ 342,482	$385,293

Costs exceeding these limits are not prohibited, however they will not be included in the calculation of maximum HTF assistance. The HTF is prohibited from investing in housing which is considered luxury. NDHFA reserves the right to reject an application if it determines that project costs are excessive.

Contractor Profit and Developer Fee
Combined builder profit, builder overhead, and general requirements may not exceed 14 percent of the hard construction costs. Developer fee may not exceed 15 percent of total development cost net of the developer fee, acquisition, and any permanent financing costs. On acquisition/rehabilitation or adaptive reuse projects, the developer fee for the acquisition portion may be a maximum of five percent. The fees of all parties with an Identity of Interest with the Developer in the property will be taken into consideration when calculating the Developer's maximum fees.

When the Developer and the Contractor are the same entity, in addition to the fee limits stated above, the combined sum of Developer Fee, Contractor Profit, Contractor Overhead, and General Requirements may not exceed 20 percent of the total development cost, less the Developer Fee.

Reserves
All properties will be required to maintain a replacement reserve account for the term of the HTF loan. The replacement reserve requirement for new construction properties and substantial rehabilitation properties (i.e. rehab exceeding $30,000 per unit) designed for seniors will be no less than $350 per unit per year, inflated at three percent annually. The requirement for all properties designed for families as well as rehabilitation developments with rehabilitation costs of $30,000 per unit or less will be no less than $400 per unit per year, inflated at three percent annually. This account shall not be used for routine maintenance and upkeep expenses or for operating expenses. Project owners shall be required to provide NDHFA 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. Furthermore, the Limited Partnership Agreement or Operating Agreement must require that the replacement reserves may only be used for the intended purpose of funding capital expenditures or replacement of building and site components and may not be distributed to owners or partners prior to the end of the HTF Loan.

All properties will also be required to establish and maintain, until the property has achieved a minimum of five years of stabilized operations, an operating reserve equal to a minimum of six (6) months of projected operating expenses, must-pay debt service payments, and annually required replacement reserve payments. This requirement can be met with an up-front cash reserve, a personal guarantee from the developer/general partner with a surety bond to stand behind the personal guarantee, or partnership documents specifying satisfactory establishment of an operating reserve.

Each reserve account identified in this section must be accounted for separately from all other project asset accounts and held at a federally insured financial institution or the Bank of North Dakota.

Maximum Tenant Income
All HTF funding must be used for the benefit of extremely low-income households, as verified through the "Part 5" definition of annual income. The Part 5 definition, found at Subpart F of 24 CFR Part 5, is used by a variety of programs, including LIHTC, HOME Investment Partnership, CDBG, and Section 8, as well as the North Dakota Housing Incentive Fund.

Income determination is performed at initial occupancy. Tenant self-certifications are allowed thereafter, however, income source documents must be verified at least once every six years. PBRA recertification rules prevail and will also be employed for all HTF-assisted units when applicable. The next-available-unit rule applies. HTF-assisted units must be floating, and not fixed to specific project units, to facilitate the next-available-unit rule. Tenants cannot be evicted for being over-income upon recertification.

SECTION 4: FEDERAL CROSS-CUTTING REQUIREMENTS

Environmental Review
The environmental effects of each project carried out with HTF funds must be assessed in accordance with the property standards at 24 CFR Part 93.301(f) for historic preservation, archaeological resources, farmland, airport zones, Coastal Barrier Resource System, coastal zone management, floodplains, wetlands, explosives and hazards (including a tanks search as part of the Phase I Environmental Site Assessment), contamination (including radon), noise (utilizing HUD's online Day/Night Noise Level Calculator), endangered species, wild and scenic rivers, safe drinking water, and sole source aquifers. HTF does not follow NEPA. Applicants must read 24 CFR Part 93.301(f), and HUD Notice CPD-16-14, found on the Housing Trust Fund webpage on www.ndhfa.org, for important information regarding HTF Environmental Review requirements.

Section 3
Section 3 of the Housing and Urban Development Act of 1968 requires, in the carrying out of any project assisted under the Act, to the greatest extent feasible, that opportunities for training and employment be given to lower-income persons residing in the Project's Neighborhood Service Area, and contracts for work in connection with the project be awarded to eligible business concerns. The grantee must assure good faith efforts toward compliance with the statutory directive of Section 3. Applicants must read 24 CFR Part 75, as well as NDHFA's Section 3 Guide, for important information regarding Section 3 requirements.

ADA and Section 504
Housing assisted with HTF funds must meet the accessibility requirements of 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973, and Titles II and III of the Americans with Disabilities Act, implemented at 28 CFR Parts 35 and 36, as applicable. "Covered multifamily dwellings," as defined at 24 CFR Part 100.201, must also meet the design and construction requirements at 24 CFR Part 100.205, which implements the Fair Housing Act.

Energy Efficiency
For new construction, HTF-assisted projects over three stories must comply with energy efficiency standards of the current edition of the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standard 90.1.

Uniform Relocation Act
The development of housing with HTF assistance is required to follow the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. The Act applies to persons both temporarily and permanently relocated as a result of the HTF-assisted project. Applicants should see 24 CFR Part 93.352 for additional detail regarding the Uniform Relocation Act and NDHFA URA Policy Guide for requirements.

Lead Based Paint
Housing assisted with HTF funds is subject to the regulations at 24 CFR Part 35, subparts A, B, J, K, and R.

Affirmative Marketing

Each HTF recipient must adopt and follow Affirmative Fair Housing Marketing (AFHM) procedures and requirements for rental projects containing five or more HTF-assisted housing units. AFHM steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status, or disability. If NDHFA's written agreement with the project owner permits the rental housing project to limit tenant eligibility or to have a tenant preference in accordance with 24 CFR Part 93.303(d)(3), the recipient must have affirmative marketing procedures and requirements that apply in the context of the limited/preferred tenant eligibility for the project. NDHFA has published, on its website, an Affirmative Fair Housing Marketing Plan Guidance document which provides detailed and step-by-step direction on how to satisfy AFHM under the HTF program. Applicants should also see 24 CFR Part 93.350 for additional detail regarding the AFHM requirements of the HTF program.

Minimum Rehabilitation and Property Standards

HTF projects must follow property standards outlined in the Minimum Rehabilitation and Property Standards manual which includes all inspectable items and inspectable areas specified by HUD based on the HUD physical inspection procedures, known as the Uniform Physical Condition Standards (UPCS) prescribed by HUD pursuant to 24 CFR Part 5, subpart G. Rehabilitation projects, including adaptive reuse, must address any and all deficiencies identified in Section XV of the Minimum Rehabilitation and Property Standards manual as part of the project's scope of work so that, upon completion, all such deficiencies are cured. For projects which include rehabilitation of occupied housing, any life-threatening health and safety deficiencies, as defined in the Property Standards, must be addressed and corrected immediately. HUD is in the process of replacing UPCS with NSPIRE standards. NDHFA will update policies, procedures and plans accordingly and provide guidance to recipients upon release of further guidance. For more information review HUD NSPIRE Training.

Likewise, all deficiencies identified during annual compliance monitoring site visits of HTF-assisted properties must be cured. NDHFA will monitor property condition standards using the same process and procedures as for the federal Low-Income Housing Tax Credit Program which does not employ a scoring protocol or grade levels of deficiencies; all identified deficiencies must be corrected. Please refer to the Minimum Rehabilitation and Property Standards document for further details regarding inspectable areas, inspectable items, and observable deficiencies requiring correction.

Eminent Domain

No HTF funds may be used in conjunction with property taken by eminent domain, unless eminent domain is employed only for a public use, except that, public use shall not be construed to include economic development that primarily benefits any private entity.

Davis-Bacon

The Davis-Bacon and Related Acts do not apply to the HTF program.

VAWA

All housing receiving HTF funds must comply with the provisions of the Violence Against Women Reauthorization Act of 2013 (VAWA 2013). Additional information about VAWA 2013 can be found in a document in the HTF section of NDHFA's website entitled, "The Violence Against Women Act of 2013," published by the National Housing Law Project. All rental applicants and tenants should be provided with the following documents, templates which can be found on NDHFA's website: "Notice of Tenant Rights Under VAWA"; "Housing Provider's Emergency Transfer Plan Under VAWA"; "Certification of Domestic Violence"; and "Emergency Transfer Request."

FFATA

All recipients of HTF funds are required to comply with the Federal Funding Accountability and Transparency Act of 2006, as amended (FFATA). All applicants for HTF funding, as well as all contractors involved in the project construction, must have a Data Universal Number System (DUNS) number and be registered on the System for Award Management (SAM). Refer to https://fedgov.dnb.com/webform and www.sam.gov to obtain these DUNS and SAM registrations. Furthermore, recipients of HTF awards must report to NDHFA the names and compensation of the five most highly compensated officers in their organization, unless exempt under 2 CFR 170.110(b).

SECTION 5: APPLICATION PROCESS

Applicants must apply using NDHFA forms to receive a conditional commitment of financial assistance from the HTF program. The complete application must be received by 5:00 p.m., Central Time, on the closing date to be eligible for consideration in the funding round. The application rounds will be as follows until all HTF funds have been obligated:

Maximum Amount of HTF Assistance Available Per Application Closing Date

Round 1:	September 30, 2024	Up to $2,700,000
Round 2:	September 30, 2025	Balance of available HTF assistance, if any

Commented [JF2]: Update amount when HUD issues an Obligation Letter

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.

A. For an application in which HTF is the only NDHFA-funded program being applied for in the Application Round, the Application Processing Fee shall be $500.

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

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 NDHFA 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:** NDHFA's currently published Multifamily Application must be fully completed and executed. All applicable Exhibit's to the application must be fully completed and submitted.

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

C. **Zoning Availability:** Evidence of current appropriate zoning for the entire scope of the proposed project. If current zoning does not comply, verification 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 companies and the city official.

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.

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 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:

1. Application including the use of HOME and/or HTF funding shall include a copy of the Applicant's currently Active Registration on Sam.gov.
2. 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.

   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.

   An applicant who has not yet placed a 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.

   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.

F. **Ownership:** The applicant 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 must disclose the intent to sell or transfer the project and, if known, the names and backgrounds of those who will purchase or receive the project. Failure to provide this information may result in forfeiture of any outstanding Conditional Commitment or Financial Award.

Funds are Awarded to the proposed project's Owner. A sale or transfer of a controlling ownership interest of the Owner prior to Project Completion requires an amended application, Agency approval and payment of a nonrefundable transfer fee of $2,500, or 1% of the HTF Award currently awarded to the Owner for the proposed project, whichever is greater. Payment of this fee does not oblige the Agency to approve the transfer.

G. **Financial Projections:** NDHFA'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:** The application package must include a signed certification as to the full extent of any federal, state and/or local subsidy that are expected to apply to the project.

I. **Public Housing Waiting List:** The application package must include a copy of a written communication from the Applicant to the 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 granting waitlisted households' priority in obtaining occupancy within the project.

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.

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; and
2. Structural systems, both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system, and drainage; and
3. Interiors, including unit and common area finishes (i.e. carpeting, tile, plaster walls, paint condition, etc.), unit kitchen finishes, cabinets and appliances, unit bathroom finishes and fixtures, and common area lobbies and corridors; and
4. Mechanical systems, including plumbing and domestic hot water; HVAC, electrical, lighting fixtures, fire protection, and elevators.

Projects proposing the demolition and new construction replacement of existing housing must demonstrate the benefit of such activity over rehabilitation, including an opinion of costs of rehabilitation to assist the Agency in determining the cost savings and/or other benefits.

L. **Appraisal:** Applicant must provide a written acknowledgement confirming the applicant's requirement to provide an appraisal of the subject property associated to the application if any of the following are proposed or, prior to closing, include:

1. Acquisition and/or equity contributions of real estate exceeding 15.00% of the proposed project's Total Development Costs.
2. Any source of Project-Based Rental Subsidy.
    a. Projects proposing the acquisition of land held in a Tribal Trust and are proposing a source of Project-Based Rental Subsidy from HUD's Office of Native American Programs (ONAP) shall be exempt from producing an appraisal prior to equity closing so long as all necessary parties concur with the omission of an appraisal for purposes of any Subsidy Layering Analysis.

If required, the appraisal shall be completed no longer than six (6) months prior to the project's closing date by a state-certified general real property appraiser and must support the total amount of acquisition cost presented within the Total Development Costs.

M. **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.

N. **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.

Scoring Deductions

Applications with a Project location is within the same city as a Project which has scored higher and/or been selected in the current application round to receive HTF Funds prior to its application (Scoring Criteria L) shall receive a scoring deduction.

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).

Scoring Criteria

Each application meeting the threshold requirements will be reviewed and assigned points according to the following selection criteria. Representations made by applicants for which points are given will be binding and will be monitored through the annual compliance review process. Applications must achieve a minimum score of 85 points to be considered for funding. Based on ranking, projects will be selected for a conditional commitment. Once a property is selected, NDHFA will determine the amount of HTF to be awarded, which may not equal the amount requested in the application.

In the event of a tie between two or more projects when insufficient program funds remain to fund each one, the tie breaker will go to the project which best meets the Housing Strategies outlined in the current North Dakota Consolidated Plan in effect at the time of HTF application.

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% of total unit income and rent restricted at or below ELI..50 points
2. 30% of total unit income and rent restricted at or below ELI..40 points
3. 25% of total unit income and rent restricted at or below ELI..30 points
4. 20% of total unit income and rent restricted at or below ELI..20 points

For purposes of applying the ELI rent restriction under this category, an exception for exceeding the ELI rent may be granted for project-based rental assistance where it can be shown that additional rents are necessary to make the project feasible and that the tenant-paid portion of the rent will not exceed 30 percent of their household income nor the published HTF rent limit.

Use of LIHTCs **Up to 20 points**
Projects which have received or are applying for federal Low-Income Housing Tax Credits in a pending application round, will receive points under this category. Projects which applied for but are not awarded LIHTCs in the current pending application round are ineligible for points under this category.

1. Projects with an award of 4 percent LIHTCs ....20 points
2. Projects with an award of 9 percent LIHTCs ....10 points

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

Project-Based Rental Assistance **Up to 5 points**
Project has received binding commitments for federal, state, or local project-based rental assistance for all of the extremely low-income units in the project will receive 5 points.

Redevelopment and Revitalization **Up to 5 points**

1. The project is located on a site considered by NDHFA, in its sole discretion, to be grayfield in nature.

2. The project is in a 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. 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, apply only to a defined geographic area within the community, and specifically call for infill new construction or rehabilitation of affordable housing within the boundaries of the plan. 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 located in an Opportunity Zone, as defined in Code Section 1400Z-1.

Adaptive reuse projects are eligible for points under this category. Rehabilitation of existing habitable and occupied housing is not eligible for points under this category.

Tenant Support Coordinator **Up to 10 points**

Projects which are committed to supporting tenants with special needs affecting their long-term housing stability and which create an environment that encourages and provides service coordination may receive up to 10 points.

1. Tenant Support Coordinator
   Projects which provide, either through direct employment or by contract with an experienced third party, a dedicated Tenant Support Coordinator (TSC) for at least one hour per project unit per month will receive 5 points. The TSC would be required to develop and maintain working relationships with tenants in the project. The TSC's role is to increase the ability of all tenants to maintain stability and uphold lease obligations through the following: facilitating provision of supportive services by connecting tenants with appropriate providers, identifying needs for assistance, and educating tenants on available resources.
2. Tenant Support Coordinator and Medicaid-Approved Service Provider
   Projects which provide the TSC provisions in the preceding paragraph (1) and which also enter into a formal letter of intent with one or more qualified service agencies with demonstrated experience providing housing stability services consistent with the needs of the project's residents will receive 10 points. The service provider(s) must also be able to process for Medicaid reimbursement and provide their Medicaid biller number issued by the State of North Dakota. The letter of intent must be detailed regarding the suite of supports and services to be made available to tenants who need and want them.

Projects receiving points under this category must include tenant support coordination capable of the following, at a minimum:

- Support the person to understand and maintain income and benefits to retain housing.
  - Household budgeting and financial management.
  - Assistance in applying for benefits related to housing affordability.
  - Establishment of payee/guardian services as needed.
  - Assistance with the income recertification process.
  - Wealth and asset building initiatives.
- Support the building of natural housing supports and resources in the community.
  - Encouragement of community activity.
  - Facilitation of meetings with a tenant support team.

- Identify and prevent behaviors that may jeopardize continued housing.
  - Coordination with parole and probation requirements.
  - Collaboration with law enforcement (i.e. the creation of safety plans).
  - Training on lease compliance, household management and best practices of successful tenants.
- Promote health and wellbeing that enables tenants to retain housing.
  - Connecting tenants with health providers.
  - Assistance in securing and increasing employment.
  - Assistance in securing childcare.
  - Identifying educational opportunities in areas such as nutrition, education, and physical wellness.
  - Parenting supports.
  - Life coaching via peer support specialists.
  - Facilitating connections to Home and Community-Based Care services.

A tenant selection plan must be provided as part of the initial application for HTF assistance. The tenant selection plan must describe in detail how individuals and/or families with special needs will be identified, affirmatively marketed to, and assisted in renting units at the project.

Projects which received 10 points under this scoring category F will be required to submit, prior to HTF closing, a formal executed agreement with each provider identified in the letter(s) of intent.

Compliance monitoring activities will include:

- Confirmation of hiring or contracting with a TSC
- Confirmation of the provision of the services pledged at the time of initial application, if applicable.
- Review of marketing efforts targeted at special needs populations.

For purposes of this scoring category, tenants with special needs include individuals or families who:

- Suffer from serious or persistent mental illness.
- Suffer from substance use disorders.
- Have disabilities, including intellectual, physical, or developmental.
- Are experiencing long-term homelessness or are at significant risk of long-term homelessness.
- Are justice involved.
- Are frail elderly, defined as those 62 years of age or older, who are unable to perform one or more "activities of daily living" without help. Activities of daily living comprise walking, eating, bathing, grooming, dressing, transferring, and home management activities. Assisted living, or projects serving a similar purpose, are not eligible under this Plan.

Universal Design **Up to ~~12~~ 17 points**

Applicants seeking Project Standards points are required to provide a written statement from the project's architect, verifying the architect has fully reviewed NDHFA'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 points
   Applicants seeking Unit Standards points are required to provide a written statement from the project's architect, verifying the architect has fully reviewed NDHFA'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 or equal to 10.00% but less than 15.00% of the project's total units......................3 points
3. Greater-than or equal to 15.00% but less than 20.00% of the project's total units......................6 points
4. Greater-than or equal to 20.00% but less than 25.00% of the project's total units......................9 points
5. One point for each Universal Design Unit which is two-bedroom or larger........................Up to 3 points

Design Standards **Up to 10 points**

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

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 the 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 NDHFA in comparison to other projects competing in the application round.

Housing for Families **Up to 10 points**
Twenty percent (20%) or more of the HTF-assisted units identified in the application are three-bedroom or larger will receive 10 points.

Period of Affordability **Up to 1 point**
The minimum period of affordability for projects assisted by the HTF is 30 years. Projects which commit to affordability for a period of 31 years or longer will receive one point.

Geographic Diversity **5-point reduction**
Federal regulation places a priority on the use of HTF funding in a geographically diverse manner. Projects located in the same city as a project which has already been selected in the current HTF application round shall receive a scoring deduction of five points.

SECTION 6: SET-ASIDE

Native American Set-Aside
Ten percent (10%) of the state's HTF funding will be set aside for projects located within North Dakota Indian Reservations or on Tribal land, either held in trust or fee simple. If sufficient qualifying proposals on Indian Reservations or Tribal lands are not received by the close of the first application round, the unused set-aside funding will be included in the general pool of funding, eligible to be awarded to non-Native American proposals in accordance with this Plan. The Native American set-aside will only be available in the first application round, and not in subsequent application rounds, of each Plan year.

To be eligible for approval under this set-aside, applications must meet all requirements contained in this Plan, including all general provisions, federal cross-cutting requirements, threshold requirements, and minimum scoring.

SECTION 7: AWARD PROCESS

Proposals received by the due date will be reviewed, ranked, and communicated within an approximate 60-day timeframe. Successful proposals will be issued a Conditional Commitment of financial assistance from the HTF. During this timeframe, applicants will be required to reach certain benchmarks identified in NDHFA's conditional commitment letter, including completion of an environmental review. An extension of the conditional commitment period may be granted at the sole discretion of NDHFA. Upon satisfactory review of these items, a Financial Award agreement will be issued. Federal regulation requires that all HTF funds must be committed by NDHFA within 24 months and expended within five years of HUD's agreement with NDHFA.

Required monthly progress reports from financial award to HTF loan closing.
To ensure that HTF funding is conditionally committed to projects which are proceeding according to the schedule presented in the application, each applicant receiving an HTF financial award will be required to submit monthly progress reports until closing of the HTF loan. The report must describe the applicant's actual progress to date together with an estimated timeline for future project activity.

Required quarterly progress reports from HTF loan closing to occupancy.
Commencing with closing of the HTF loan, the borrower must submit quarterly progress reports until the project has reached stabilized occupancy. The report must describe actual development progress to date together with a current development budget and estimated timeline for future activity and lease-up. Development costs which increase above the contingency listed in the HTF application must be disclosed in the progress reports along with an explanation as to how the gap is being filled. At NDHFA's discretion, information submitted with draw requests, such as site reports, may serve to satisfy the quarterly reporting requirement.

SECTION 8: ACCESS TO HTF FUNDS

Draws against an HTF financial award can be made for eligible costs incurred upon firm commitment of all other funding sources. A mortgage with recapture provisions, deed restriction, loan agreement, and promissory note (collectively, the Loan Documents) must be executed prior to release of any HTF funds. The deed restriction must be in a senior position to any foreclosable loan(s) on the property. The Loan Documents will detail the loan terms and affordability requirements, as well as any additional requirements particular to the project.

The borrower may request one or more draws of available HTF loan proceeds for payment or reimbursement of eligible costs incurred toward the development of the project. Draws are requested by submitting to NDHFA a completed HTF Draw Request form together with an ACH authorization, documentation supporting the expenses claimed, general contractor's sworn construction statement, architect's inspection or trip report, and either (1) conditional lien waivers for any general contractor or major subcontractor payments in the current draw as well as unconditional lien waivers for any general contractor and major subcontractor payments paid by the previous draw or (2) a date-down endorsement showing lien-free title. All disbursements are made by electronic funds transfer to the borrower's account or designated escrow agent.

Disbursement of up to 95 percent (95%) of the HTF loan proceeds may be made during construction of the project. A hold-back amount of five percent (5%) of the HTF loan proceeds will be retained until Project Completion. Disbursement of the hold-back amount will be made upon satisfaction of all post-closing conditions including but not limited to final sworn total development cost certification, certificate of occupancy, completion certification, final lien waivers, and executed loan or grant commitments for all other permanent funding sources.

SECTION 9: REPAYMENT OR RECAPTURE OF HTF FUNDS

All HTF awards will be structured as loans with a term matching the Applicant's committed-to Period of Affordability. Repayment terms will be based on cash flow and determined on a project-specific basis as necessary to achieve project feasibility. Recapture of HTF funds may occur if final total development costs are such that assistance provided by the HTF exceeds established program limits or exceeded that which was necessary to make the project financially feasible.

Income and rent restriction requirements will remain on the project for the Period of Affordability 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 HTF Period of Affordability.

A recapture of the HTF 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. In the event of recapture of the HTF funds, the deed restriction will remain in place for the remainder of the original term of the HTF loan.

SECTION 10: COMPLIANCE MONITORING

Owners of HTF-assisted properties must remain in compliance with program guidelines throughout the Period of Affordability. NDHFA will monitor all properties for compliance with HTF 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 HOME and HTF Ongoing Compliance Monitoring Manual is available on the NDHFA website at www.ndhfa.org.

On an annual basis during the Period of Affordability, owners of HTF-assisted properties must provide, at a minimum, the following items to NDHFA:

- Certificates of Liability Insurance (ACORD 25) and Hazard Insurance (Acord 27 or 28) verifying coverages and NDFHA's interest as Mortgagee. Mortgagee clause MUST list the loan number and read as follows:

  Loan #
  North Dakota Housing Finance Agency
  Its Successors and/or Assigns
  2624 Vermont Avenue, PO Box 1535
  Bismarck, ND 58502-1535

- An HTF Annual Owner's Certification attesting to the owner's continued compliance with all HTF regulatory requirements contained in 24 CFR Part 93.
- Fully completed Annual Rental Compliance Report together with any Agency-required supporting documentation.
- A Statement of Income and Expenses for owner's operation of the requested Project Fiscal Year
- A Year-over-Year Balance Sheet reflecting Beginning-of-Year and End-of-Year account balances of the requested Project Fiscal Year
- A calculation and certification of the Hard-Debt Service Ratio and listing of all cash flow distributions, in order of distribution, for the requested Project Fiscal Year in a form and substance acceptable to the Agency

NDHFA may charge each HTF-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. NDHFA reserves the right to adjust the annual fee as necessary. Additional fees may be assessed to properties determined to be in substantial noncompliance to cover the expense of additional monitoring. The HTF compliance monitoring fee should be included in the operating budget of applications for HTF assistance.

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

SECTION 11: DISCLAIMER OF NDHFA LIABILITY

NDHFA seeks to allocate sufficient HTF assistance to a project to make the project economically feasible. Such decision shall be made solely at the discretion of NDHFA 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 NDHFA shall be personally liable concerning any matters arising out of, or in relation to, the allocation of HTF assistance.

SECTION 12: MODIFICATION TO THE ALLOCATION PLAN

The Executive Director may make minor modifications deemed necessary to facilitate the administration of the HTF or to address unforeseen circumstances. Further, the Executive Director is authorized to waive any conditions not mandated by federal statute or regulation on a case-by-case basis. As a matter of practice, NDHFA will document any waiver of elements of this Allocation Plan and will make this documentation available to the public, upon request.

NORTH DAKOTA housing FINANCE AGENCY

David A. Flohr Executive Director

INDUSTRIAL COMMISSION
Doug Burgum Governor
Drew H. Wrigley Attorney General
Doug Goehring Agriculture Commissioner

April 30, 2024

TO: Industrial Commission

FR: David Flohr, Executive Director

RE: Report 2024 Allocation Plan Final Draft
Emergency Solutions Grant and ND Homeless Grant

The agency serves as the administrator for the Federal Emergency Solutions Grant (ESG) and the state appropriated ND Homeless Grant (NDHG). Similar to 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 emergency solutions grant 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 individuals experiencing homelessness 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.

Funding Level and Match (page 1)
For FY 2024, an approximate amount of $486,494 in federal funds will be made available. ESG requires 100 percent match on all but $100,000 of the federal allocation or $386,494. NDHFA proposed to use NDHG funding to provide 100 percent of the match requirement rather than relying on the non-profit recipients to provide and track match. This change eliminates administrative tracking.

Selection Criteria (page 10)
Applications will be competitively scored based on the following scoring criteria. Highest scoring applications will be first selected.

1. Demonstrated the need for the funding. (30)

2. Plan for distribution of the funds in an effective, efficient and timely manner. (15)

3. Collaboration efforts with other targeted homeless services and mainstream resources. (20)

4. The applicant's active involvement in CoC, CARES, and HMIS process, including signed partnership agreements and the use of CARES for housing referrals (if applicable to the funding component). (15)

5. The applicant's plan to involve, to the maximum extent practicable, individuals and families experiencing homelessness in constructing, renovating, maintaining, and operating facilities assisted under the grant, and in providing services for occupants of these facilities. (5)

6. The applicant included how the Housing First model is used within the agency. (10)

7. FY23 ESG Recipients with 90 percent of their 2023 awards expended and no outstanding monitoring findings will receive points for a renewal project. (10)

8. Participation in CoC, ESG, and NDHG required training, including, but not limited to, monthly training and annual in-person HMIS Training. (5)

Scoring criteria 7 was added this year.

Comments
During the public hearing, commentors questioned the match allocation and had concerns about reducing the funds available for ND Homeless Grant. Staff reiterated that NDHG is already used as match from most agencies so this change eliminates any tracking from subrecipients. No changes were made to the plan.

ND Homeless Grant

Funding Level (page 2)

For FY 2024, an amount of $1,250,000 in state funding is available. 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 FY2024 ESG allocation from HUD. Match is calculated based on the total ESG allocation minus $100,000. Additionally, a total of $43,200 HIF Homeless funds will be allocated under the NDHG application round.

FY2024 Funding Estimate		
NDHG	$ 1,250,000.00	
ESG Match Liablity	$ (386,494.00)	* Estimated
HIF Homeless	$ 43,200.00	
Total	$ 906,706.00	

Applications will be reviewed and scored based on the selection criteria outlined in the Selection Criteria. The minimum award will be $50,000, a maximum award level has not been established.

Selection Criteria (page 11)

Changes to the selection criteria include adding 30 points for collaborative projects and 5 points for timely expenditure of prior grant funding.

1. Collaborative projects that incorporate street outreach/shelter, rapid rehousing (housing navigation/rental assistance, and case management/supportive services). (30)

To receive points under this category, the application must provide detailed program plan that includes MOUs or written agreements that support the rapid rehousing component requirements.

2. Need for funding. (20)

3. Plan for distribution of the funds in an effective, efficient, and timely manner. (15)

4. The applicant's active involvement in CoC, CARES, and HMIS, including signed partnership agreements and the use of CARES for housing referrals (if applicable to the funding component). (15)

5. 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. (10)

6. The applicant included how the Housing First model is used within the agency. (5)

7. Participation in CoC, NDHG, and ESG required training, including, but not limited to, monthly training and annual in-person HMIS training. (5)

8. Timely expenditure of prior grant funding. (5)

Comments

Written comments were received requesting the agency consider allowing NDHG to provide individuals with funds to purchase furniture and household items to establish their home. HHS transition and diversion services funding utilized ARPA funds to provide up to $1,500 direct benefit to individuals experiencing homelessness to help transition to housing. They found the program effective.

NDHG is currently oversubscribed with the current eligible activities that limits the program's ability to expand to other areas. No additional changes were made to the plan.

Written comments were received requesting consideration to broaden the interrelation of eligible Housing Relocation and Stabilization services to include compensating agencies for conducting initial evaluations of participants regardless of the result of the eligibility determination.

Staff clarified that is currently the interpretation, what is not allowable is continued compensation of case management if the participant is deemed ineligible during the initial evaluation, but agencies can be compensated for time of the initial evaluation.

No additional changes were made to the plan.

Emergency Solutions Grant 2024 Allocation Plan

Draft Pending HUD Approval

Prepared By
Planning and Housing Development Division
2624 Vermont Ave
PO Box 1535
Bismarck, ND 58502-1535

800-292-8621 or 701-328-8080
800-435-8590 (Spanish)
711 (Voice or TTY)
www.ndhfa.org • hfainfo@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)

EQUAL HOUSING OPPORTUNITY

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ATTACHMENTS

PROGRAM OVERVIEW

This document provides a brief overview of the ESG Program and the **process to apply for funds from the FY 2024 ESG** allocation. Applicants should review the ESG Interim Rule found at 24 CFR Parts 91 and 576 for complete program information. To the extent that anything contained in this document does not meet the requirements of the final ESG Program rule, to be published at a later date, such final rule or regulation will take precedence over this document.

2024 FUNDING LEVELS

For FY 2024, an approximate amount of $486,494 in federal funds will be made available. NDHFA will use ND Homeless Grant funding to provide 100 percent of the match requirement to allocate as State ESG Match funding. For FY2024 it is estimated that the match liability will be $386,494. The total required for state match is dependent on the final FY2024 ESG allocation from HUD. Federal funds allocated to street outreach and shelter operation activities is limited to up to 60% of the federal allocation. The State Match ESG funding may be used for any eligible ESG component and will be allocated to recipients as part of the overall ESG award. Requests for funds from the FY 2024 ESG allocation are limited to a minimum of $50,000. Successful applicants may receive less ESG funds than requested based on the Selection Criteria on page 10 and 11.

ELIGIBLE APPLICANTS

Applicants must be federally recognized non-profits or units of local government. Governmental organizations such as public housing agencies and local housing finance agencies are not eligible applicants under the ESG Program. Applicants must be in compliance with the ESG Interim Rule (Final Rule when published), the Written Standards for the CoC and ESG Programs, and applicable state and federal policies and procedures, including compliance with federal and state non-discrimination laws.

By virtue of submitting an application, applicants agree to adopt and consistently apply the Written Standards for the CoC and ESG Programs for the administration of the ESG program; and maintain standard accounting practices including internal controls and fiscal accounting procedures; track agency and program budgets by revenue sources and expenses; and have an available cash flow to effectively operate their program(s) since ESG funding is provided on a reimbursement basis.

Applicants with outstanding monitoring or audit findings issued by the Internal Revenue Service, HUD, or NDHFA are not eligible ESG applicants and will not be eligible to receive an allocation of ESG funding. Applicants are encouraged to contact NDHFA to ensure no unresolved monitoring findings exist or to work to resolve any outstanding items.

Eligible applicants must be able to demonstrate prior experience serving individuals and households at-risk of or experiencing homelessness. Also, applicants must have staff with demonstrated expertise in case management skills.

Applicants will be required to utilize the HMIS and the State-wide Continuum of Care's coordinated entry system. Domestic violence service providers must establish and operate a CoC approved comparable database that collects client level data over time and can generate unduplicated aggregate reports based on the data.

Applicants must be active members of the North Dakota Continuum of Care.

STATUTORY DEFINITIONS

Emergency Solutions Grant statutory definitions can be found at 24 CFR Part 576.2.

PROGRAM COMPONENTS AND ELIGIBLE ACTIVITIES

Emergency Solutions Grants will be utilized to provide services to homeless and those at risk of becoming homeless in the following eligible activities. Applicants should refer to 24 CFR Part 576.100-576.109 for further clarification on the following eligible activities:

- Street Outreach;
- Emergency Shelter;
- Homelessness Prevention;
- Rapid Re-housing Assistance; and
- Homeless Management Information System.

1. **Street Outreach** **(24 CFR Part 576.101)** – Funds may be used for costs of providing essential services to reach out to unsheltered homeless; connect them with emergency shelter, housing, or critical services; and provide urgent non-facility-based care to unsheltered homeless who are unwilling or unable to access emergency shelter, housing or an appropriate health facility. Eligible activities include the following:

    a. Engagement Activities;

    b. Case Management;

    c. Emergency Health Services;

    d. Emergency Mental Health Services;

    e. Transportation; and

    f. Services for Special Populations.

2. **Emergency Shelter Component** **(24 CFR Part 576.102)** – Funds may be used for costs of providing essential services to individuals and households in emergency shelters, renovating buildings to be used as emergency shelters, and operating emergency shelters. Eligible activities include the following:

    a. Essential Services – Essential services provided to individuals and households who are in emergency shelters can include case management, childcare, education services, employment assistance and job training, outpatient health services, legal services, life skills training, mental health services, substance abuse treatment services, transportation, and services for special populations.

    b. Renovation Activities – Eligible costs include labor, materials, tools, and other costs for renovation (including major rehabilitation or conversion of a building into an emergency shelter). The grantee must comply with all sections of the Uniform Relocation Act (URA) contained in 49 CFR Part 24. The emergency shelter must be owned by a government entity or private nonprofit organization.

c. Shelter Operations – Eligible costs are the costs of maintenance (including minor or routine repairs), insurance, utilities, rent, food, furnishing/appliances, and supplies necessary for the operation of the emergency shelter.

3. **Homelessness Prevention Component (24 CFR Part 576.103)**– Funds may be used to provide relocation and stabilization assistance and rental assistance to prevent an individual or household from becoming homeless. Applicants can assist individuals and households who meet the following qualifications under homelessness prevention:

   a. Individuals or households who have an income **below 30%** of Area Median Income (AMI) as determined by HUD, with adjustments for smaller and larger household size. An individual's or family's annual income must be compared to area income limits posted on the ESG webpage found at: www.ndhfa.org

   b. Individuals or households who qualify as a homeless or at-risk of becoming homeless as specified in (24 CFR Part 576.103) and 576.2. See Attachments A and B.

4. **Rapid Re-Housing Assistance Component (24 CFR Part 576.104)** – ESG funds may be used to provide relocation and stabilization assistance and rental assistance to help a homeless individual or household move as quickly as possible into permanent housing and achieve stability in that housing. Rapid Re-Housing Assistance may be provided to individuals or families lacking a fixed, regular, and adequate nighttime residence or any individual or family who is fleeing or attempting to flee domestic violence, assault, or other life-threatening conditions that relate to violence.

   Housing Relocation and Stabilization Services (24 CFR Part 576.104) – Homelessness prevention and rapid re-housing are eligible ESG activities that focus on serving different individuals or families. Homelessness prevention and rapid re-housing provide assistance in accordance with the housing relocation and stabilization services requirements in 24 CFR Part 576.105, the short-term and medium-term rental assistance requirements in 24 CFR Part 576.106 and the written standards and procedures under 24 CFR Part 576.400, which states that ESG funds may be used for payment of the following under both homelessness prevention and rapid re-housing components:

   - Rental application fees.
   - Security deposits equal to no more than 2 month's rent.
   - Last month's rent. If necessary to obtain housing for a program participant, the last month's rent may be paid from ESG funds to the owner of that housing at the time the owner is paid the security deposit and the first month's rent. This assistance must not exceed one month's rent and must be included in calculating the program.
   - Standard utility deposits.
   - Utility payment - ESG funds may pay up to 24 months of utility payments per program participant, per service, including up to 6 months of utility payments in arrears per service. Total utility payment assistance to a program participant cannot exceed 24 months during any 3-year period.
   - Moving costs. Truck rental or hiring a moving company. Assistance may also include payment of temporary storage fees for up to 3 months. Payment of temporary storage fees in arrears is not eligible.
   - Service costs. Housing search and placement, housing stability case management, mediation activities, legal services necessary to resolve housing issues, and credit repair/counseling services.

Short-Term and Medium-Term Rental Assistance (24 CFR Part 576.106)- ESG funds may provide a program participant with up to 24 months of rental assistance during any 3 year period. Applicants may establish their own caps, conditions, and time limits for rental assistance if they do not exceed the following parameters:

- Rental assistance.
  - Short-term – up to 3 months of rental assistance.
  - Medium-term – MORE than 3 months but not more than 24 months.
  - Tenant-based or project-based.
- Rental Arrear Payments. Payment of rental arrears consists of a one-time payment for up to six months of rent in arrears, including any late fees on those arrears.
- Rental assistance cannot be provided to a program participant who is receiving tenant-based or project-based rental assistance through other public sources or receiving replacement housing payments under the Uniform Relocation Act (URA).
- Rental assistance cannot be provided for a unit unless the rent for that unit **does not** exceed the Fair Market Rent established by HUD, as provided under 24 CFR Part 888; and complies with HUD's standard of rent reasonableness, as established under 24 CFR 982.507.
- Applicant must enter into a Rental Assistance Agreement with the landlord for each unit receiving ESG rental assistance. Such agreement must meet the requirements of 24 CFR 576.106(e)
- Each program participant receiving ESG rental assistance must have a legally binding written lease for the rental unit.
- Use with other subsidies. Except for a one-time payment of rental arrears on the tenant's portion of the rental payment, rental assistance cannot be provided to a program participant who is receiving tenant-based rental assistance or living in a housing unit receiving project-based rental assistance or operating assistance, through other public sources. Rental assistance may not be provided to a program participant who has been provided with replacement housing payments under the URA during the period covered by the URA payments.

Evaluation and documentation of client eligibility for assistance is required to be re-assessed at least every three months for program participants receiving homelessness prevention assistance, and not less than once annually for program participants receiving rapid re-housing assistance to ensure that they continue to meet the eligibility criteria, review program and appropriateness standards, and to re-evaluate the need for continued ESG assistance.

5. **Homelessness Management Information System (HMIS) Component 24 CFR 576.107**– ESG funds may be used to pay the costs of participating in HMIS. Costs include hardware; software licenses or equipment; obtaining technical support; staff time for completing data entry and analysis; monitoring and reviewing data quality; HUD approved training; reporting; and coordinating and integrating the system. If applicant is a domestic violence service provider, it may use ESG funds to establish and operate a CoC approved comparable database that collects client level data over time and generates unduplicated aggregate reports based on the data.

6. **Ineligible Activities** – mortgages; early termination fee; damages incurred by the program

participant; costs that have been turned over to a collection agency; and payments that occurred outside of the grant year, except for arrears.

MATCHING FUNDS

ESG requires that States must match all but $100,000 of their awards. NDHFA is proposing for FY2024 that 100 percent of the match requirement will be met using an allocation from the ND Homeless Grant Appropriation. Funds used for the match requirement will be added to the total available ESG funds and awarded to recipients who must use the funds for their ESG program. NDHFA will track which entities receive State ESG Match as part of their ESG financial award and will track how match was expended.

PROGRAM REQUIREMENTS

1. Applicants must coordinate and integrate, to the maximum extent practicable, ESG funded activities with other programs targeted to homeless people. Services must be coordinated to provide a strategic, community-wide system to prevent and end homelessness for the area. Examples of targeted homeless services are: CoC programs; PATH programs; HUD-VASH; Programs for Runaway and Homeless Youth, Emergency Food and Shelter Programs and Healthcare for the Homeless, etc.

2. System and Program Coordination with Mainstream Resources. The applicant must coordinate and integrate, to the maximum extent practicable, ESG funded activities with mainstream housing, health, social services, employment, education, and youth programs for which individuals and households at risk of homelessness and individuals and households experiencing homelessness may be eligible.

3. Coordinated Entry System (CES). ESG applicants are required to utilize the HMIS and Coordinated Access, Referral, Entry and Stabilization System (CARES) the regional coordinated entry system serving North Dakota and West Central Minnesota. ESG-funded program(s) or project(s) within the Continuum of Care's area must use the CARES. The recipient and subrecipient must work with the Continuum of Care to ensure the screening, assessment and referral of program participants are consistent with the written standards required by paragraph (e) of this section. A victim service provider must participate in CARES and use a CoC approved alternative database.
4. Written Standards and Procedures – Applicants shall adopt and consistently apply NDHFA's written standards for providing ESG. See NDHFA Website.

5. Participation in HMIS. Applicants are required to collect and enter data into HMIS for all individuals and households served with ESG funds. Domestic violence service providers are exempt from participating in the HMIS system but must use a CoC approved alternative database that collects client level data overtime and can generate unduplicated aggregate reports on the data.

6. Homeless participation –

    a. Unless the recipient is a State, the recipient must provide for the participation of not less than one individual previously or currently experiencing homelessness on the board of directors or other equivalent policy-making entity of the recipient, to the extent that the entity considers and makes policies and decisions regarding any facilities, services, or other assistance that receives funding under ESG.

    b. If the recipient is unable to meet requirement under paragraph (a), it must instead develop and implement a plan to consult with not less than one individual previously or currently experiencing homelessness in considering and making policies and decisions regarding any facilities, services, or other assistance that receive funding under ESG. The plan must be included in the annual action plan required under [24 CFR 91.220.](24 CFR 91.220.)

c. To the maximum extent practicable, the recipient or subrecipient must involve individuals and families experiencing homelessness in constructing, renovating, maintaining, and operating facilities assisted under ESG, in providing services assisted under ESG, and in providing services for occupants of facilities assisted under ESG. This involvement may include employment or volunteer services.

7. Faith-based activities

a. Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to receive ESG funds. Neither the Federal Government nor a State or local government receiving funds under ESG shall discriminate against an organization on the basis of the organization's religious character or affiliation.

b. Organizations that are directly funded under the ESG program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization as part of the programs or services funded under ESG. If an organization conducts these activities, the activities must be offered separately, in time or location, from the programs or services funded under ESG, and participation must be voluntary for program participants.

c. Any religious organization that receives ESG funds retains its independence from Federal, State, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that the religious organization does not use direct ESG funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities to provide ESG-funded services, without removing religious art, icons, scriptures, or other religious symbols. In addition, an ESG-funded religious organization retains its authority over its internal governance, and the organization may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

d. An organization that receives ESG funds shall not, in providing ESG assistance, discriminate against a program participant or prospective program participant on the basis of religion or religious belief.

e. ESG funds may not be used for the rehabilitation of structures to the extent that those structures are used for inherently religious activities. ESG funds may be used for the rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under the ESG program. Where a structure is used for both eligible and inherently religious activities, ESG funds may not exceed the cost of those portions of the rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to ESG funds. Sanctuaries, chapels, or other rooms that an ESG-funded religious congregation uses as its principal place of worship, however, are ineligible for funded improvements under the program. Disposition of real property after the term of the grant, or any change in use of the property during the term of the grant, is subject to government-wide regulations governing real property disposition (see 24 CFR parts 84 and 85).

f. If the recipient or a subrecipient that is a local government voluntarily contributes its own funds to supplement federally funded activities, the recipient or subrecipient has the option to segregate the Federal funds or commingle them. However, if the funds are commingled, this section applies to all of the commingled funds.

8. Evaluation of Program Participants. Applicants must conduct an initial evaluation to determine eligibility of each individual or household's eligibility for ESG assistance and the type of assistance necessary to regain stability in permanent housing. These evaluations must be conducted in accordance with the coordinated entry system and NDHFA's written standards.

9. Case Management. Each program participant receiving **homelessness prevention or rapid re-housing assistance** must be required to meet regularly, not less than once per month, with a case manager (except where prohibited by Victims Against Women Act (VAWA) and the Family Violence Prevention and Services Act (FVPSA) and develop an individualized plan to assist the program participant to retain permanent housing after the ESG assistance ends, taking into account all relevant considerations, such as the program participant's current or expected income and expenses; other public or private assistance for which the program participant will be eligible and likely to receive; and the relative affordability of available housing in the area. Consistent with 24 CFR Part 576.401 (e), housing stability case management can last no more than 30 days while the program participant seeks permanent housing and no more than 24 months once in permanent housing.

10. Rent Reasonableness. Applicants must ensure that ESG funds used for rental assistance do not exceed the actual rental cost, which must be in compliance with HUD's standard of "rent reasonableness" and not to exceed the Fair Market Rent. Rent reasonableness means that the total rent charge, including utilities, for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units.

11. Program Accessibility. Applicants must operate each existing program or activity receiving federal financial assistance so that the program or activity, when viewing in its entirety is readily accessible for persons with disabilities.

12. Housing Standards for Emergency Shelters. Any building for which ESG funds are used for conversion, rehabilitation or renovation, must meet state or local government safety and sanitation standards as applicable. Shelters must be also accessible in accordance with Section 504 of the Rehabilitation Act and implementing regulations at 24 CFR Part 8; Fair Housing Act and implementing regulations at 24 CFR Part 100 and Title II of the Americans with Disabilities Act and 28 CFR Part 35; where applicable.

13. Housing Standards for Permanent Housing. Applicants cannot use ESG funds to help a program participant remain or move into housing that does not meet the minimum habitability standards. Applicants must certify that the unit has passed habitability standards BEFORE any ESG funds may be released. (Habitability Standards Inspection Form).
In addition, both emergency shelters and permanent housing must meet additional housing standards per 24 CFR Part 576.403, which includes the following:

- Building must be structurally sound.
- Except where a shelter is intended for day use only, the program participant must be provided with an acceptable place to sleep and adequate space and security for themselves and their belongings.
- Each room or space must have a natural or mechanical means of ventilation.

- Water supply must be free of contamination.
- Individuals and households must have access to sanitary facilities that are in proper operating condition.
- Must have necessary heating/cooling facilities in proper operating condition.
- Must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety and sufficient electrical sources to permit the safe use of electrical appliances.
- Food preparation areas must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner and be inspected by the local public health department.
- Housing must be maintained in a sanitary condition.
- Working smoke detectors must be located near sleeping areas, located on each occupied level of the unit, and there must be a second means of exiting the building in the event of fire or other emergency. Shelters must have a fire alarm system designed for hearing impaired residents.

14. Lead-Based Paint Requirements. Lead-Based Paint Poisoning Prevention Act applies to all shelters assisted under ESG program and all housing occupied by program participants. All applicants are required to conduct a Lead-Based Paint inspection on all units receiving assistance under the rapid re-housing AND homelessness prevention components if the unit is built before 1978 and a child under the age of six or a pregnant woman resides in the unit.

15. Confidentiality. All applicants must develop and implement procedures to ensure the confidentiality of records pertaining to any individual or household provided with ESG assistance.

16. Termination of Housing Assistance (576.402). Applicants may terminate assistance to a program participant who violates program requirements. Applicants may also resume assistance to a program participant whose assistance was previously terminated. In terminating assistance to a program participant, applicants must provide a formal process that recognizes the rights of individuals receiving assistance to due process of law. This process, at a minimum, must:
    a. Recognize individual rights;
    b. Allow termination in only the most severe case;
    c. Provide a written notice to the program participant, with clear statement of reasons for termination;
    d. Provide a review of the decision, in which the program participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and
    e. Provide a prompt written notice of the final decision to the program participant.

17. Recordkeeping. All applicants must keep any records and make any reports (including those pertaining to race, ethnicity, gender, and disability status data) that HUD may require within the timeframe specified.

18. Sanctions. If NDHFA determines that an applicant is not complying with the requirements of the ESG Plan or other applicable federal or state laws, NDHFA will take appropriate actions, which may include:

    a. Issue a warning letter that further failure to comply with such requirements will result in a more serious sanction;

    b. Direct the applicant to cease incurring costs with grant funds;

    Require that some or all of the grant amounts be repaid to NDHFA;

    c. Reduce (de-obligate) the level of funds the applicant would otherwise be entitled to receive; or

    e. Elect to make the applicant ineligible for future NDHFA funding.

    Any ESG funds that become available to NDHFA as a result of a sanction or voluntary return by the applicant, will be made available (as soon as practicable) to other eligible applicants for use within the ESG Program.

19. Conflicts of Interest. The availability of any type or amount of ESG assistance may not be conditioned on an individual's or household's acceptance or occupancy of emergency shelter or housing owned by the applicant, or a parent or subsidiary of the applicant. No applicant may, with respect to individuals or households occupying housing owned by the applicant, or any parent or subsidiary of the applicant, carry out the initial evaluation required under 24 CFR Part 576.401 or administer homelessness prevention assistance under 24 CFR Part 576.103.

    For procurement of goods and services, the applicant must comply with the codes of conduct and conflict of interest requirements under 24 CFR Part 95.36 (for governments) and 24 CFR Part 84.42 (for private nonprofit organizations).

20. Monitoring. NDHFA is responsible for monitoring all ESG activities to ensure program requirements established by HUD and NDHFA are met. Monitoring will consist of site visits to applicant's place of business, review of all reimbursement requests, and review of HMIS information. NDHFA will conduct site visits at least once every two years. NDHFA will also provide support and technical assistance, as needed.
    Additional monitoring of applicants may be conducted by HUD's office of Community Planning and Development; HUD's Office of Special Needs Assistance Program, or any other applicable federal agency. These agencies will be monitoring the ESG program nationwide to determine compliance with federal program requirements.

SELECTION CRITERIA

Applications which show a concerted effort to coordinate services with other agencies and other funding sources to best serve the individuals and households will be given priority.
Total points allotted equal up to 110 points.

Eligible applicants must be able to demonstrate prior experience serving individuals and households at-risk of or experiencing homelessness. Also, applicants must have staff with demonstrated expertise in case management skills.

Due to the demand for the funds ESG will be awarded based upon the following:

1. Demonstrated the need for the funding. (30)

2. Plan for distribution of the funds in an effective, efficient and timely manner. (15)

3. Collaboration efforts with other targeted homeless services and mainstream resources. (20)

4. The applicant's active involvement in CoC, CARES, and HMIS process, including signed partnership agreements and the use of CARES for housing referrals (if applicable to the funding component). (15)

5. The applicant's plan to involve, to the maximum extent practicable, individuals and families experiencing homelessness in constructing, renovating, maintaining, and operating facilities assisted under the grant, and in providing services for occupants of these facilities. (5)

6. The applicant included how the Housing First model is used within the agency. (10)

7. FY23 ESG Recipients with 90 percent of their 2023 awards expended and no outstanding monitoring findings will receive points for a renewal project. (10)

8. Participation in CoC, ESG, and NDHG required training, including, but not limited to, monthly training and annual in-person HMIS Training. (5)

When making final selections, the NDHFA review committee may make a grant award for less than the amount applied for or for fewer than all of the activities identified in the application, based on the demand for grant amounts, the extent to which the respective activities address the needs of the individuals and households, and the reasonableness of the costs proposed. The NDHFA review committee reserves the right to award ESG funds to any applicant or deny ESG funds to any applicant if it determines, in its sole discretion, the project is unacceptable based on, but not limited to the following:

1. Information regarding the fact that a particular market is saturated with emergency units and/or services,

2. The applicant has not demonstrated capacity to administer the ESG Program, or

3. The applicant's (including any related party's) insufficient prior administration of NDHFA programs, including ESG, which may have resulted in monitoring findings.

GRANT ADMINISTRATION

Upon project selection, an award letter and financial agreement will be forwarded to each applicant detailing a description of the activities funded, and award conditions. Execution of the financial agreement is to be completed by a representative of the applicant and the NDHFA.

Grant funds will be considered obligated once the grant agreement has been signed by the applicant. A grant agreement will be sent under separate cover detailing the applicant's requirements and responsibilities, including those required for the environmental review. The applicant will be required to sign and return the grant agreement to NDHFA.

The grant agreement will indicate the activities and the corresponding approved funding amounts by category. An approved Request for Amendment is needed from NDHFA to vary from the funding amounts and categories as specified in the executed grant agreement.

Grant agreements will be for a term not to exceed 12 months. Applicants must expend NDHFA funds for eligible activities within the grant period.

METHOD OF PAYMENT

Payment of ESG funds will be completed as a reimbursement, in a chronological order of request for funds number. Requests for payment must be received by NDHFA at least quarterly, following the ESG Drawdown Schedule below or more frequently as needed. Requests must be submitted in a format approved by NDHFA and must include a detailed breakdown of expenses incurred and ESG funds requested. Copies of all expenses and documentation of payment must be submitted for verification purposes. It is preferred that requests for funds are over $1,000. Lack of documentation or explanation may result in a delay in payment.

If your agency has not met the spending deadlines, NDHFA has the authority to deobligate unused funds. On a case-by-case basis, a request for a waiver must be made to the Director of NDHFA to prevent deobligation of funds.

ESG Drawdown Schedule		
Quarter	**Dates**	**Percentage Drawn**
1	July 1 - September 30	Awards Announced
2	October 1 - December 31	50%
3	January 1 - March 31	75%
4	April 1 - June 30	100%

ATTACHMENT A

At Risk of Homelessness

CRITERIA FOR DEFINING AT RISK OF HOMELESSNESS	**Category 1**	Individuals and Families	An individual or family who: (i) Has an annual income below <u>30%</u> of median family income for the area; <u>AND</u> (ii) Does not have sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or another place defined in Category 1 of the "homeless" definition; <u>AND</u> (iii) Meets one of the following conditions: (A) Has moved because of economic reasons 2 or more times during the 60 days immediately preceding the application for assistance; <u>OR</u> (B)Is living in the home of another because of economic hardship; <u>OR</u> (C) Has been notified that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance; <u>OR</u> (D) Lives in a hotel or motel and the cost is not paid for by charitable organizations or by Federal, State, or local government programs for low-income individuals; <u>OR</u> (E) Lives in an SRO or efficiency apartment unit in which there reside more than 2 persons or lives in a larger housing unit in which there reside more than one and a half persons per room; <u>OR</u> (F) Is exiting a publicly funded institution or system of care; <u>OR</u> (G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved Con Plan
	Category 2	Unaccompanied Children and Youth	A child or youth who does not qualify as homeless under the homeless definition, but qualifies as homeless under another Federal statute
	Category 3	Families with Children and Youth	An unaccompanied youth who does not qualify as homeless under the homeless definition, but qualifies as homeless under section 725(2) of the McKinney-Vento Homeless Assistance Act, and the parent(s) or guardian(s) or that child or youth if living with him or her.

ATTACHMENT B

Homeless Definition

CRITERIA FOR DEFINING HOMELESS	**Category 1**	Literally Homeless	(1) Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning: (i) Has a primary nighttime residence that is a public or private place not meant for human habitation; (ii) Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government programs); or (iii) Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution
	Category 2	Imminent Risk of Homelessness	(2) Individual or family who will imminently lose their primary nighttime residence, provided that: (i) Residence will be lost within 14 days of the date of application for homeless assistance; (ii) No subsequent residence has been identified; and (iii) The individual or family lacks the resources or support networks needed to obtain other permanent housing
	Category 3	Homeless under other Federal statutes	(3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who: (i) Are defined as homeless under the other listed federal statutes; (ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing during the 60 days prior to the homeless assistance application; (iii) Have experienced persistent instability as measured by two moves or more during in the preceding 60 days; and (iv) Can be expected to continue in such status for an extended period of time due to special needs or barriers
	Category 4	Fleeing/ Attempting to Flee DV	(4) Any individual or family who: (i) Is fleeing, or is attempting to flee, domestic violence; (ii) Has no other residence; and (iii) Lacks the resources or support networks to obtain other permanent housing

2024

North Dakota Homeless Grant Allocation Plan

Prepared By
Planning and Housing Development Division
2624 Vermont Ave
PO Box 1535
Bismarck, ND 58502-1535

800-292-8621 or 701-328-8080
800-435-8590 (Spanish)
711 (Voice or TTY)
www.ndhfa.org • hfainfo@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)

EQUAL HOUSING OPPORTUNITY

TABLE OF CONTENTS

ATTACHMENTS

PROGRAM OVERVIEW

This document provides a brief overview of the North Dakota Homeless Grant (NDHG) Program and the **process to apply for funds from the FY 2024 NDHG** allocation. NDHG will follow all Emergency Solutions Grant (ESG) program information along with the following additional activities.

1. **Transportation** – This activity will be included in the Shelter Operations, Homeless Prevention, and Rapid Rehousing components. The transportation costs will cover travel costs for program participants to another state. This will be a one-time payment per program participant. In order to pay for transportation costs to relocate people to a destination outside the state, the program participant must agree to:

    a. Provide written documentation that they have housing in place at their destination.
    b. Sign NDHG Transportation Activity (SFN 60465) agreeing that this is a one-time assistance and acknowledge that they will not be eligible for the same assistance in the future.
    c. Agree to allow the State to keep track of this assistance and to share this information with other homeless service providers in the state.

2. **Rental Assistance** – This activity will be included in the Homeless Prevention and Rapid Re-Housing components. This funding can be used to pay above the Fair Market Rent (FMR) established by the U.S. Department of Housing and Urban Development (HUD), only if all other resources for finding rental assistance at the FMR have been exhausted. Program participants should be encouraged to pay a portion of their rent if possible. Subrecipients **must** complete and file a Rent Reasonableness Checklist and Certification (SFN 59386) for **rental assistance above FMR.**

NOTE: Separate leases must be completed for each tenant if two or more are living together in an apartment and if one or more tenants are eligible for NDHG funding and the other tenants are not eligible for NDHG funding.

3. **Income Limits** – Assistance may be provided to individuals and families who meet the criteria for at risk of homelessness and homeless definition according to the ESG rules and have an annual income below 50% of median family income for the area. This income limit is higher than ESG Rules.

4. **Award Limit** – The minimum award available is $50,000 per subrecipient per year.

Applicants should review the ESG Interim Rule found at 24 CFR Parts 91 and 576 for complete program information. To the extent that anything contained in this document does not meet the requirements of the final ESG Program rule, to be published at a later date, such final rule or regulation will take precedence over this document.

2024 FUNDING LEVELS

For FY 2024, an amount of $1,250,000 in state funding will be available. 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 FY2024 ESG allocation from HUD. Match is calculated based on the total ESG allocation minus $100,000. Additionally, a total of $43,200 HIF Homeless funds will be allocated under the NDHG application round.

FY2024 Funding Estimate			
NDHG	$	1,250,000.00	
ESG Match Liablity	$	(386,494.00)	* Estimated
HIF Homeless	$	43,200.00	
Total	$	906,706.00	

Applications will be reviewed and scored based on the selection criteria outlined in the Selection Criteria. The minimum award will be $50,000, a maximum award level has not been established.

ELIGIBLE APPLICANTS

Applicants must be federally recognized non-profits or units of local government. Governmental organizations such as public housing agencies and local housing finance agencies are not eligible applicants under the NDHG Program. Applicants must be in compliance with the ESG Interim Rule (Final Rule when published), the State's Continuum of Care (CoC) and ESG written standards, and applicable state and federal policies and procedures, including compliance with federal and state non-discrimination laws.

By virtue of submitting an application, applicants agree to: develop program-specific written standards based on the State's ESG and CoC written standards for the administration of the NDHG program; maintain standard accounting practices including internal controls and fiscal accounting procedures; track agency and program budgets by revenue sources and expenses; and have an available cash flow to effectively operate their programs since NDHG funding is provided on a reimbursement basis.

Applicants with outstanding monitoring or audit findings issued by the Internal Revenue Service, HUD, North Dakota Housing Finance Agency (NDHFA), Department of Commerce Division of Community Services, or under CoC funding are not eligible to apply.

Eligible applicants must be able to demonstrate prior experience serving individuals and households at risk of or experiencing homelessness. Also, applicants must have staff with demonstrated expertise in case management skills.

Applicants will be required to utilize the Homeless Management Information System (HMIS) and the Statewide CoC's coordinated entry system. Domestic violence service providers must establish and operate a CoC-approved comparable database that collects client-level data over time and can generate unduplicated aggregate reports based on the data.

Applicants are required to be active members of the North Dakota CoC.

STATUTORY DEFINITIONS

North Dakota Homeless Grant will follow all Emergency Solutions Grant statutory definitions unless specifically identified in this plan. Emergency Solutions Grant statutory definitions can be found at 24 CFR Part 576.2 and 24 CFR Part 91.5.

ACTIVITIES

North Dakota Homeless Grant will be utilized to provide services to individuals and families experiencing homelessness and those at risk of becoming homeless in the following eligible activities. It is important for applicants to remember that NDHG funds are to be used for direct assistance, **only when there is no other assistance available for the individual or household**. Applicants should refer to 24 CFR Part 576.100-576.109 of the ESG Interim Rule for further clarification on the following eligible activities:

- Street Outreach;
- Emergency Shelter;
- Homelessness Prevention;
- Rapid Re-housing Assistance; and
- Homeless Management Information System.

1. **Street Outreach (24 CFR Part 576.101).** Funds may be used for costs of providing essential services to reach out to unsheltered individuals and families; connect them with emergency shelter, housing, or critical services; and provide urgent non-facility-based care to unsheltered individuals and families who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility. Eligible activities include the following:

    a. Engagement Activities;

    b. Case Management;

    c. Emergency Health Services;

    d. Emergency Mental Health Services; and

    e. Transportation.

2. **Emergency Shelter Component (24 CFR Part 576.102).** Funds may be used for costs of providing essential services to individuals and households in emergency shelters, renovating buildings to be used as emergency shelters, and operating emergency shelters. Eligible activities include the following:

    a. **Essential Services**. Essential services provided to individuals and households who are in emergency shelters can include case management, childcare, education services, employment assistance and job training, outpatient health services, legal services, life skills training, mental health services, substance abuse treatment services, transportation, and services for special populations.

b. **Renovation Activities**. Eligible costs include labor, materials, tools, and other costs for renovation (including major rehabilitation or conversion of a building into an emergency shelter). The emergency shelter must be owned by a government entity or private nonprofit organization. Note – this is a low funding priority for NDHFA.

c. **Shelter Operations**. Eligible costs are the costs of maintenance (including minor or routine repairs), insurance, utilities, rent, food, furnishing/appliances, and supplies necessary for the operation of the emergency shelter.

3. **Homelessness Prevention Component (24 CFR Part 576.103)**. Funds may be used to provide relocation and stabilization assistance and rental assistance to prevent an individual or household from becoming homeless. Applicants can assist individuals and households who meet the following qualifications under homelessness prevention:

   a. Individuals or households who have an income **below 50%** of Area Median Income (AMI) (Very Low Income) as determined by HUD, with adjustments for smaller and larger household size. An individual or family's annual income must be compared to area income limits by county published by HUD: https://www.huduser.gov/portal/datasets/il.html#2022

   b. Individuals or households who qualify as homeless or at-risk of becoming homeless as specified in (24 CFR Part 576.103) and 576.2. See Attachments A and B.

4. **Rapid Re-Housing Assistance Component (24 CFR Part 576.104)**. NDHG funds may be used to provide relocation and stabilization assistance and rental assistance to help an individual or family experiencing homelessness move as quickly as possible into permanent housing and achieve stability in that housing. Rapid Re-Housing Assistance may be provided to individuals and households lacking a fixed, regular, and adequate nighttime residence or any individual or family who is fleeing or attempting to flee domestic violence, assault or other life-threatening conditions that relate to violence. **This component may also be used for individuals who meet the definition of at risk of homelessness.**

   a. **Housing Relocation and Stabilization Services (24 CFR Part 576.104).** Homelessness prevention and rapid re-housing are eligible NDHG activities that focus on serving different individuals or households. Homelessness prevention and rapid re-housing provide assistance in accordance with the housing relocation and stabilization services requirements in 24 CFR Part 576.105, the short-term (up to 3 months) and medium-term (4-24 months) rental assistance requirements in 24 CFR Part 576.106 and the written standards and procedures under 24 CFR Part 576.400. **NDHG funds may be used for payment of the following under both homelessness prevention and rapid re-housing components**:

      - Rental application fees.

      - Security deposits equal to no more than 2 month's rent.

- Last month's rent. If necessary to obtain housing for a program participant, the last month's rent may be paid from NDHG funds to the owner of that housing at the time the owner is paid the security deposit and the first month's rent. This assistance must not exceed one month's rent and must be included in calculating the program.

- Standard utility deposits.

- Utility payment. NDHG funds may pay up to 24 months of utility payments per program participant, per service, including up to 6 months of utility payments in arrears per service. Total utility payment assistance to a program participant cannot exceed 24 months during any 3-year period.

- Moving costs. Truck rental or hiring a moving company. Assistance may also include payment of temporary storage fees for up to 3 months. Payment of temporary storage fees in arrears is not eligible.

- Service costs. Housing search and placement, housing stability case management, mediation activities, legal services necessary to resolve housing issues, and credit repair/counseling services.

- If a program participant receiving short- or medium-term rental assistance under § 576.106 meets the conditions for an emergency transfer under 24 CFR 5.2005(e), ESG funds may be used to pay amounts owed for breaking a lease to effect an emergency transfer. These costs are not subject to the 24-month limit on rental assistance under § 576.106.

b. **Rental Assistance** (**24 CFR Part 576.106**) - NDHG funds may provide a program participant with short-term (up to 3 months) or medium-term (4-24 months) of rental assistance. Applicants should base the time of rental assistance provided to households based on the household's needs, as long as they do not exceed the following parameters:

- Short-term (up to 3 months) or medium-term (4-24 months) of rental assistance in either a scattered site or site-based unit.

- Rental Arrear Payments. Payment of rental arrears consists of a one-time payment for up to six months of rent in arrears, including any late fees on those arrears.

- Rental assistance cannot be provided to a program participant who is receiving tenant-based or project-based rental assistance through other public sources or receiving replacement housing payments under the Uniform Relocation Act (URA).

- Rental assistance will be included in the Homeless Prevention and Rapid Re-Housing components. This funding can be used to pay above the FMR established by HUD, only if all other resources for finding rental assistance at the FMR have been exhausted. Program participants should be encouraged to pay a portion of their rent if possible or develop a step-down approach to rental assistance with their case manager.

Subrecipients **must** complete and file a Rent Reasonableness Checklist and Certification (SFN59386) for rental assistance above FMR.

- Applicant must enter into a Rental Assistance Agreement with the landlord for each unit receiving NDHG rental assistance. Such agreement must meet the requirements of [24 CFR 576.106(e)].

- Each program participant receiving NDHG rental assistance must have a legally binding written lease for the rental unit.

- Separate leases must be completed for each tenant if two or more are living together in an apartment and if one or more tenants are eligible for NDHG funding and the other tenants are not eligible for NDHG funding.

- Use with other subsidies. Except for a one-time payment of rental arrears on the tenant's portion of the rental payment, rental assistance cannot be provided to a program participant who is receiving tenant-based rental assistance or living in a housing unit receiving project-based rental assistance or operating assistance, through other public sources. Rental assistance may not be provided to a program participant who has been provided with replacement housing payments under the URA during the period of time covered by the URA payments.

Evaluation and documentation of client eligibility for assistance is required to be re- assessed at least every three months for program participants receiving homelessness prevention assistance, and not less than once annually for program participants receiving rapid re-housing assistance to ensure that they continue to meet the eligibility criteria, review program and appropriateness standards, and to re-evaluate the need for continued NDHG assistance.

5. **HMIS Component** – NDHG funds may be set-aside to be used to administer HMIS. The current HMIS Lead Agency for North Dakota is Institute for Community Alliances.

Ineligible Activities – mortgages; early termination fee (unless an emergency transfer is required); damages incurred by the program participant; costs that have been turned over to a collection agency; and payments that occurred outside of the grant year, except for arrears.

NDHG PROGRAM REQUIREMENTS

1. Applicants must coordinate and integrate, to the maximum extent practicable, NDHG funded activities with other programs targeted to people experiencing homelessness. Services must be coordinated to provide a strategic, community-wide system to prevent and end homelessness for the area. Examples of targeted homeless services are: CoC programs; PATH programs; HUD-VASH; Programs for Runaway and Homeless Youth, Emergency Food and Shelter Programs, Healthcare for the Homeless, etc.

2. System and Program Coordination with Mainstream Resources. The applicant must coordinate and integrate, to the maximum extent practicable, NDHG funded activities with mainstream housing, health, social services, employment, education, and youth programs for which

individuals and households at risk of homelessness and individuals or families experiencing homelessness may be eligible.

3. Coordinated Access, Referral, Entry, and Stabilization (CARES) System. CARES is the coordinated entry system for the ND CoC. NDHG-funded programs or projects within the Continuum of Care's area must use the CARES system. The recipient and subrecipient must work with the CoC to ensure the screening, assessment, and referral of program participants are consistent with the written standards required by paragraph (4) of this section. A victim service provider may use a CoC approved alternative database.

4. Written Standards and Procedures. Applicants shall develop program-specific written standards based on ND CoC Written Standards for ESG and CoC Programs for providing NDHG.

5. Participation in HMIS. Applicants are required to collect and enter data into the HMIS system for all individuals and households served with NDHG funds. Domestic violence service providers are exempt from participating in the HMIS system but must use a CoC approved comparable database that collects client level data overtime and can generate unduplicated aggregate reports on the data.

6. Person(s) with lived experience participation

   a. Unless the recipient is a State, the recipient must provide for the participation of not less than one person with lived experience (either current or within the past seven years) on the board of directors or other equivalent policy-making entity of the recipient, to the extent that the entity considers and makes policies and decisions regarding any facilities, services, or other assistance that receive funding under NDHG.

   b. If the recipient is unable to meet the requirement under paragraph (a), it must instead develop and implement a plan to consult with persons with lived experience when considering and making policies and decisions regarding any facilities, services, or other assistance that receive funding under NDHG. The plan must be included in the annual action plan required under 24 CFR 91.220.

   c. To the maximum extent practicable, the recipient or subrecipient must involve persons with lived experience in constructing, renovating, maintaining, and operating facilities assisted under NDHG, in providing services assisted under NDHG, and in providing services for occupants of facilities assisted under NDHG. This involvement may include employment or volunteer services.

7. Faith-based activities:

   a. Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to receive NDHG funds. Neither the Federal Government nor a State or local government receiving funds under NDHG shall discriminate against an organization on the basis of the organization's religious character or affiliation.

   b. Organizations that are directly funded under NDHG may not engage in inherently religious activities, such as worship, religious instruction, or proselytization as part of the programs or services funded under NDHG. If an organization conducts these activities, the activities must be offered separately, in time or location, from the programs or services funded under NDHG, and participation must be voluntary for program participants.

c. Any religious organization that receives NDHG funds retains its independence from Federal, State, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that the religious organization does not use direct NDHG funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities to provide NDHG-funded services, without removing religious art, icons, scriptures, or other religious symbols. In addition, an NDHG-funded religious organization retains its authority over its internal governance, and the organization may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

d. An organization that receives NDHG funds shall not, in providing NDHG assistance, discriminate against a program participant or prospective program participant on the basis of religion or religious belief.

8. Evaluation of Program Participants. Applicants must conduct an initial evaluation to determine eligibility of each individual or household's eligibility for NDHG assistance and the type of assistance necessary to regain stability in permanent housing. These evaluations must be conducted in accordance with CARES and ND CoC Written Standards for ESG and CoC Programs.

9. Case Management. Each program participant receiving homelessness prevention or rapid re-housing assistance must be required to meet regularly, not less than once per month, with a case manager (except where prohibited by Victims Against Women Act (VAWA) and the Family Violence Prevention and Services Act (FVPSA)) and develop an individualized plan to assist the program participant to retain permanent housing after NDHG assistance ends, taking into account all relevant considerations, such as the program participant's current or expected income and expenses; other public or private assistance for which the program participant will be eligible and likely to receive; and the relative affordability of available housing in the area. Consistent with 24 CFR Part 576.401(e), housing stability case management can last no more than 30 days while the program participant seeks permanent housing and no more than 24 months once in permanent housing.

10. Rent Reasonableness documentation. Applicants may use NDHG funds to pay over and above the FMR established by HUD only if other resources for finding rental assistance at the FMR have been exhausted. Subrecipients must complete and file a Rent Reasonableness Checklist and Certification (SFN59386) for rental assistance above FMR. Rent reasonableness means that the total rent charge, including utilities, for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units. A complete listing of FMR, by area, is found at: www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/rent/index.cfm. Applicants must ensure that NDHG funds used for rental assistance do not exceed the actual rental cost,

which must be in compliance with HUD's standard of "rent reasonableness". Applicants may use NDHG funds to pay over and above the FMR established by HUD, only if all other resources for finding rental assistance at the FMR have been exhausted.

11. Program Accessibility. Applicants must operate each existing program or activity receiving federal financial assistance so that the program or activity, when viewing in its entirety is readily accessible for persons with disabilities.

12. Housing Standards for Emergency Shelters. Any building for which NDHG funds are used for conversion, rehabilitation, or renovation, must meet state or local government safety and sanitation standards as applicable. Shelters must be accessible in accordance with **Section 504 of the Rehabilitation Act** and implementing regulations at 24 CFR Part 8; Fair Housing Act and implementing regulations at 24 CFR Part 100 and Title II of the Americans with Disabilities Act and 28 CFR Part 35; where applicable.

13. Housing Standards for Permanent Housing. Applicants cannot use NDHG funds to help a program participant remain or move into housing that does not meet the minimum habitability standards. Applicants must certify that the unit has passed habitability standards BEFORE any NDHG funds may be released (Habitability Standards Inspection Form). In addition, both emergency shelters and permanent housing must meet additional housing standards per 24 CFR Part 576.403 which includes the following:

    a. Building must be structurally sound.

    b. Except where a shelter is intended for day use only, the program participant must be provided with an acceptable place to sleep and adequate space and security for themselves and their belongings.

    c. Each room or space must have a natural or mechanical means of ventilation.

    d. Water supply must be free of contamination.

    e. Individuals and households must have access to sanitary facilities that are in proper operating condition.

    f. Must have necessary heating/cooling facilities in proper operating condition.

    g. Must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety and sufficient electrical sources to permit the safe use of electrical appliances.

    h. Food preparation areas must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.

    i. Housing must be maintained in a sanitary condition.

    j. Working smoke detectors must be located near sleeping areas, located on each occupied level of the unit, and there must be a second means of exiting the building in the event of fire or other emergency. Shelters must have a fire alarm system designed for hearing impaired residents.

14. Lead-Based Paint Requirements. Lead-Based Paint Poisoning Prevention Act applies to all shelters assisted under NDHG program and all housing occupied by program participants. All applicants are required to conduct a Lead-Based Paint inspection on all units receiving assistance under the rapid re-housing AND homelessness prevention components if the unit is built before 1978 and a child under the age of six or a pregnant woman resides in the unit.

15. Confidentiality. All applicants must develop and implement procedures to ensure the confidentiality of records pertaining to any individual or household provided with NDHG assistance.

16. Termination of Housing Assistance (576.402). Applicants may terminate assistance to a program participant who violates program requirements. Applicants may also resume assistance to a program participant whose assistance was previously terminated. In terminating assistance to a program participant, applicants must provide a formal process that recognizes the rights of individuals receiving assistance to due process of law. This process, at a minimum, must:

    a. Recognize individual rights;

    b. Allow termination in only the most severe case;

    c. Provide a written notice to the program participant, with clear statement of reasons for termination;

    d. Provide a review of the decision, in which the program participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and

    e. Provide a prompt written notice of the final decision to the program participant.

17. Recordkeeping. All applicants must keep any records and make any reports (including those pertaining to race, ethnicity, gender, and disability status data) that HUD may require within the timeframe specified.

18. Sanctions. If NDHFA determines that an applicant is not complying with the requirements of the NDHG Plan or other applicable federal or state laws, NDHFA will take appropriate actions, which may include:

    a. Issue a warning letter that further failure to comply with such requirements will result in a more serious sanction;

    b. Direct the applicant to cease incurring costs with grant funds;

    c. Require that some or all of the grant amounts be repaid to NDHFA;

    d. Reduce (de-obligate) the level of funds the applicant would otherwise be entitled to receive;

or

e. Elect to make the applicant ineligible for future NDHFA funding.

Any NDHG funds that become available to NDHFA as a result of a sanction or voluntary return by the applicant, will be made available (as soon as practicable) to other eligible applicants for use within the NDHG Program.

19. Conflicts of Interest. The availability of any type or amount of NDHG assistance may not be conditioned on an individual's or household's acceptance or occupancy of emergency shelter or housing owned by the applicant, or a parent or subsidiary of the applicant. No applicant may, with respect to individuals or households occupying housing owned by the applicant, or any parent or subsidiary of the applicant, carry out the initial evaluation required under 24 CFR Part 576.401 or administer homelessness prevention assistance under 24 CFR Part 576.103.

    For procurement of goods and services, the applicant must comply with the codes of conduct and conflict of interest requirements under 24 CFR Part 95.36 for governments and 24 CFR Part 84.42 (for private non-profit organizations).

20. Monitoring. NDHFA is responsible for monitoring all NDHG activities to ensure program requirements established by HUD and NDHFA are met. Monitoring will consist of site visits to applicant's place of business, review of all reimbursement requests, and review of HMIS information. NDHFA will conduct site visits at least once every two years. NDHFA will also provide support and technical assistance, as needed.

SELECTION CRITERIA

Set-aside for HMIS
Funds will be prioritized to fund any financial gap for the approved HMIS Lead organization. The funding level will be determined based on gap financing. The HMIS lead organization should first be funded using available CoC awards and ESG funding, the remaining need from the current approved budget will be supported with NDHG funding.

Applications which show a concerted effort to coordinate services with other agencies and other funding sources to best serve the individuals and households will be given priority. Total points allotted equal up to 100 points.
Due to the demand for the funds, NDHG grants will be awarded based upon the following:

1. Collaborative projects that incorporate street outreach/shelter, rapid rehousing (housing navigation/rental assistance, and case management/supportive services). (30)
   To receive points under this category, the application must provide detailed program plan that includes MOUs or written agreements that support the rapid rehousing component requirements.

2. Need for funding. (20)

3. Plan for distribution of the funds in an effective, efficient, and timely manner. (15)

4. The applicant's active involvement in CoC, CARES, and HMIS, including signed partnership agreements and the use of CARES for housing referrals (if applicable to the funding component). (15)

5. 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 ofthese facilities. (10)

6. The applicant included how the Housing First model is used within the agency. (5)

7. Participation in CoC, NDHG, and ESG required training, including, but not limited to, monthly training and annual in-person HMIS training. (5)

8. Timely expenditure of prior grant funding. (5)

When making final selections, the NDHFA review committee may make a grant award for less than the amount applied for or for fewer than all of the activities identified in the application, based on the demand for grant amounts, the extent to which the respective activities address the needs of the individuals and households, and the reasonableness of the costs proposed.
The NDHFA review committee reserves the right to award NDHG funds to any applicant or deny NDHG funds for any applicant if it determines, in its sole discretion, the project is unacceptable based on, but not limited to the following:

1. Information regarding the fact that a particular market is saturated with emergency units and/or services,

2. The applicant has not demonstrated capacity to administer the NDHG Program, or

3. The applicant's (including any related party's) insufficient prior administration of NDHFA programs, including NDHG, which may have resulted in monitoring findings.

GRANT ADMINISTRATION

Upon project selection, an award letter and financial agreement will be forwarded to each applicant detailing a description of the activities funded and award conditions. Execution of the financial agreement is to be completed by a representative of the applicant and NDHFA.

Grant funds will be considered obligated once the grant agreement has been signed by the applicant. A grant agreement will be sent under separate cover detailing the applicant's requirements and responsibilities. The applicant will be required to sign and return the grant agreement to NDHFA.

The grant agreement will indicate the activities and the corresponding approved funding amounts by category. An approved Request for Amendment is needed from NDHFA to vary from the funding amounts and categories as specified in the executed grant agreement.

Grant agreements will be for a term not to exceed 12 months. Applicants must expend NDHG funds for eligible activities within the grant period.

METHOD OF PAYMENT

Payment of NDHG funds will be completed as a reimbursement, in a chronological order of request for funds. Requests for payment must be received by NDHFA at least quarterly. Requests must be submitted in a format approved by NDHFA and must include a detailed breakdown of expenses incurred and NDHG funds requested. Copies of all expenses and documentation of payment must be submitted for verification purposes. It is preferred that requests for funds are over $1,000. Lack of documentation or explanation may result in a delay in payment.

If your agency has not met the spending deadlines, NDHFA has the authority to de-obligate unused funds. On a case-by-case basis, a request for a waiver must be made to the Executive Director of NDHFA to prevent de-obligation of funds.

NDHG Drawdown Schedule		
Quarter	**Dates**	**Percentage Drawn**
1	July 1 – September 30	First Draw Required
2	October 1 – December 31	50%
3	January 1 – March 31	75%
4	April 1 – June 30	100%

Attachment A

At Risk of Homelessness

CRITERIA FOR DEFINING AT RISK OF HOMELESSNESS	**Category 1**	Individuals and Families	An individual or family who: (i) Has an annual income below <u>30%</u> of median family income for the area; <u>AND</u> (ii) Does not have sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or another place defined in Category 1 of the "homeless" definition; <u>AND</u> (iii) Meets one of the following conditions: (A) Has moved because of economic reasons 2 or more times during the 60 days immediately preceding the application for assistance; <u>OR</u> (B)Is living in the home of another because of economic hardship; <u>OR</u> (C) Has been notified that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance; <u>OR</u> (D) Lives in a hotel or motel and the cost is not paid for by charitable organizations or by Federal, State, or local government programs for low-income individuals; <u>OR</u> (E) Lives in an SRO or efficiency apartment unit in which there reside more than 2 persons or lives in a larger housing unit in which there reside more than one and a half persons per room; <u>OR</u> (F) Is exiting a publicly funded institution or system of care; <u>OR</u> (G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved Con Plan
	Category 2	Unaccompanied Children and Youth	A child or youth who does not qualify as homeless under the homeless definition, but qualifies as homeless under another Federal statute
	Category 3	Families with Children and Youth	An unaccompanied youth who does not qualify as homeless under the homeless definition, but qualifies as homeless under section 725(2) of the McKinney-Vento Homeless Assistance Act, and the parent(s) or guardian(s) or that child or youth if living with him or her.

ATTACHMENT B

Homeless Definition

CRITERIA FOR DEFINING HOMELESS	Category 1	Literally Homeless	(1) Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning: (i) Has a primary nighttime residence that is a public or private place not meant for human habitation; (ii) Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government programs); or (iii) Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution
	Category 2	Imminent Risk of Homelessness	(2) Individual or family who will imminently lose their primary nighttime residence, provided that: (i) Residence will be lost within 14 days of the date of application for homeless assistance; (ii) No subsequent residence has been identified; and (iii) The individual or family lacks the resources or support networks needed to obtain other permanent housing
	Category 3	Homeless under other Federal statutes	(3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who: (i) Are defined as homeless under the other listed federal statutes; (ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing during the 60 days prior to the homeless assistance application; (iii) Have experienced persistent instability as measured by two moves or more during in the preceding 60 days; and (iv) Can be expected to continue in such status for an extended period of time due to special needs or barriers
	Category 4	Fleeing/ Attempting to Flee DV	(4) Any individual or family who: (i) Is fleeing, or is attempting to flee, domestic violence; (ii) Has no other residence; and (iii) Lacks the resources or support networks to obtain other permanent housing

March 31, 2024

BND

Bank of North Dakota

Performance Highlights

BANK OF NORTH DAKOTA
BALANCE SHEET - COMPARATIVE DATA
MARCH 31, 2024 - UNAUDITED

(In Thousands)

	3/31/2024	Budget	Difference	% Change	3/31/2023
Cash	$ 387,522	$ 599,496	$ (211,974)	-35.36%	$ 199,010
Due from Banks	157,928	225,000	(67,072)	-29.81%	194,298
Federal funds sold	22,075	53,500	(31,425)	-58.74%	18,420
Securities	3,980,185	3,827,952	152,233	3.98%	4,333,590
Loans					
Commercial	3,728,839	3,814,367	(85,528)	-2.24%	3,332,213
Agriculture	745,687	729,375	16,312	2.24%	707,522
Residential	308,995	305,281	3,714	1.22%	343,051
Student Loans	1,062,550	1,060,087	2,463	0.23%	1,102,897
	5,846,071	5,909,110	(63,039)	-1.07%	5,485,683
Less allow for credit loss	(104,377)	(100,240)	(4,137)	-4.13%	(94,465)
	5,741,694	5,808,870	(67,176)	-1.16%	5,391,218
Other assets	206,929	161,325	45,604	28.27%	128,627
Total assets	$ 10,496,333	$ 10,676,143	$ (179,810)	-1.68%	$ 10,265,163
Deposits -					
Non-interest bearing	$ 357,721	$ 525,000	$ (167,279)	-31.86%	$ 535,750
Interest bearing	8,435,739	8,596,678	(160,939)	-1.87%	7,495,416
	8,793,460	9,121,678	(328,218)	-3.60%	8,031,166
Federal funds purchased and repurchase agreements	561,145	425,000	136,145	32.03%	467,710
Short term borrowings	-	-	-	0.00%	650,000
Off Balance Sheet Reserve Allowance	11,429	12,847	(1,418)	-11.04%	14,196
Other Liabilities	18,600	26,814	(8,214)	-30.63%	9,551
Total Liabilities	9,384,634	9,586,339	(201,705)	-2.10%	9,172,623
Equity	1,111,699	1,089,804	21,895	2.01%	1,092,540
Total Liabilities and Equity	$ 10,496,333	$ 10,676,143	$ (179,810)	-1.68%	$ 10,265,163

BND's primary financial objective is to generate a consistent financial return to the State of North Dakota while maintaining the strength and financial integrity of the Bank. BND intends to produce strong returns while protecting its balance sheet by following strategies that focus on income generation, risk mitigation, and expense control.

- First quarter 2024 ended with assets of $10.5 billion driven by continued growth in the loan porfolio.
- The Securities portfolio is a source of both income and liquidity for BND. As the Bank identifies excess funds and the portfolio runs off, maturities can be reinvested, utilized to fund new loans, or reduce short and long-term borrowings.
- The loan portfolio ended the quarter at $5.8 billion. The timing of funding in the State Institution loan program as well as BND's Match program did not meet budget expectations in the Commercial Loan category. This was partially offset by increased volumes from budget in Commerical particiapation and Flex Pace programs. Activity in the Farm and Ranch program led the Ag Portfolio to strong results. Residential loan runoff continues to slow due to the rise in interest rates. The student loan portfolio continues to focus on state-sponsored DEAL loans.
- Changes in the Bank's Equity position are a result of net income, changes in unrealized gain/loss positions, allocations of capital to various legislative programs, and distributions to the State's General Fund. For the quarter ended March, the Bank has transferred $5.0 million to buydown programs and $700 thousand to other state programs. During 2023, the Bank transferred $140 million to the General Fund, $30.5 million to buydown programs, $52 million to the infrastructure Revolving Loan fund and $5.7 million to other state programs.

BANK OF NORTH DAKOTA
INCOME STATEMENT - COMPARATIVE DATA
MARCH 31, 2024 - UNAUDITED

(In Thousands)

	3/31/2024	Budget	Difference	% Change	3/31/2023
Interest Income	$ 104,354	$ 103,197	$ 1,157	1.1%	$ 85,476
Interest Expense	45,721	41,761	3,960	-9.5%	26,048
Net Interest Income	58,633	61,436	(2,803)	-4.6%	59,428
Provision for Credit Losses	3,077	2,200	877	-39.9%	3,081
Net Interest Income After Provision	55,556	59,236	(3,680)	-6.2%	56,347
Non-Interest Income	1,698	1,726	(28)	-1.6%	1,429
Non-Interest Expense					
Salaries and benefits	5,258	5,427	(169)	3.1%	4,581
Occupancy and equipment	187	216	(29)	13.4%	233
IT & System Costs	1,731	2,472	(741)	30.0%	1,661
Other Operating Expenses	1,611	1,981	(370)	18.7%	1,344
	8,787	10,096	(1,309)	13.0%	7,819
Net Income	$ 48,467	$ 50,866	$ (2,399)	-4.7%	$ 49,957

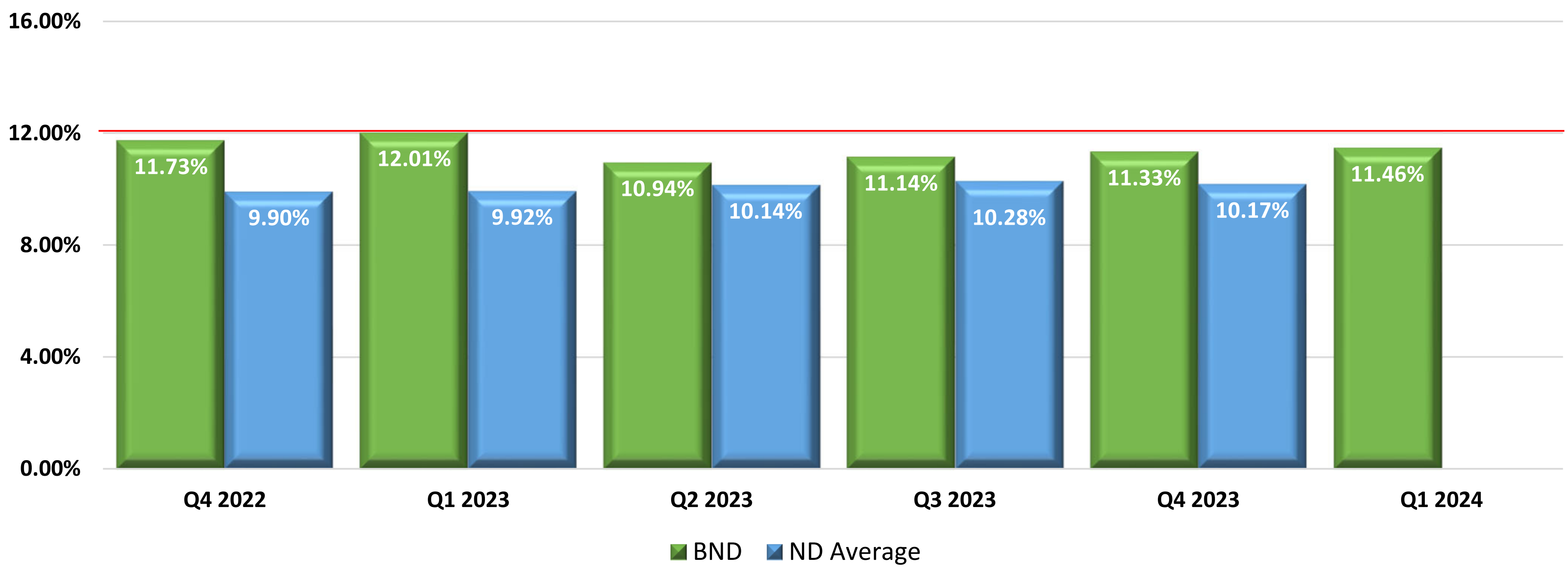
BND's primary objective is to generate a consistent financial return to the State of North Dakota while maintaining the strength and financial integrity of BND.

Commentary:

- Net Income for first quarter 2024, was $48.5 million. Interest Income exceeded budget by $1.2 million primarily due to higher rates on securities as well as rates and volumes in the commercial participation program offset by lower than budgeted balances at the Federal Reserve. A combination of higher average deposit balances, rates and larger Federal funds purchased contributed to the higher interest expense.

- Non-Interest Expense is $1.3 million under budget. This consists of several operating components largely due to timing of incurrences, specifically with IT projects, loan servicing expenses, legal and other service related expenses.

Leverage Ratio



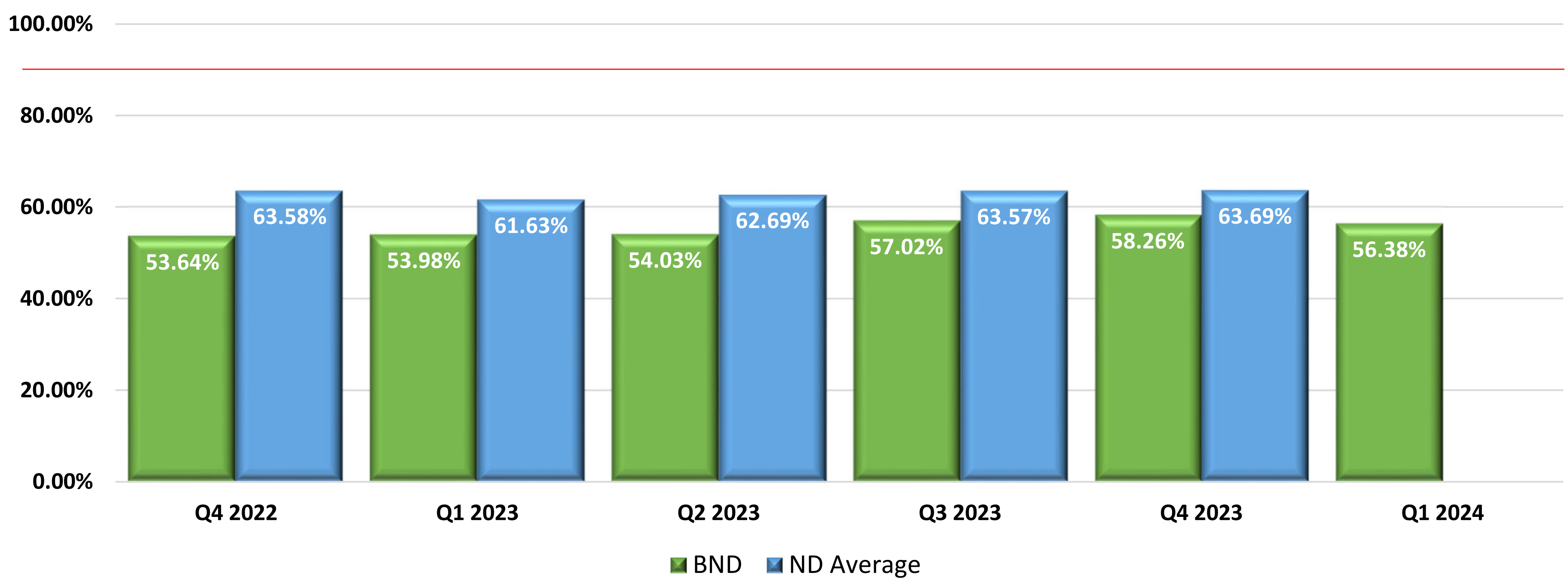
- Leverage ratio is a measure of financial strength. It is calculated by dividing Tier One Capital by average assets for the quarter. As of March 31, 2024, average asset size is $10.3 billion compared to $10.1 billion one year ago. State dollars received from American Rescue Plan funding and increased state tax revenues in the state has attributed to the increased assets size over the last three years by providing liquidity to increase the security and loan portfolio. Tier One Capital is $1.2 billion compared to $1.2 billion last year. Fluctuating quarterly ratios are the result of the Bank's quarterly earnings offset by capital transfers, including $140 million to the General Fund, $40.3 million to buydown programs, $52 million to the infrastructure revolving loan fund and $6.3 million to other state programs in the last 6 quarters.

- BND's current internal benchmark is 12.00% (red line). As of March 31, 2024, the Bank's leverage ratio increased to 11.46%.

- As of December 31, 2023, the leverage ratio for all insured commercial banks in the state is 10.17%.

The North Dakota average is obtained from the Federal Financial Institutions Examination Council (FFIEC) who tabulates input from commercial banks in North Dakota. *Note*: The North Dakota average for the current quarter has not yet been determined, as the FFIEC publishes this data approximately 60 days after the completion of each calendar quarter.

Net Loans to Earning Assets

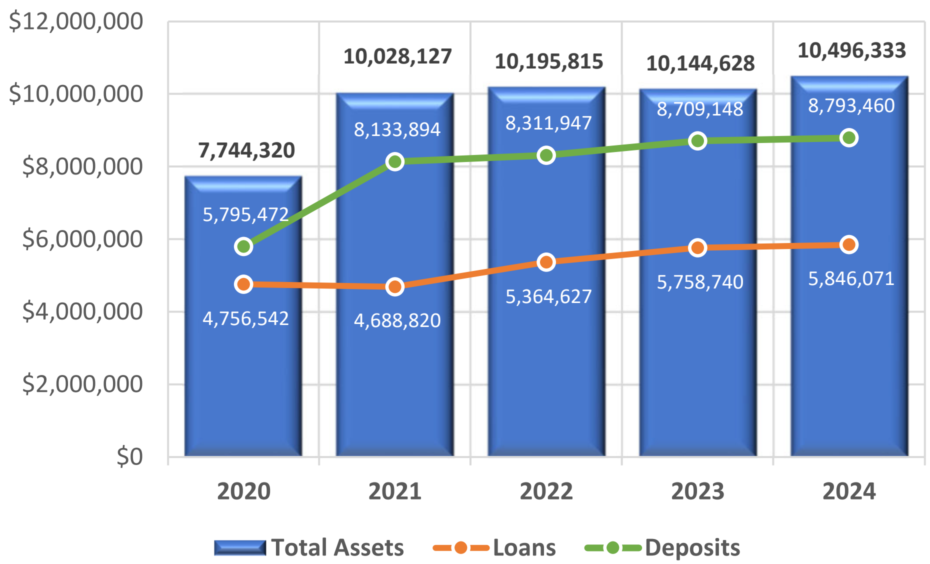


- Net Loans to Earning Assets is a ratio used to measure the liquidity of a financial institution.
- BND has established an internal guideline for the Net Loans to Earning Assets Ratio to be 90% or lower (red line).
- As shown above, BND is well within this limit at 56.38%, an decrease from 58.26% as of the previous quarter.
- As of December 31, 2023, the ratio for all insured commercial banks in the state is 63.69%.

The North Dakota average is obtained from the Federal Financial Institutions Examination Council (FFIEC) who tabulates input from commercial banks in North Dakota. *__Note:__* The North Dakota average for the current quarter has not yet been determined, as the FFIEC publishes this data approximately 60 days after the completion of each calendar quarter.

Five-Year History

(In Thousands)



- The increase in asset and deposit size from 2020 to 2021 was primarily due to $1.25 billion of Federal CARES ACT dollars, $1.0 billion of American Rescue Plan funds and higher correspondent bank deposits related to government issued COVID-19 relief payments, and additional funds received by the state from increased oil and sales tax revenue.
- The Bank assets were $10.5 billion fo the first quarter of 2024. Adequate liquidity has allowed the Bank to continue to grow its loan portfolio and reinvest in its investment portfolio as securities mature.
- The loan portfolio has grown 23% from $4.8 billion in 2020 to $5.8 billion as of March 31,2024, continuing the Bank's mission to deliver quality, sound financial services that promote agriculture, commerce, and industry in North Dakota.

Bank of North Dakota Peer Group Comparison

Bank of North Dakota Peer Group Comparison			
As of 12/31/2023	**BND**	**Banker's Bank Peer Composite**	**ND Bank's Peer Composite**
Efficiency Ratio	14.68	70.74	70.88
NPLs/Loans	0.63	0.37	0.38
ROAA	1.91	1.21	0.51
ROAE	18.86	11.80	6.38
Tier One Leverage Capital	11.33	11.87	9.30
Net Interest Margin	2.33	1.93	2.45

Banker's Bank Peer Group
Banker's Bank
First National Banker's Bank
Pacific Coast Bankers' Bank
TIB, National Association
United Bankers Bank

ND Bank's Peer Group
Bell Bank
First International Bank
Alerus Financial
Choice Financial Group

- BND established a peer group for the purpose of measuring performance. Though a pure-play peer group does not exist, BND selected five national banker's banks with assets greater than $1.0 billion and four North Dakota banks with assets greater than $3.0 billion.
- BND's efficiency ratio exemplifies the Bank's ability to maintain low operating costs relative to its income.
- The Bank's ROAA and ROAE exceed the Peer Composite ratios as BND efficiently deploys capital and manages costs.
- The Bank's profits are utilized in 3 ways: appropriated through the State Legislature to fund the General Fund, mission driven programs and retained in BND Capital. BND's ratios will fluctuate as the organization maintains a balance between adequate liquidity and capital while managing the volatility of its deposit base.

Loan Originations

(includes renewals)

Year to Date

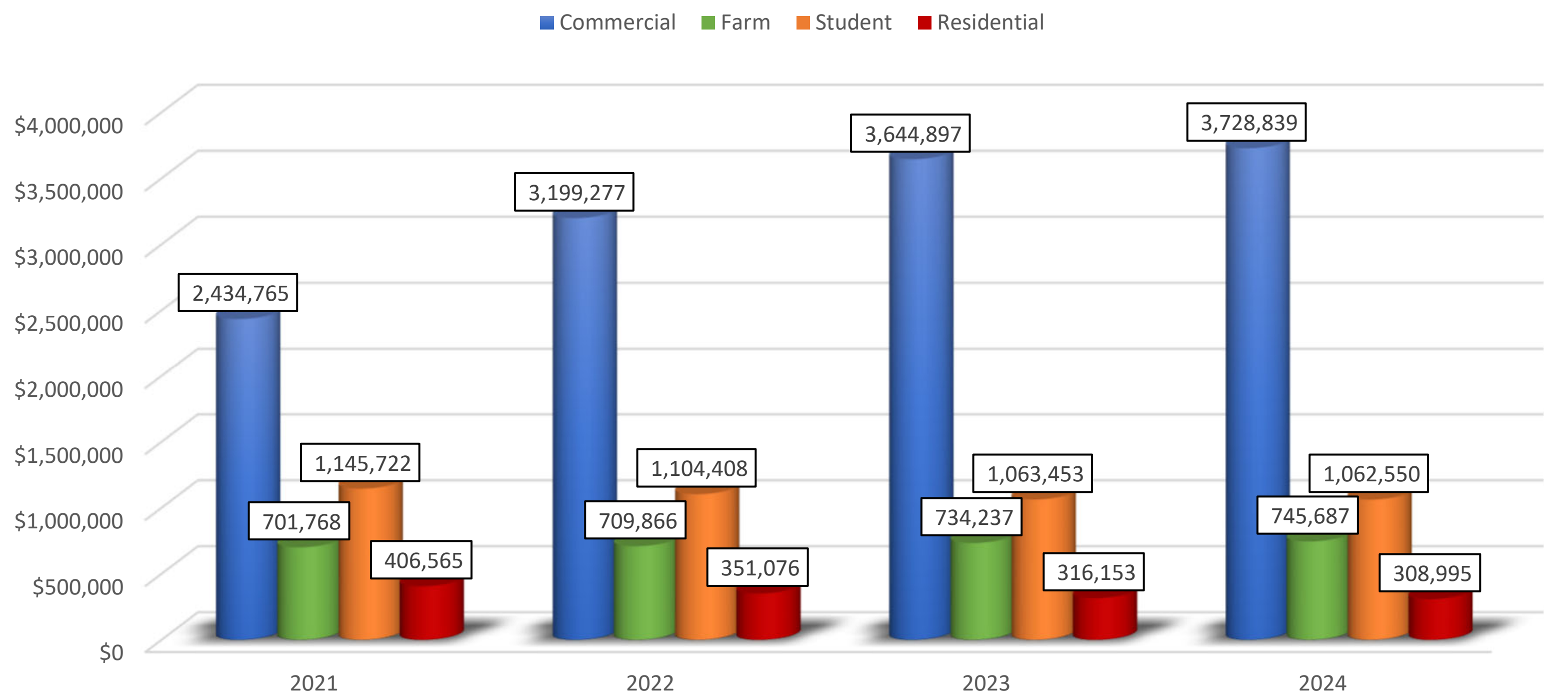
	March 31, 2024		March 31, 2023		Variance	
	###	$$$	###	$$$	###	$$$
State Institution	1	125,000,000	1	68,276,228	0	56,723,772
Bank Participations - Commercial	49	91,400,217	44	186,574,546	5	(95,174,329)
PACE	4	31,608,625	4	3,899,000	0	27,709,625
Flex PACE	41	12,877,709	47	15,274,409	(6)	(2,396,700)
Business Development	18	4,923,760	10	2,844,064	8	2,079,696
Accelerated Growth	1	1,800,000	1	2,997,000	0	(1,197,000)
Flex PACE w/ADD buydown	1	1,200,000	1	409,150	0	790,850
Biofuels PACE	3	328,927	0	0	3	328,927
Affordable Housing Flex PACE	1	217,750	2	948,411	(1)	(730,661)
Bank Stock	2	193,446	28	28,741,074	(26)	(28,547,628)
Small Business Administration	0	0	1	202,500	(1)	(202,500)
Bank Participations - Commercial w/ADD buydown	0	0	2	1,000,000	(2)	(1,000,000)
Total Commercial Loans	**121**	**269,550,434**	**141**	**311,166,382**	**(20)**	**(41,615,948)**
Farm & Ranch	48	59,646,613	33	37,463,823	15	22,182,790
Established Farmer	12	9,046,076	2	498,250	10	8,547,826
Beginning Farmer Chattel	30	2,002,150	27	1,689,719	3	312,431
Ag Pace	23	1,853,981	13	1,151,721	10	702,260
Beginning Farmer Real Estate	6	1,512,900	15	5,883,215	(9)	(4,370,315)
Farm Operating	7	1,007,500	8	805,095	(1)	202,405
Farm Service Agency	2	968,207	1	522,500	1	445,707
Farm Disaster/Drought Programs	0	0	70	6,617,538	(70)	(6,617,538)
Total Agricultural Loans	**128**	**76,037,427**	**169**	**54,631,861**	**(41)**	**21,405,566**
DEAL Loans	3,876	25,701,416	4,241	26,516,842	(365)	(815,426)
DEAL One	18	552,064	28	1,348,675	(10)	(796,611)
DEAL Consolidation	8	348,007	7	350,582	1	(2,575)
Purchased Student Loans	4	117,269	4	48,246	0	69,023
Total Student Loans	**3,906**	**26,718,756**	**4,280**	**28,264,345**	**(374)**	**(1,545,589)**
Total Bank of North Dakota Loans	**4,155**	**372,306,617**	**4,590**	**394,062,588**	**(435)**	**(21,755,971)**

Legislatively Directed Loan Programs

Infrastructure RLF	1	40,000,000	5	7,392,510	(4)	32,607,490
Fuel Production Facility/Value Add Guarantee	2	5,800,000	2	12,000,000	0	(6,200,000)
Legacy Investment Technology Loan Fund	5	2,182,600	0	0	5	2,182,600
Beginning Entrepreneur Loan Guarantee	11	762,700	6	366,500	5	396,200
School Construction	0	0	2	20,000,000	(2)	(20,000,000)
Innovation Loan Fund	0	0	6	5,000,000	(6)	(5,000,000)
Legislatively Directed	**19**	**48,745,300**	**21**	**44,759,010**	**(2)**	**3,986,290**

Consolidated Loan Portfolio

(In Thousands)



COMMERCIAL - The commercial loan portfolio increased by $84 million during the first quarter of 2024 with BND funding and renewing $270 million of loans. The largest area of activity was in state instutions with BND funding and renewing $125 million. The commercial portfolio increased by 2.3% due to commercial participations and state institution loans.

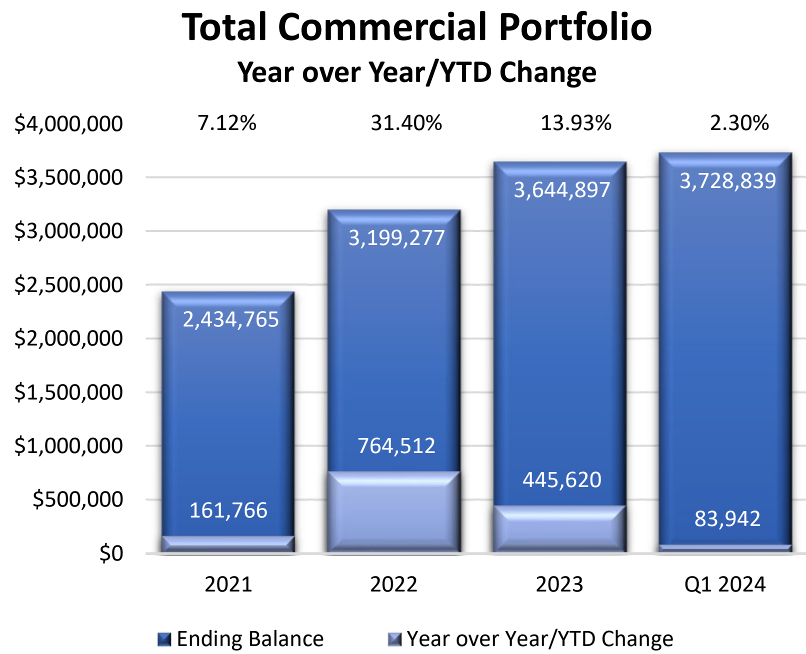
AGRICULTURE - The farm loan portfolio increased by $11 million during the first quarter of 2024 with BND funding and renewing $76 million of loans. Farm and Ranch loans led the way with $60 million, followed by Established Farmer which funded $9 million in loans.

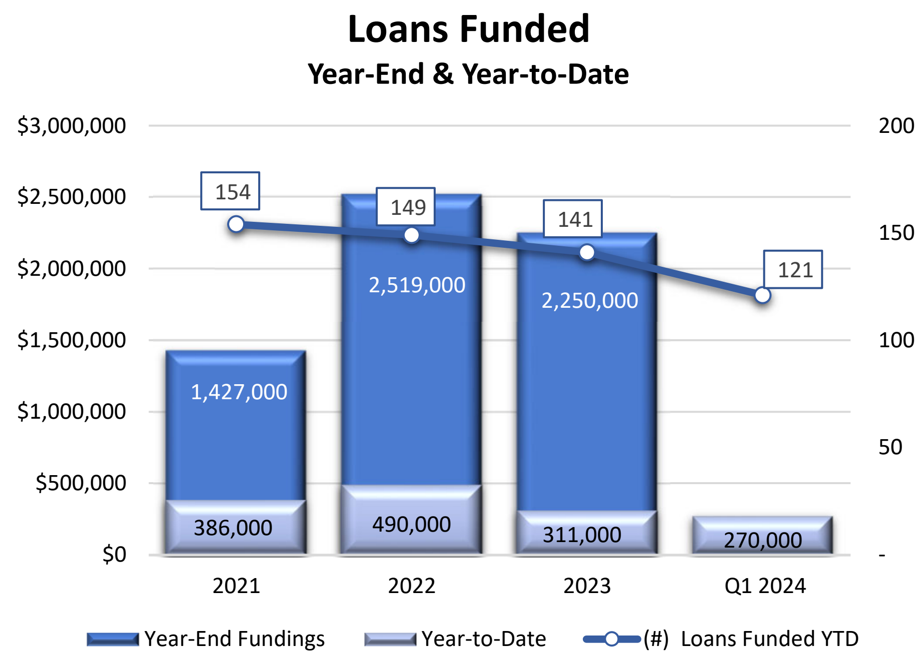
STUDENT - The student loan portfolio decreased by $1 million in the first quarter of 2024. BND disbursed $27 million in DEAL loans in 2023. DEAL Loan origination has decreased due to more favorable federal rates.

RESIDENTIAL - Transition of all residential originations to Housing Finance Agency occurred on August 1, 2021, and the transition of nearly all residential servicing and collections to Housing Finance Agency occurred on October 1, 2021. As a result, the residential loan portfolio decreased by $98 million since year end 2021.

Commercial Loan Portfolio

(In Thousands)



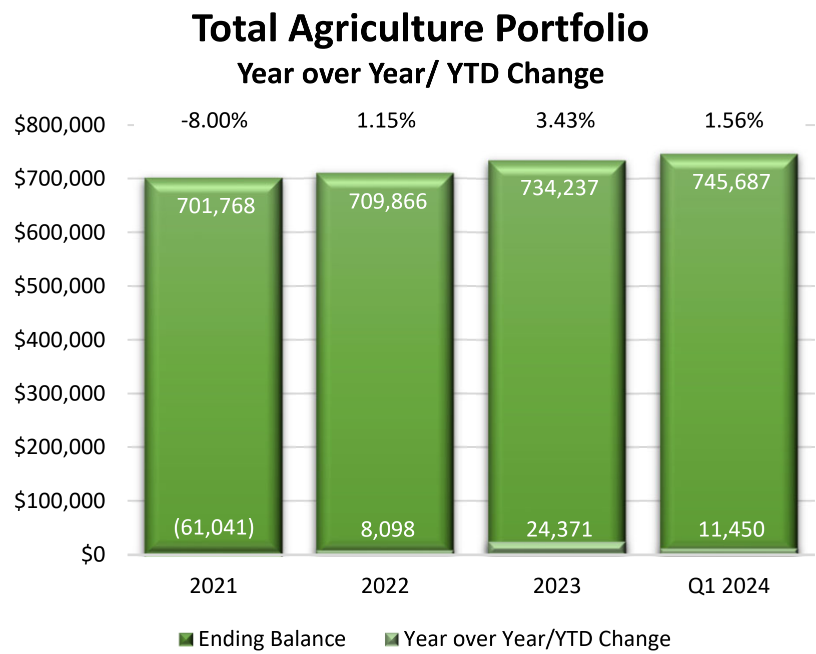


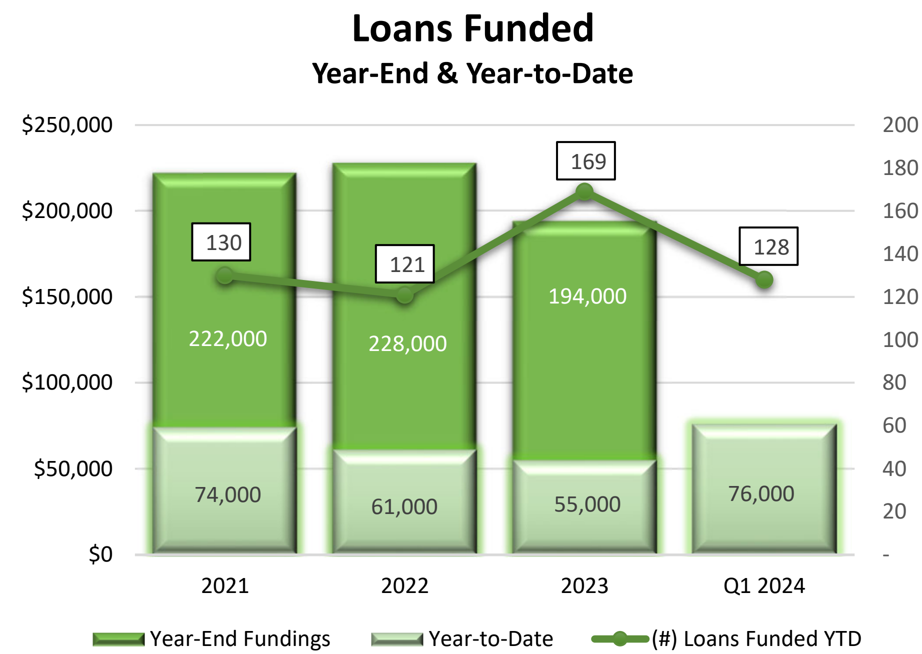
Portfolio Composition				
Loan Type	**2021**	**2022**	**2023**	**2024**
Bank Participation	52%	55%	60%	61%
PACE Loans	15%	13%	14%	14%
Bank Stock	14%	11%	11%	10%
State & Pol. Subs	8%	8%	4%	4%
Other	11%	13%	11%	11%

- The commercial loan portfolio increased by $84 million with BND funding and renewing $270 million of loans in the first quarter of 2024.
- The largest areas of activity were in state institution funding and renewing $125 million in loans and commercial participation funding and renewing $91 million.

Agriculture Loan Portfolio

(In Thousands)



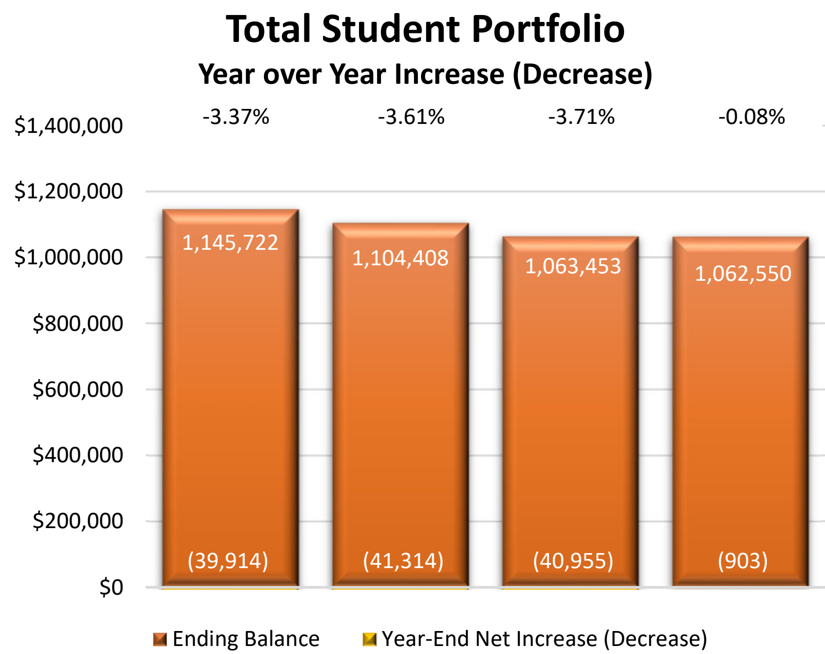


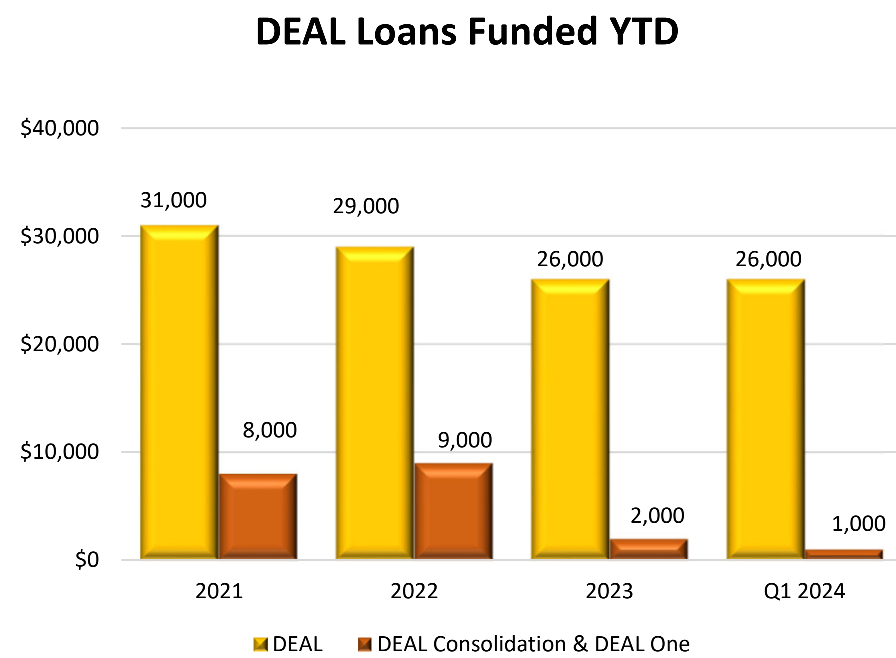
Portfolio Composition				
Loan Type	**2021**	**2022**	**2023**	**2024**
Farm & Ranch	18%	19%	22%	22%
Beginning Farmer	28%	32%	30%	30%
Established Farmer	28%	26%	25%	25%
Farm Financial Stability/Farm Disaster	19%	19%	18%	17%
Other	7%	4%	5%	6%

- The agriculture portfolio increased by $11 million with BND funding and renewing $76 million of loans during the first quarter of 2024.
- The largest areas of activity were Farm and Ranch loans with $60 million and $9 million in Established Farmer during the first quarter of 2024.

Student Loan Portfolio

(In Thousands)





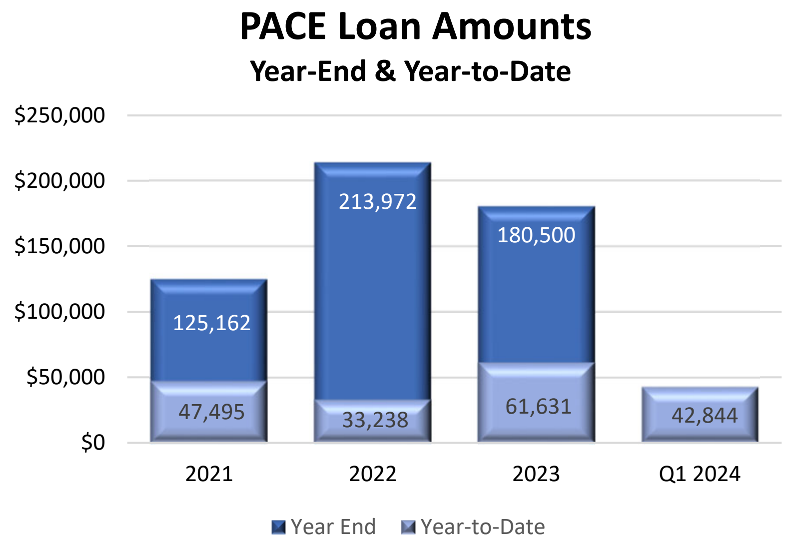
Portfolio Composition				
Loan Type	**2021**	**2022**	**2023**	**2024**
DEAL	54%	56%	57%	58%
DEAL One	41%	39%	38%	37%
DEAL Consolidation	5%	5%	5%	5%

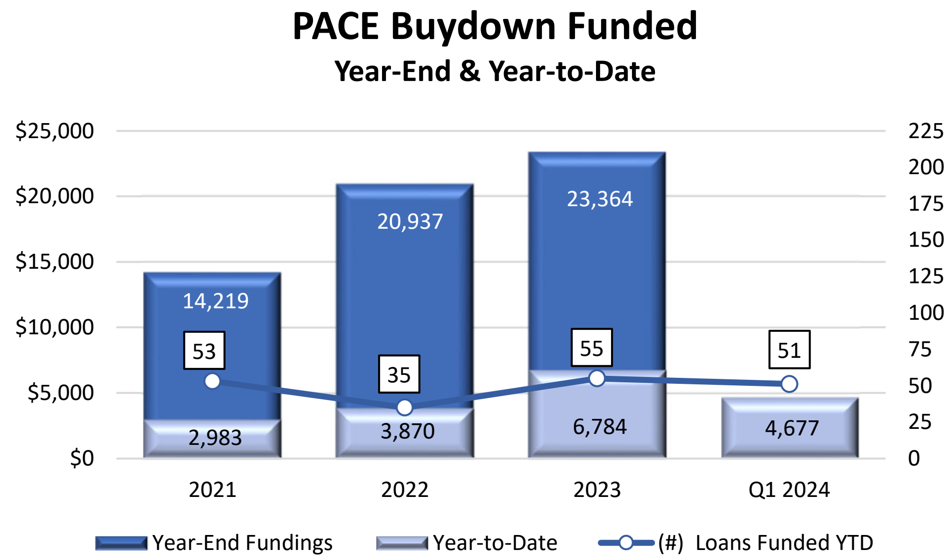
History of DEAL Rates (In-State)				
Interest Rate	**2021**	**2022**	**2023**	**2024**
Fixed	3.98%	6.46%	6.43%	6.66%
Variable	1.71%	6.24%	6.86%	6.83%

- The student loan portfolio decreased by $1 million during the first quarter of 2024, with BND disbursing $27 million in DEAL loans.
- BND's fixed rate is currently higher than the federal student loan rate for undergraduate students. The federal rate is set annually in July and the current rate is 5.50%, compared to BND's in-state fixed rate of 6.66% which is set quarterly.

Commercial PACE

(In Thousands)





Loan Type	2021	2022	2023	2024
Pace	19%	26%	25%	24%
Flex Pace	53%	56%	60%	62%
Affordable Housing	15%	12%	9%	9%
Biofuels	9%	3%	3%	3%
Medical Pace	4%	4%	3%	2%

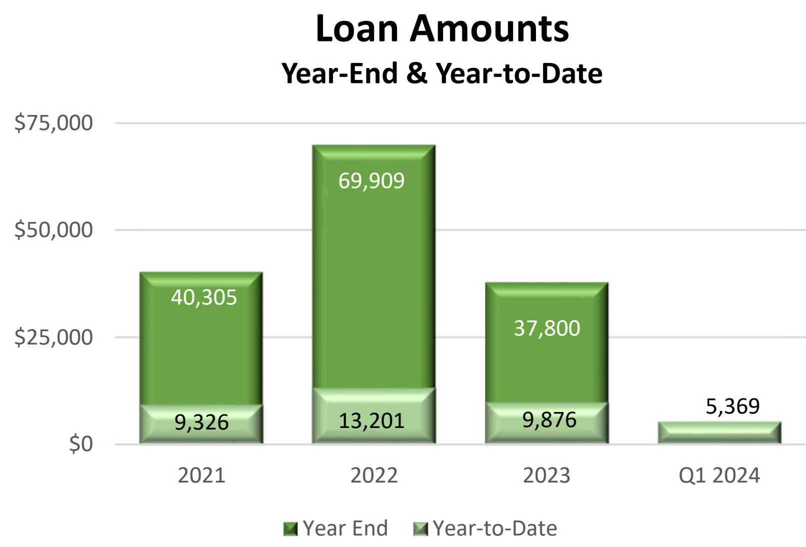
2023-2025 Biennium Buydown Funding (Commercial)					
	Pace	**Flex**	**Housing**	**Biofuels**	**Total**
Total Available	$18,000	$20,000	$1,000	$1,000	$40,000
Funded/ Committed	$3,138	$11,815	$0	$686	$15,639
Remaining Buydown	$14,862	$8,185	$1,000	$314	$24,361
*Remaining buydown may be transferred between funds as needed.					

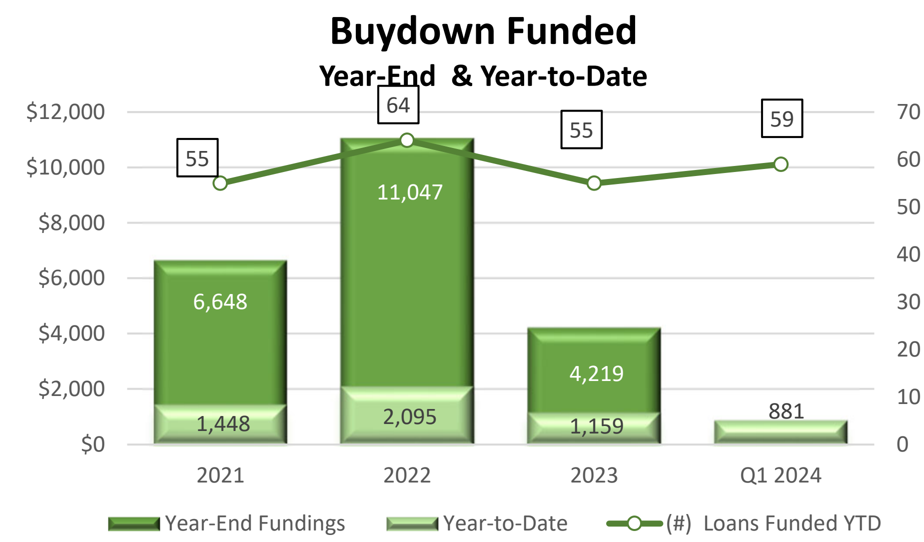
- A total of 46 Flex PACE loans were funded in the first quarter of 2024 for a total of $39 million compared to 47 in 2023. Flex PACE buydown demand continues due to the financing of essential community services and community approved businesses throughout North Dakota.

- A total of 1 PACE loan was funded in the first quarter of 2024 for a total of $1 million compared to 5 in 2023. Additional PACE loans funded were 1 Affordable Housing for $2 million and 3 biofuels for $1 million.

Ag PACE & Beginning Farmer

(In Thousands)





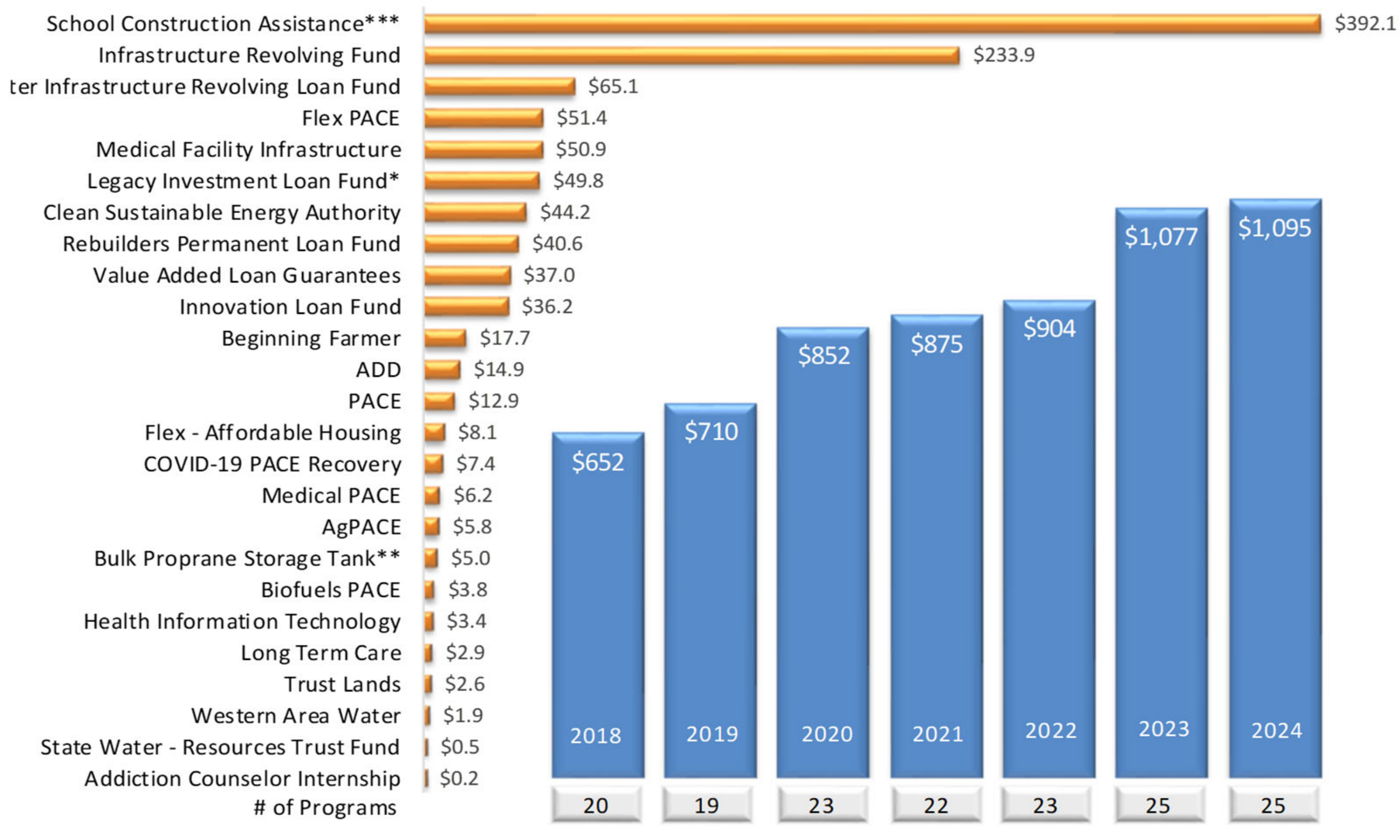
Loan Type	2021	2022	2023	2024
Ag Pace	23%	26%	46%	35%
Beginning Farmer - Real Estate	67%	65%	39%	28%
Beginning Farmer - Chattel	10%	9%	15%	37%

2023-2025 Biennium Buydown Funding (Agriculture)		
	Ag Pace	Beginning Farmer
Total Available	$5,000	$15,000
Funded/Committed	$1,734	$1,107
Remaining Buydown	$3,266	$13,893

- There were 23 Ag PACE loans funded in the first quarter of 2024 compared to 13 in 2023. A change in the Ag PACE program to include the Production Enhancement Program (PEP) has also created more opportunity for field tiling projects. A total of 74% or 17 of the projects were for field tiling.
- A total of 6 Beginning Farmer Real Estate loans were funded in the first quarter of 2024 compared to 15 in 2023. Decreased volume is attributed to higher interest rates.
- A total of 30 Beginning Farmer Chattel loans were funded in the first quarter of 2024 compared to 27 in 2023.

Legislatively Directed Loan Programs

(Total Assets In Millions)

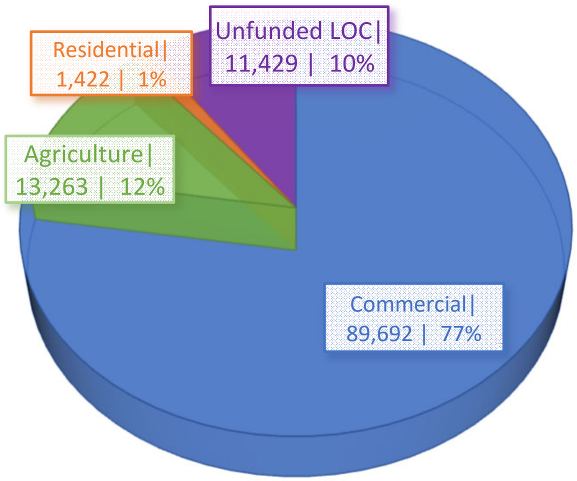


- BND currently administers $1.1 billion in net assets for legislatively directed loan programs. These programs serve a wide range of purposes, including school construction, water projects, general and medical infrastructure, and disaster recovery.
- *Legacy Investment Loan Fund created in December 2023. Loans purchased from Infrastructure Revolving Loan Fund.
- ** SB 2242 created the Bulk Propane Storage Tank Revolving Loan Fund (BPST) during the 68th Legislative Session. This special fund was established by transferring $5 million in cash from the Strategic Investment and Improvements Fund (SIIF).
- ***SB 2282 appropriated $75 million to be transferred from Foundation Aid Stabilization fund to the School Construction Assistance Revolving Loan Fund (SCARLF). This transfer was completed in July 2023.

Credit Quality

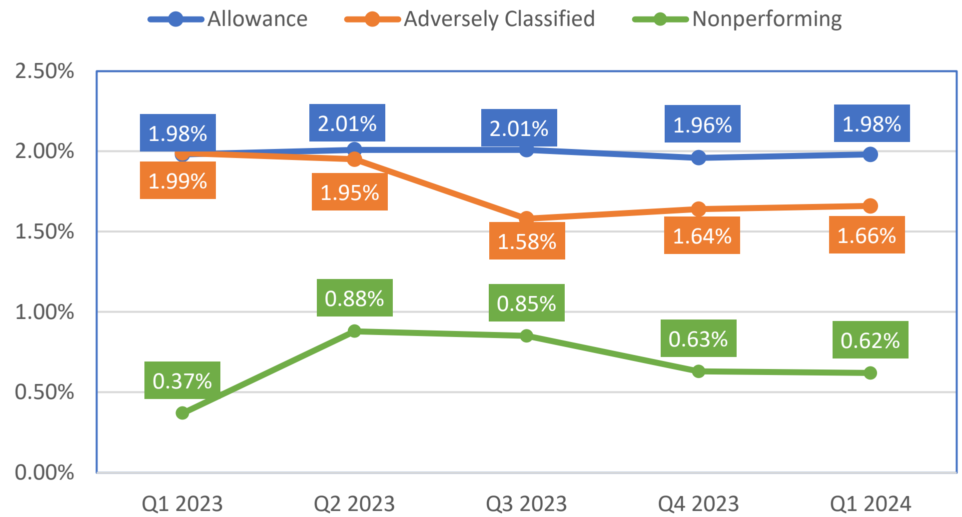
(In Thousands)

Allowance of $115,806 on Portfolio of $5,846,071 or 1.98%



Quarterly Credit Quality Ratios

(As a Percentage of Total Loans)



Quarter	Allowance for Credit Losses	Loan Portfolio	Allowance %	North Dakota Average
March 2024	$115,806	$5,846,071	1.98%	TBD
December 2023	$112,712	$5,758,740	1.96%	1.24%
September 2023	$112,345	$5,583,909	2.01%	1.26%
June 2023	$110,652	$5,509,863	2.01%	1.29%
March 2023	$108,660	$5,485,683	1.98%	1.38%

- BND adopted the CECL Accounting Standard as of January 1, 2023. As of March 31, 2024, BND's total allowance as a percentage of total loans is 1.98%, higher than the most recently posted North Dakota average of 1.24%. BND's allowance percentage can be attributed to the Bank's mission driven nature of our loan portfolio. BND continues to evaluate the need to adjust allowance provision based on the changing economic conditions.

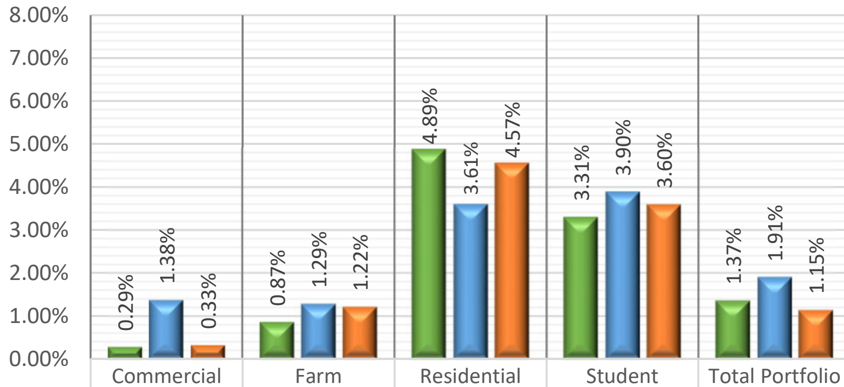
- Excluding the DEAL Student Loan portfolio, which is reserved for separately through the Guarantee Agency, BND's total allowance as a percentage is 2.41%. BND's total allowance as a percentage of all non-guaranteed loans is 2.59%.

- As of March 31, 2024, the percent of non-performing loans is 0.62%, a slight decrease from last quarter, and lower than the most recently posted North Dakota average of 0.72%. Non-performing ratio adjusted to exclude the $8.9 million of loans with government guarantees would decrease to 0.47%. Adversely classified loans as a percentage of total loans equaled 1.66%, slightly higher than last quarter but lower than prior year. The most recent North Dakota average of adversely classified loans was 1.36%.

Credit Quality

(Year over Year)

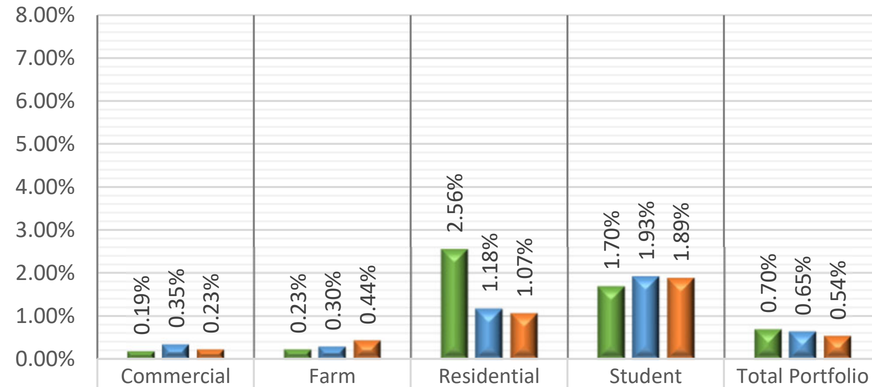
Delinquency Chart



	Commercial	Farm	Residential	Student	Total Portfolio
Q1 2022	0.29%	0.87%	4.89%	3.31%	1.37%
Q1 2023	1.38%	1.29%	3.61%	3.90%	1.91%
Q1 2024	0.33%	1.22%	4.57%	3.60%	1.15%

Q1 2022 Q1 2023 Q1 2024

Delinquencies over 90 Days



	Commercial	Farm	Residential	Student	Total Portfolio
Q1 2022	0.19%	0.23%	2.56%	1.70%	0.70%
Q1 2023	0.35%	0.30%	1.18%	1.93%	0.65%
Q1 2024	0.23%	0.44%	1.07%	1.89%	0.54%

Q1 2022 Q1 2023 Q1 2024

(In $000's)	Q1 2024	Q1 2023	Q1 2024	Q1 2023
	> 30 days	> 30 days	> 90 days	> 90 days
Commercial	$12,221	$45,978	$8,599	$11,737
Farm	$9,115	$9,145	$3,314	$2,096
Residential	$14,100	$12,392	$3,292	$4,036
Student Loans	$28,927	$32,131	$15,171	$15,899
Totals	$64,364	$99,646	$30,376	$33,768

- Commercial delinquencies were 0.33% of which 0.23% were delinquent over 90 days. This is a decrease to 30 day delinquencies compared to March 31, 2023 of 1.38% and 0.35% over 90 days. Delinquencies were lower than the North Dakota average of 0.49%.

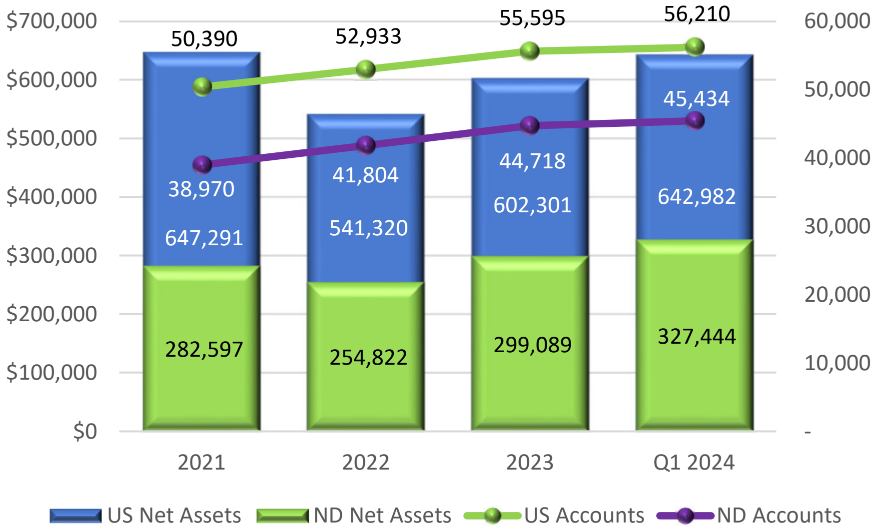
- Farm delinquencies were 1.22% of which 0.44% were delinquent over 90 days. Delinquencies were slightly lower than the prior year but higher than the North Dakota average of 0.59%. Delinquencies over 90 days at March 31, 2024 were slightly higher than compared to the last two prior years.

- Residential delinquencies were 4.57% of which 1.07% were delinquent over 90 days. FHA delinquencies of 7.13% are lower than the North Dakota 30-day average of 8.87% and over 90-day delinquencies of 1.67% is lower than the average of 2.83%. Nearly all residential delinquencies represent federally guaranteed loans.

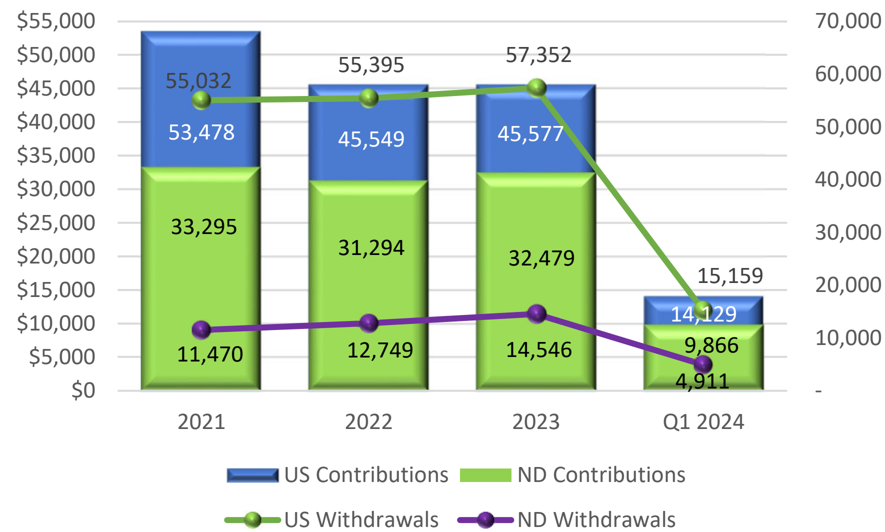
- The overall student loan portfolio has a delinquency rate of 3.60% with 1.89% of the loans being over 90 days. The $15.2 million delinquent over 90 days is a decrease from $15.9 million as of March 31, 2023.

College Save

Net Assets ($000) and Total Accounts (#)

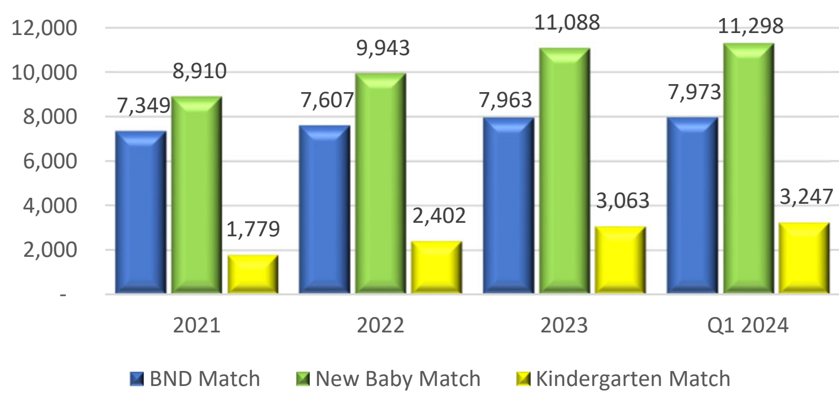


Contributions & Withdrawls ($000)



BND, New Baby, Kindergarten Match

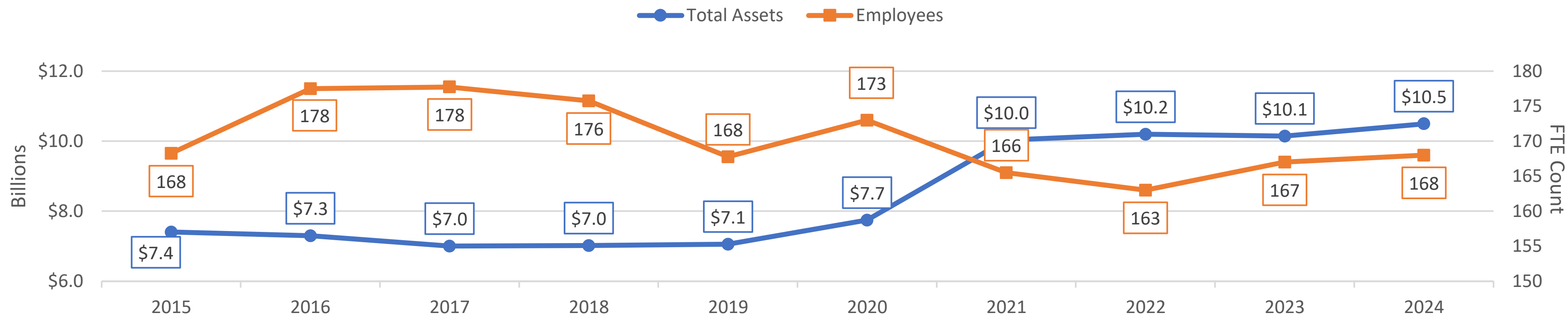
(# of Accounts)



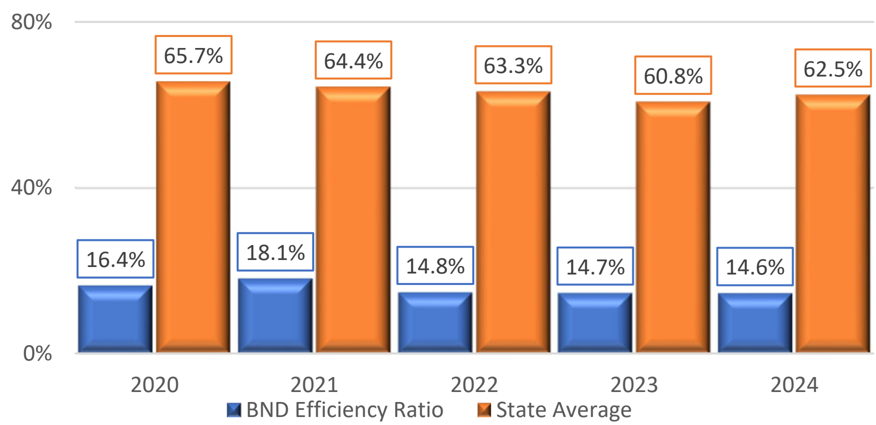
- North Dakota assets have surpassed $300 million, while seeing record distributions.
- College SAVE has a record 22,500 match accounts for North Dakota residents; $500,000 has been distributed from the acounts since it was established.

Human Resources

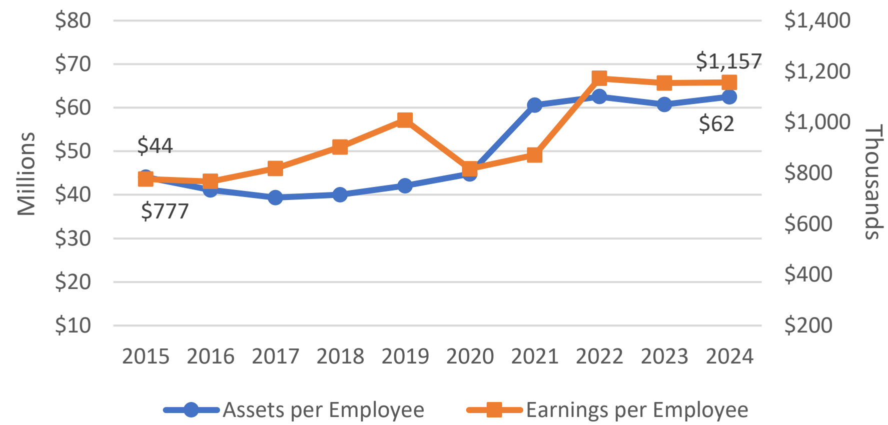
Total Assets & Employees



Efficiency Ratio - Comparative



Assets & Earnings per Employee



- From 2015 to present, assets have grown 42% to $10.5 billion, annualized earnings are projected to increased 49% while total employees have remained flat. Earnings per employee have increased from $777 thousand in 2015 to near $1.2 million or 49%. The efficiency ratio measures a bank's overhead costs as a percentage of its revenue, the lower the ratio, the better. BND's efficiency ratio has historically been three to four times better than the state average.

- The Bank was authorized an additional 14 FTEs for the 2023-25 Biennium, bringing the total up to 187 authorized FTEs.

BANK OF NORTH DAKOTA
FINANCE AND CREDIT COMMITTEE TELECONFERENCE
NONCONFIDENTIAL MINUTES
Wednesday, February 21, 2024 – 1:00 p.m. CT

MEMEBRS PRESENT VIA PHONE:	Brenda Foster, Chairman Christy Obenauer Bill Price
ALSO PRESENT VIA PHONE:	Sara Schumacher, BND Rob Pfennig, BND Kirby Evanger, BND Craig Hanson, BND

Chairman Foster called the meeting to order at 1:00 p.m.

Chairman Foster adjourned the nonconfidential portion of the meeting at 1:00 p.m. and the Advisory Board went into Executive Session pursuant to N.D.C.C. 6-09-35 to discuss those items on the agenda under Bank of North Dakota Confidential Business.

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The Executive Session began at 1:00 p.m. and was attended by Brenda Foster, Christy Obenauer, Bill Price, Sara Schumacher, Rob Pfennig, Kirby Evanger, Craig Hanson, Gus Staahl

The following items were considered during Executive Session:

- Problem Loan as of 01/31/2024
- Concentrations of Credit as of 12/31/2023

The Executive Session adjourned at 1:30 p.m.

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Chairman Foster reconvened the Nonconfidential portion of the meeting.

Rob Pfennig presented the January 2024 Monthly Financial Summary.

Kirby Evanger presented the Key Balances in DEAL Fund 12/31/2023 Report.

Consent Agenda

- Loan Portfolio Dashboard Report 12/31/2023

A recommendation will be made to the Advisory Board Committee to approve the confidential consent agenda as presented.

The next Advisory Board Finance and Credit Committee meeting will be held Wednesday, March 20, 2024.

Being no further Bank of North Dakota business, Chairman Foster adjourned the nonconfidential portion of the meeting at 1:50 p.m.

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Sara Schumacher, Executive Assistant

BANK OF NORTH DAKOTA
LEADERSHIP DEVELOPMENT AND
COMPENSATION COMMITTEE TELECONFERENCE
NONCONFIDENTIAL MINUTES
Thursday, February 22, 2024 – 8:30 a.m. CT

MEMEBRS PRESENT
VIA PHONE: Karl Bollingberg, Chairman
Christy Obenauer
Jean Voorhees
Pat Clement, non-voting member

ALSO PRESENT
VIA PHONE: Todd Steinwand, BND
Sara Schumacher, BND
Rob Pfennig, BND
Alison Anderson, BND
Kirby Evanger, BND
Lori Leingang, BND
Christy Steffenhagen, BND
Kelvin Hullet, BND
Craig Hanson, BND

Chairman Bollingberg called the meeting to order at 8:30 a.m.

Todd Steinwand and Lori Leingang presented for approval a Recruitment and Retention Study. A recommendation will be made to the Advisory Board Committee to approve the study as presented.

Lori Leingang provided a Fourth Quarter 2023 Strategic Plan update.

Lori Leingang provided a 2023 Annual Strategic Plan update.

The next Advisory Board Leadership Development and Compensation Committee meeting will be held Wednesday, May 16, 2024.

Being no further Bank of North Dakota business, Chairman Bollingberg adjourned the nonconfidential portion of the meeting at 9:45 a.m.

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Sara Schumacher, Executive Assistant

BANK OF NORTH DAKOTA
ADVISORY BOARD MEETING
NONCONFIDENTIAL MINUTES
Thursday, February 22, 2024 – 10:00 a.m. CT

MEMBERS PRESENT VIA PHONE:	Karl Bollingberg, Chairman Dennis Johnson, Vice Chairman Pat Clement Christie Obenauer Jean Voorhees Bill Price Brenda Foster
ALSO PRESENT:	Todd Steinwand, BND Sara Schumacher, BND Rob Pfennig, BND Alison Anderson, BND Kirby Evanger, BND Lori Leingang, BND Christy Steffenhagen, BND Kelvin Hullet, BND Craig Hanson, BND
ALSO PRESENT VIA PHONE:	Bonnie Schneider, BND Adam Dawson, MBIS

Chairman Bollingberg called the meeting to order at 10:00 a.m.

Chairman Bollingberg adjourned the nonconfidential portion of the meeting at 10:00 a.m. and the Advisory Board went into Executive Session pursuant to N.D.C.C. 6-09-35, 44-04-27 & 44-04-24 to discuss those items on the agenda under Bank of North Dakota Confidential Business.

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The Executive Session began at 10:00 a.m. and was attended by Karl Bollingberg, Dennis Johnson, Pat Clement, Christie Obenauer, Jean Voorhees, Bill Price, Brenda Foster, Todd Steinwand, Sara Schumacher, Rob Pfennig, Alison Anderson, Kirby Evanger, Lori Leingang, Christy Steffenhagen, Kelvin Hullet, Craig Hanson

The following items were considered during Executive Session:

- Finance and Credit Committee Reports Recap
- Confidential Finance and Credit Committee Minutes (January 17, 2024)
- Confidential Audit and Risk Committee Minutes (January 18, 2024)
- Confidential Advisory Board Minutes (January 18, 2024)
- Confidential Investment Committee Minutes (January 03, 10, 16, 24, 31, 2024)

The Executive Session adjourned at 10:45 a.m.

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Chairman Bollingberg reconvened the Nonconfidential portion of the meeting.

Summary of Recommendations (Confidential Session):

- A motion was made by Ms. Obenauer to approve the consent agenda as presented. Seconded by Mr. Price. Members Bollingberg, Johnson, Clement, Obenauer, Voorhees, Price, Foster voted aye. Motion carried.

Finance and Credit Committee made a recommendation to approve the following:

- Consent Agenda (see Finance and Credit Committee agenda)

A motion was made by Ms. Foster to approve the items as presented. Seconded by Ms. Obenauer. Members Bollingberg, Johnson, Clement, Obenauer, Voorhees, Price, Foster voted aye. Motion carried.

Brenda Foster provided a Finance and Credit Committee Reports Recap.

Leadership Development and Compensation Committee made a recommendation to approve the following:

- Recruitment and Retention Study

A motion was made by Mr. Price to approve the items as presented. Seconded by Mr. Johnson. Members Bollingberg, Johnson, Clement, Obenauer, Voorhees, Price, Foster voted aye. Motion carried.

Karl Bollingberg provided a Leadership Development and Compensation Committee Reports Recap.

A BND Insurance Coverage Discussion was held.

Consent Agenda:

- Physical Security Program 2023 Annual Report
- Nonconfidential Finance and Credit Committee Minutes (January 17, 2024)
- Nonconfidential Audit and Risk Committee Minutes (January 18, 2024)
- Nonconfidential Advisory Board Minutes (January 18, 2024)
- Nonconfidential Investment Committee Minutes (January 03, 10, 16, 24, 31, 2024)

A motion was made by Ms. Foster to approve the consent agenda as presented. Seconded by Mr. Johnson. Members Bollingberg, Johnson, Clement, Obenauer, Voorhees, Price, Foster voted aye. Motion carried.

An Advisory Board Discussion was held.

The next Advisory Board meetings will be held:

- Finance and Credit Committee Meeting – Wednesday, March 20, 2024, 1:00 p.m., Teleconference
- Group Advisory Board Meeting – Thursday, March 21, 2024, 8:30 a.m., Teleconference

Being no further Bank of North Dakota business, Chairman Bollingberg adjourned the nonconfidential portion of the meeting at 11:10 a.m.

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Sara Schumacher, Executive Assistant