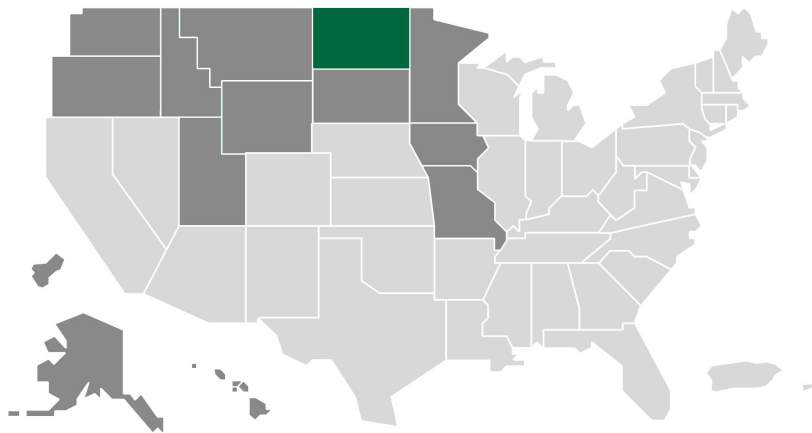


ENHANCING LIVES, IMPACTING COMMUNITIES: THE FEDERAL HOME LOAN BANK SYSTEM



NORTH DAKOTA
STATE REPORT

NORTH DAKOTA STATE REPORT

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Since its creation in 1989, the Federal Home Loan Bank System’s Affordable Housing Program (AHP) has been a substantial and valuable source of real estate equity for the financing of affordable housing in the United States. From 1990 through 2016, the 11 Federal Home Loan Banks (FHLBanks) collectively contributed more than \$4.1 billion (\$5.4 billion in inflation-adjusted dollars) in AHP real estate finance equity for rental, home construction and rehabilitation activities. This equity was combined with \$65.7 billion (\$83.9 billion in inflation-adjusted dollars) in leveraged dollars from other private and public sources, enabling \$69.9 billion (\$89.3 billion in inflation-adjusted dollars) in total development funding for more than 601,000 housing units. From 1995 through 2016, the FHLBanks also collectively contributed approximately \$1.0 billion (\$1.2 billion in inflation-adjusted dollars) in AHP equity for down payment assistance and mortgage principal reduction, assisting more than 183,000 home purchase activities. Each FHLBank allocates at least 10 percent of its annual net earnings to fund its AHP. As such, the continued operating and mission success of the FHLBanks has directly enhanced the development and purchase of affordable housing throughout the country and has had a positive impact on local and state economies and on the national economy. The state of North Dakota is in the Des Moines district. This report details the economic impact of housing within North Dakota that has been enhanced by AHP funding from 1990 through 2016.*

* Note: some projects within North Dakota may have received AHP funding from a Federal Home Loan Bank other than FHLBank Des Moines. For further detail on the economic impact study methodology, please see: Study Methodology and Appendices Report.

NORTH DAKOTA Rental, Home Construction and Rehabilitation Activities

Economic Basis



\$14.97 MILLION

TOTAL AHP SUBSIDY

AHP provides real estate finance equity for both rental and for-sale housing. AHP is more often referred to as a subsidy or grant and is delivered to FHLBank-member financial institutions to assist in the funding for construction, rehabilitation and purchase of affordable housing.

\$18.98 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$144.75 MILLION

DEVELOPMENT COST

Development Cost refers to the cost of acquiring land or pre-existing housing units, demolition and/or relocation costs and any costs incurred while constructing, rehabilitating or redeveloping housing.

\$182.83 MILLION

DEVELOPMENT COST INFLATION-ADJUSTED

 **87**

PROJECTS

Projects refers to the distinct use of AHP funding for a specific acquisition, construction or rehabilitation of building(s) or housing unit(s).

 **2,214**

TOTAL UNITS

Total Units refers to the total number of single-family and multifamily units constructed using AHP funding, where each individual dwelling unit in a multifamily building is counted separately.

Inflation-Adjusted refers to the measure of return that takes into account the time period's inflation rate. For example, \$100 in 1990 is worth \$192 in 2018. This study reports all economic impacts in inflation-adjusted dollars.

NORTH DAKOTA Home Purchase Activities

Economic Basis



\$1.59 MILLION

TOTAL AHP SUBSIDY

AHP provides real estate finance equity for both rental and for-sale housing. AHP is more often referred to as a subsidy or grant and is delivered to FHLBank-member financial institutions to assist in the funding for construction, rehabilitation and purchase of affordable housing.

\$2.04 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$20.51 MILLION

FIRST MORTGAGES

First Mortgages refers to the volume and value of first-lien position mortgages financed by lenders in a home purchase activity.

\$24.94 MILLION

FIRST MORTGAGES INFLATION-ADJUSTED

 **419**

TOTAL UNITS

Total Units refers to the total number of single-family and multifamily units constructed using AHP funding, where each individual dwelling unit in a multifamily building is counted separately.

Inflation-Adjusted refers to the measure of return that takes into account the time period's inflation rate. For example, \$100 in 1990 is worth \$192 in 2018. This study reports all economic impacts in inflation-adjusted dollars.

NORTH DAKOTA Rental, Home Construction and Rehabilitation Activities

Economic Impact



\$319.32 MILLION

TOTAL ECONOMIC BENEFITS

Total Economic Benefits measure the economic activities associated with rental, home construction and rehabilitation enhanced by AHP funding.



2,216 JOBS

JOB CREATION

Job Creation includes new full-time, part-time, temporary, permanent, salary-based and fee-based jobs generated by the addition of AHP-enhanced rental, home construction and rehabilitation activities.



\$123.96 MILLION

LABOR INCOME

Labor Income refers to all forms of income that stem from employment, such as salaries and hourly wages and profits made by developers, builders and contractors.

1.75

MULTIPLIER (IMPLAN Factor)

Multiplier is a term used for the economic ripple effect measured by an economic impact model. In this case, the multiplier effect accounts for how each additional job or dollar of output enhanced by AHP funding impacts the home construction and rehabilitation of affordable rental and housing units.

\$7.70 MILLION

TAX REVENUE

Tax Revenue includes the revenue generated by local and state taxes related to rental, home construction and rehabilitation.

All dollars are in inflation-adjusted dollars.

NORTH DAKOTA Home Purchase Activities

Economic Impact



\$73.34 MILLION

TOTAL ECONOMIC BENEFITS

Total Economic Benefits measure the economic activities associated with home purchases, enhanced by AHP funding.



530 JOBS

JOB CREATION

Job Creation includes new full-time, part-time, temporary, permanent, salary-based and fee-based jobs generated by the addition of AHP-enhanced home purchase activities.



\$17.64 MILLION

LABOR INCOME

Labor Income refers to all forms of income that stem from employment, such as salaries and hourly wages and profits made by developers, builders and contractors.

1.92

MULTIPLIER (IMPLAN Factor)

Multiplier is a term used for the economic ripple effect measured by an economic impact model. In this case, the multiplier effect accounts for how each additional job or dollar of output enhanced by AHP funding impacts the home purchases of affordable housing units.

\$2.47 MILLION

TAX REVENUE

Tax Revenue includes the revenue generated by local and state taxes related to rental, home construction and rehabilitation.

NORTH DAKOTA

Project Profile: Rental Activity



Grafton Housing Rehabilitation Project

Upon completion of its 2011 housing study, the city of Grafton approached the Red River Regional Council to start a housing rehabilitation project. The goal was to address the city’s housing needs, including investing in its existing housing stock. The city cited the study’s recommendation to “focus on the preservation, maintenance and improvement of the housing stock that already exists.”

Seven grant awards from three sources, in addition to a significant commitment of funds from the city of Grafton, made the Grafton Housing Rehabilitation Project possible. The four-year project rehabilitated 28 owner-occupied homes between 2012 and 2015. Grafton’s population is around 4,200.

The rehabilitation project provided grant assistance to qualifying low-income residents for addressing health and safety issues in their homes. Common repairs included roofing, siding, windows, doors, plumbing, heating, electrical and other accessibility and safety items. Federal funding sources also required the project to address lead-based paint, floodplain and historic preservation issues.

Once rehabilitated, homes met HUD Section 8 Housing Quality and Safety Standards and increased in market value. The program required homeowners to be income-eligible, so it benefitted 28 homeowners who would not have afforded the improvements otherwise.

SOURCES

FHLB Des Moines AHP	\$	163,400
North Dakota Department of Commerce/ U.S. Housing and Urban Development Community Development Block Grant	\$	123,254
City of Grafton	\$	118,872
U.S. Department of Agriculture Rural Development Housing Preservation Grant	\$	94,194
Total	\$	499,720