



North Dakota

Low Income Housing Preservation in 2010

Low Income Housing Tax Credits (9% Tax Credits)

The 2011 QAP awards 10 points for preserving federally assisted properties "at-risk" of being lost to market rate, including existing housing credit projects. In addition, properties with rehabilitation expenditures of \$15,000 up to \$30,000 per apartment receive 5 points, those with rehabilitation expenditures of \$30,000 or more per apartment receive 10 points, and all rehabilitation projects part of a community revitalization plan will receive an additional 3 points. NDHFA will waive the \$15,000 minimum rehabilitation threshold requirement if a capital needs assessment supports a lower rehabilitation requirement.

NDHFA awards up to 9 points for extending the affordability period for 5, 10, or 15 years. North Dakota directs the 30% basis boost toward to QCTs, DDAs, and

- (1) projects designed to primarily serve special needs populations, i.e. homeless or those requiring permanent supportive services;
- (2) projects that target 20 percent or more of the units at 30 percent of area median income or less;
- (3) projects within tribal reservations, including the Trenton Indian Service Area;
- (4) new construction projects on in-fill lots a) with existing structures which need to be demolished or b) require substantial environmental remediation; and
- (5) projects in rural areas without sufficient soft financing to be financially feasible in low market rent areas. Proposed rents (including utility allowance) must be the lesser of a) Fair Market Rents (FMR) or b) a minimum of 20% below Housing Tax Credit 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.

Allocations (2003-2009)

Properties Preserved: 29

Apartments Preserved: 1,036

Additional Info: North Dakota consistently used its 9% tax credit for preservation, allocating over 20% of the state's total credit towards preservation in 2007, 2008 and 2009.

Other Preservation Incentives

North Dakota Housing's Rural Housing Rehab Loan offers low-interest loans to owners, general partners, and other authorized agents to rehabilitate existing multifamily properties located in areas meeting USDA Rural Development's definition of rural. To be eligible, properties must target at least 20% of its units to households with incomes at or below AMI. Additionally, 75% of project costs not to exceed \$100,000. Acceptable use of funds include: any improvement to the property to a decent, safe and sanitary condition, requiring more than routine or minor repairs or improvements that may vary in degree from gutting and extensive reconstruction to cosmetic improvements combined with cure of substantial accumulation of deferred maintenance, the construction of additions, the rehabilitation of an attached or detached garage, driveway, and sidewalks, improvements to achieve energy efficiency. Acquisition is an ineligible use of proceeds; the applicant must own the property at the time of application.

Green Multifamily Preservation Initiatives

Green Incentives in State Tax Credit Allocation Plan

North Dakota's 2011 QAP offers up to 6 points for meeting criteria on the Green Communities checklist included in the application. This checklist differentiates between new construction and rehab proposals and makes it easier for rehab proposals to earn competitive points.

Other Green Incentives Relevant to Preservation

Incentives include an income tax credit for renewable systems, sale tax exemptions for renewable systems, and property tax exemptions/reductions for large renewable energy systems.

For additional information on green initiatives, visit www.aceee.org for more on policies related to energy efficiency or www.dsireusa.org for programs that may be available to developers to incentivize renewable energy or energy efficiency.

Sustainable Communities & Transit-Oriented Development Incentives

The 2011 QAP awards 5 points for projects located in a qualified census tract or city revitalization area and which contribute to a Community Revitalization Plan.