

News Release

August 11, 2003

For Immediate Release

**HOUSING CREDITS AWARDED TO DEVELOPERS  
MORE THAN \$1.4 MILLION REMAINS AVAILABLE**

BISMARCK – The Industrial Commission has awarded \$967,831 in Low Income Housing Tax Credits (LIHTC) to finance the construction or rehabilitation of seven North Dakota properties. Approximately \$1.4 million in housing credits remains available for distribution this year.

“Locally and nationally, housing credits are the primary financial tool for the development of affordable rental housing. The credits provide the most significant means for the creation or rehabilitation of low-income housing,” said Gov. John Hoeven. “The LIHTC program stabilizes our communities by improving housing quality and supply.”

The North Dakota Housing Finance Agency (NDHFA) administers the LIHTC program, allocating housing credits through a competitive process to for-profit and non-profit developers. The credits, awarded for a period of 10 years, provide access to equity capital.

“Housing credits help developers reduce the amount of debt needed to finance construction or rehabilitation, so the apartments can be rented at rates that low income families can afford,” said Agriculture Commissioner Roger Johnson. “Rental units created using housing credits must be rented for at least 15 years to persons who earn less than 60 percent of the area median income.”

Housing credits can be used to finance new construction, acquisition and rehabilitation, or rehabilitation only of affordable rental housing units. Preference is given to developments that serve the lowest income families and those serving low-income families for the longest periods of time.

“Since the program was created 17 years ago, the NDHFA has allocated more than \$14 million in housing credits for the production or rehabilitation of 141 projects in 38 cities statewide. This represents a private capital investment of approximately \$80 million,” said Wayne Stenehjem, Attorney General. “The credits allocated have created nearly 4,000 rental units dedicated to low-income renters.”

“The large remaining balance can be attributed in part to the increased annual authority afforded the LIHTC program by Congress in 2000,” said Pat Fricke, NDHFA executive director. “To aid with future developments of affordable housing, the recently formed Mountain Plains Equity Group, Inc., (MPEG) will work with developers on much needed small rural projects that can be expensive and difficult to put together.”

The NDHFA formed MPEG along with the Montana Board of Housing and the Wyoming Community Development Authority. Structured as a non-profit corporation, the fund will invest in LIHTC projects equitably among the three states. By spending more time and effort getting comfortable with investments, an equity group lessens the problems often associated with small, rural developments. The group will also provide financing for larger, urban structures.

The 2003 housing credit awards include:

- Fargo - \$107,815 awarded to Beyond Shelter, Inc., a nonprofit organization, for the development of Sisters Path, creating 12 new units.
- Fargo - \$184,810 awarded to Beyond Shelter, Inc., for the acquisition and rehabilitation of the Graver Inn, 60 units of affordable housing.
- Gwinner - \$49,705 awarded to Region V CDC, a Fargo-based nonprofit organization, for the development of Homestead Commons, a six unit housing project.
- Fargo - \$372,683 awarded to Southhill Group LLC for the construction of Windwood Townhomes, a 46 unit development.
- Fort Yates - \$167,530 awarded to Standing Rock Housing Authority for the acquisition and rehabilitation of Standing Rock Rehab Project #9, preserving 20 units of affordable housing.
- Devils Lake - \$67,380 awarded to MetroPlains Properties, Inc., for the acquisition and development of the Opera House, preserving 20 units of affordable housing.

An additional \$17,908 was awarded to the Gandolf Group, LLC, to finish construction of Lakewood Village in Mandan.

NDHFA is accepting applications for the remaining housing credits, which will be awarded to qualified applicants on a first-come, first-served basis. A housing credit application and the allocation plan are available on the NDHFA website, [www.ndhfa.org](http://www.ndhfa.org), or by calling (701) 328-8080, (800) 292-8621, (800) 366-6888 (TTY).

The Industrial Commission of North Dakota, consisting of Governor John Hoeven, as chairman, Agriculture Commissioner Roger Johnson and Attorney General Wayne Stenehjem, oversees the North Dakota Housing Finance Agency.

-30-

FURTHER INFORMATION: Pat Fricke (701) 328-8080