



INDUSTRIAL COMMISSION OF NORTH DAKOTA

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Governor

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Attorney General

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Agriculture Commissioner

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For Immediate Release

RURAL HOUSING INVESTMENT INCENTIVE PROJECTS SELECTED

BISMARCK - The Industrial Commission announced today that the North Dakota Housing Finance Agency (NDHFA) has selected seven projects for a demonstration program. The objective of the Rural Housing Investment Incentive Pilot (RHIP) is to close the greatest barriers to rural housing development – the gap between construction costs and property values, and housing affordability.

“North Dakota’s economy is growing, creating significant demand in many small communities for workforce housing,” said Gov. John Hoeven. “This program could help to provide both single- and multi-family units in small communities that are feeling the impacts of a growing economy and its related housing needs.”

“North Dakota Housing’s RHIP program provides a dollar for dollar match for private sector investment in communities with fewer than 5,000 residents with a demonstrated need for housing,” said Agriculture Commissioner Doug Goehring.

“The aim of the pilot program is to encourage private sector investment and spur development,” said Attorney General Wayne Stenehjem. “The Agency’s program supports both new housing development and substantial rehabilitation of existing structures.”

Projects receiving the pilot program funding include:

- Maddock – \$50,000 to Lutheran Social Services (LSS) Housing, Inc. for the rehabilitation of a foreclosed and uninhabitable structure into eight units of rental housing. The project will benefit local businesses trying to attract employees.
- New Rockford – \$50,000 to the Eddy County Housing Authority for the construction of a four-unit rental property. The project will begin to address a demonstrated need for housing for individuals and young families.
- Parshall - \$50,000 to LSS Housing, Inc. for the construction of 20 rental units. The project will redevelop two abandoned sites that are currently unproductive and address a demonstrated need for workforce and affordable housing.
- Stanley - \$100,000 to LSS Housing, Inc. for the rehabilitation of an uninhabitable structure into 16 rental units. The project will provide affordable units for low- and moderate-income seniors and working-age households.
- Underwood – \$15,000 to the Underwood Economic Development Corporation for a new single-family home. The funds will help fill the gap between the cost of construction and value of the completed property.

- Velva - \$38,366 to Whitetail Properties, LLC for the rehabilitation of an uninhabitable structure into three rental units. The project addresses a demonstrated shortage of affordable units in the community.
- Wishek - \$96,634 to Wishek Home for the Aged for the construction of eight assisted-living units. The community has a demonstrated need for this type of housing for the elderly. In turn, this will free up existing single-family homes in demand by younger households.

“In small town housing markets where there has been little or no housing development for a generation or more, appraised values of property are well below construction costs,” said Mike Anderson, NDHFA executive director. “Without soft money, like the funds provided through our pilot program, it is very difficult to finance single-family homes and rental projects typically cannot generate enough income to support debt service and cover their operating expenses.”

NDHFA will report its findings to an interim legislative committee. The agency is investing \$400,000 in the pilot program.

The Industrial Commission of North Dakota, consisting of Governor John Hoeven, as chairman, Attorney General Wayne Stenehjem and Agriculture Commissioner Doug Goehring, oversees the NDHFA.

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