

**PROGRAM NARRATIVE**

473 ND Housing Finance Agency

Date: 12/23/2014

Time: 12:59:19

Program: ND Housing Finance Agency

Reporting level: 00-473-101-00-00-00-00000000

**Program Performance Measures**

HUD performs routine management reviews of the NDHFA Property Management Division as it pertains to the administration of HUD rental assistance contracts. The NDHFA has received "Superior" ratings in these reviews, the highest rating given by HUD.

The Homeownership Division is audited by HUD FHA with regard to single family insurance claims, on-site servicing procedures review and FHA tier-ranking system on loan loss mitigation.

The Department of Commerce, Division of Community Services, audits the Agency's compliance with regard to our administration of the HOME Program funds.

NDHFA is also examined by various entities for the compliance and administration of the other programs at random, non-scheduled intervals.

**Program Statistical Data**

Single Family Mortgages Purchased (cumulative as of 5/31/2014)	38,411	\$2,792,231,276
Single Family Current Outstanding Mortgages (as of 5/31/2014)	8,954	765,495,161
Single Family Mortgages Purchased (Calendar Year 2013)	844	113,956,056
Single Family Direct Serviced Mortgages (as of 5/31/2014)	7,496	645,451,249
Single Family Serviced Mortgages for Other Organizations (Fannie Mae, Ginnie Mae, Habitat, CWND) (as of 5/31/2014)	1,238	142,246,428
Single Family Bond Issues Outstanding (as of 5/31/2014)	20	\$613,882,289
Start Assistance Provided (Cumulative as of 5/31/2014)	10,435	\$30,204,779
Start Assistance Provided (Calendar Year 2013)	514	2,377,601

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Down Payment and Closing Cost Assistance (DCA) Projects (cumulative as of 5/31/2014)	2,133	\$5,360,926
DCA Projects (Calendar Year 2013 )	87	354,997
Tax Credit Units allocated in 2013	172	\$2,612,067
Total Tax Credit Units Allocated (cumulative as of 12/31/2013)	6,428	36,088,549
Rental Assistance Projects (as of 05/31/2014)	133	
Rental Assistance Units (as of 05/31/2014)	3,397	
Rental Assistance Payments (Fiscal Year 2014)		\$11,716,458
Resolution Trust Projects (as of 05/31/2014)	8	
RAP Grants (cumulative as of 5/31/2014)	282	\$894,861
Helping HAND Grants (cumulative as of 5/31/2014)		\$5,616,636
Rural Rehab Loans (cumulative as of 5/31/2014)	7	\$562,495
Rural Housing Development Loans (cumulative as of 5/31/2014)	2	345,000
Construction Loan Guarantees (cumulative as of 5/31/2014)	24	\$2,168,161
Rural Housing Investment Incentive Pilot Program Loans (cumulative as of 5/31/2014)	6	354,139

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Housing Incentive Fund Conditional Commitments (cumulative as of 5/31/2014)	55	\$50,400,000
Housing Incentive Fund Project Disbursements (cumulative as of 5/31/2014)		17,115,366
Housing Market Survey Grant Program Studies (cumulative as of 5/31/2014)	31	\$216,119

**Explanation of Program Costs**

NDHFA's budget consists of grants to beneficiaries and operating expenses associated with administering programs fully funded through federal and agency generated revenue.

Included in Operating Fees and Services, object 621000, are servicing release premiums paid to participating lenders.

Professional services includes legal, financial advisor, and audit expenses

**Program Goals and Objectives**

Provide affordable housing for low to moderate-income North Dakotans by offering eligible homebuyers and homeowners the opportunity to acquire financing at a lower than market rate, thus enhancing affordability.

Provide information to new home buyers, current homeowners, rental households, and homeless households across the state through the support of homebuyer education and housing counseling.

Administer HUD Rental Housing Assistance contracts in providing financial assistance for the benefit of low-income, elderly, and special needs eligible tenants.

Preservation of North Dakota's aging affordable rental housing inventory is paramount to sustaining a vital program for eligible tenants.

Ensure that the state's allocation of the low-income housing tax credits is used efficiently and effectively, and to administer the program in accordance with Internal Revenue Service regulations.

Administer multi-family housing finance programs through the issuance of bonds or other methods of providing lower cost financing alternatives.

Continue efforts to find external sources of capital to allow for expansion of existing Agency financing programs targeted to rural communities.

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Lead Agency and primary point of contact for the Statewide Technical Assistance Team (STAT); a collaboration of public and non-profit agencies that assists rural communities to develop a housing strategy and offers continued education and support to meet their housing goals.

Continue to be an active member on the North Dakota Housing Task Force for Disaster Recovery addressing housing issues following a natural disaster such as flooding or tornadoes.

Provide technical assistance and low cost funds to communities and Indian Reservations to facilitate the development of additional affordable housing.

Provide grants and low cost financing for the rehabilitation and revitalization of the state's aging housing stock.

Facilitate the development of alternative housing for the state's special needs populations.

**REQUEST DETAIL BY PROGRAM**

473 ND Housing Finance Agency

Bill#: HB1014

Date: 12/23/2014

Biennium: 2015-2017

Time: 12:59:19

<b>Program:</b> ND Housing Finance Agency	<b>Reporting Level:</b> 00-473-101-00-00-00-00-00000000
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Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
<b>Salaries and Wages</b>					
Salaries - Permanent	4,322,256	5,356,066	(161,290)	5,194,776	0
Overtime	0	19,920	0	19,920	0
Fringe Benefits	1,686,390	2,058,891	35,594	2,094,485	0
<b>Total</b>	<b>6,008,646</b>	<b>7,434,877</b>	<b>(125,696)</b>	<b>7,309,181</b>	<b>0</b>
<b>Salaries and Wages</b>					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	6,008,646	7,434,877	(125,696)	7,309,181	0
<b>Total</b>	<b>6,008,646</b>	<b>7,434,877</b>	<b>(125,696)</b>	<b>7,309,181</b>	<b>0</b>
<b>Accrued Leave Payments</b>					
Salaries - Other	0	147,806	(147,806)	0	0
<b>Total</b>	<b>0</b>	<b>147,806</b>	<b>(147,806)</b>	<b>0</b>	<b>0</b>
<b>Accrued Leave Payments</b>					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	147,806	(147,806)	0	0
<b>Total</b>	<b>0</b>	<b>147,806</b>	<b>(147,806)</b>	<b>0</b>	<b>0</b>
<b>Operating Expenses</b>					
Travel	137,977	165,850	39,745	205,595	0
Supplies - IT Software	26,884	22,000	16,060	38,060	0
Office Supplies	36,955	40,890	(6,040)	34,850	0
Postage	96,364	105,650	9,130	114,780	0
Printing	25,981	27,240	10,460	37,700	0
IT Equip Under \$5,000	52,577	15,200	24,000	39,200	0
Other Equip Under \$5,000	0	2,000	0	2,000	0
Insurance	4,550	4,600	0	4,600	0
Rentals/Leases-Equip & Other	6,051	6,440	1,400	7,840	0
Rentals/Leases - Bldg/Land	447,919	448,538	21,302	469,840	0
IT - Data Processing	119,003	118,600	18,200	136,800	0
IT - Communications	58,512	62,660	(10,320)	52,340	0
IT Contractual Svcs and Rprs	52,560	64,300	8,990	73,290	0
Professional Development	81,564	96,450	27,420	123,870	0
Operating Fees and Services	1,410,974	2,002,900	(28,310)	1,974,590	0
Fees - Professional Services	385,273	503,440	(74,520)	428,920	0

**REQUEST DETAIL BY PROGRAM**

473 ND Housing Finance Agency

Bill#: HB1014

Date: 12/23/2014

Biennium: 2015-2017

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Program: ND Housing Finance Agency		Reporting Level: 00-473-101-00-00-00-00000000			
Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
Interest Expense	479,155	105,000	(105,000)	0	0
<b>Total</b>	<b>3,422,299</b>	<b>3,791,758</b>	<b>(47,483)</b>	<b>3,744,275</b>	<b>0</b>
<b>Operating Expenses</b>					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	3,422,299	3,791,758	(47,483)	3,744,275	0
<b>Total</b>	<b>3,422,299</b>	<b>3,791,758</b>	<b>(47,483)</b>	<b>3,744,275</b>	<b>0</b>
<b>Grants</b>					
Grants, Benefits & Claims	29,467,640	31,033,050	(5,102,270)	25,930,780	0
<b>Total</b>	<b>29,467,640</b>	<b>31,033,050</b>	<b>(5,102,270)</b>	<b>25,930,780</b>	<b>0</b>
<b>Grants</b>					
General Fund	0	0	0	0	0
Federal Funds	27,540,545	26,177,975	(948,555)	25,227,780	0
Special Funds	1,927,095	4,855,075	(4,152,075)	703,000	0
<b>Total</b>	<b>29,467,640</b>	<b>31,033,050</b>	<b>(5,102,270)</b>	<b>25,930,780</b>	<b>0</b>
<b>HFA Contingency</b>					
Other Expenses	0	100,000	0	100,000	0
<b>Total</b>	<b>0</b>	<b>100,000</b>	<b>0</b>	<b>100,000</b>	<b>0</b>
<b>HFA Contingency</b>					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	100,000	0	100,000	0
<b>Total</b>	<b>0</b>	<b>100,000</b>	<b>0</b>	<b>100,000</b>	<b>0</b>
<b>Federal Stimulus Funds 2009</b>					
Grants, Benefits & Claims	991,263	0	0	0	0
<b>Total</b>	<b>991,263</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Federal Stimulus Funds 2009</b>					
General Fund	0	0	0	0	0
Federal Funds	991,263	0	0	0	0
Special Funds	0	0	0	0	0
<b>Total</b>	<b>991,263</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**REQUEST DETAIL BY PROGRAM**

473 ND Housing Finance Agency

Bill#: HB1014

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Biennium: 2015-2017

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Program: ND Housing Finance Agency		Reporting Level: 00-473-101-00-00-00-00000000			
Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
<b>General Fund Transfers</b>					
Transfers Out	0	15,400,000	(15,400,000)	0	0
<b>Total</b>	<b>0</b>	<b>15,400,000</b>	<b>(15,400,000)</b>	<b>0</b>	<b>0</b>
<b>General Fund Transfers</b>					
General Fund	0	15,400,000	(15,400,000)	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>15,400,000</b>	<b>(15,400,000)</b>	<b>0</b>	<b>0</b>
<b>Total Expenditures</b>	<b>39,889,848</b>	<b>73,307,491</b>	<b>(36,221,615)</b>	<b>37,084,236</b>	<b>0</b>
<b>Funding Sources</b>					
<b>General Fund</b>					
<b>Total</b>	<b>0</b>	<b>15,400,000</b>	<b>(15,400,000)</b>	<b>0</b>	<b>0</b>
<b>Federal Funds</b>					
X4730 Home Investments Partnership Prog	723,640	800,000	(200,000)	600,000	0
X4731 Lower Inc Housing Assist Prog Sec 8	1,371,052	1,440,600	0	1,438,960	0
X4732 Rent Supplements Contract Admin	21,461,584	22,357,375	593,445	22,950,820	0
X4733 Housing Counseling Assistance	167,057	250,000	(12,000)	238,000	0
X4734 Neighborhood Stabilization Program	3,817,212	1,330,000	(1,330,000)	0	0
X4735 Tax Credit Exchange Program	566,619	0	0	0	0
X4736 Tax Credit Assistance Program	424,644	0	0	0	0
<b>Total</b>	<b>28,531,808</b>	<b>26,177,975</b>	<b>(948,555)</b>	<b>25,227,780</b>	<b>0</b>
<b>Special Funds</b>					
003 Special Fund Budget	0	0	0	0	0
352 State Disaster Relief Fund	0	1,500,000	(1,500,000)	0	0
473 Housing Finance Agency-Fees	11,358,040	14,829,516	(2,973,060)	11,856,456	0
<b>Total</b>	<b>11,358,040</b>	<b>16,329,516</b>	<b>(4,473,060)</b>	<b>11,856,456</b>	<b>0</b>
<b>Total Funding Sources</b>	<b>39,889,848</b>	<b>57,907,491</b>	<b>(20,821,615)</b>	<b>37,084,236</b>	<b>0</b>
<b>FTE Employees</b>	<b>46.00</b>	<b>46.00</b>	<b>0.00</b>	<b>46.00</b>	<b>0.00</b>

**CHANGE PACKAGE DETAIL**

473 ND Housing Finance Agency  
Biennium: 2015-2017

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Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
<b>Base Budget Changes</b>						
<b>One Time Budget Changes</b>						
A-E 10 Housing Incentive Fund		0.00	(15,400,000)	0	0	(15,400,000)
A-E 9 Emergency Service Grant		0.00	0	0	(1,500,000)	(1,500,000)
<b>Total One Time Budget Changes</b>		<b>0.00</b>	<b>(15,400,000)</b>	<b>0</b>	<b>(1,500,000)</b>	<b>(16,900,000)</b>
<b>Ongoing Budget Changes</b>						
A-A 3 Rates and Usage		0.00	0	0	(683)	(683)
A-A 4 HUD Grants		0.00	0	(950,195)	(1,264,250)	(2,214,445)
A-A 5 Program Outreach		0.00	0	0	(1,287,825)	(1,287,825)
A-A 6 Agency Loans		0.00	0	0	(146,800)	(146,800)
Base Payroll Change		0.00	0	0	(273,502)	(273,502)
<b>Total Ongoing Budget Changes</b>		<b>0.00</b>	<b>0</b>	<b>(950,195)</b>	<b>(2,973,060)</b>	<b>(3,923,255)</b>
<b>Total Base Budget Changes</b>		<b>0.00</b>	<b>(15,400,000)</b>	<b>(950,195)</b>	<b>(4,473,060)</b>	<b>(20,823,255)</b>