



North Dakota Legislative Council

Prepared for the Government Services Committee
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STUDY OF HOMELESSNESS AND BARRIERS TO HOUSING - BACKGROUND MEMORANDUM

House Concurrent Resolution No. 3030 (2023) ([appendix](#)) provides for a Legislative Management study regarding homelessness and barriers to housing. As part of the study, the Government Services Committee is to review:

- The effectiveness of the Rent Help program;
- The provision of housing financial support;
- Legal assistance programs available to tenants;
- State, local, or federal educational programs for tenants and landlords regarding rights and responsibilities;
- Month-to-month eviction rates by human service zone area;
- Definitions of homelessness or homeless rates used by government entities;
- Barriers to accessing housing;
- The manner in which homeless children receive services;
- Historical rates of homelessness; and
- How a community-based approach to homelessness may reduce rates of homelessness.

DEFINITIONS

The federal Department of Housing and Urban Development (HUD) defines homeless in four categories:

1. Literally homeless is defined as an individual or family who lacks a fixed, regular, and adequate nighttime residence.
2. Imminent risk of homelessness is defined as an individual or family who will imminently lose their primary nighttime residence, provided that:
 - a. Residence will be lost within 14 days;
 - b. No subsequent residence has been identified; and
 - c. The individual or family lacks the resources or support networks needed to obtain other permanent housing.
3. Homeless under other federal statutes includes unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless, but who:
 - a. Have not had a lease, ownership interest, or occupancy agreement in permanent housing during the 60 days prior to the homeless assistance application;
 - b. Have experienced persistent instability as measured by two moves or more during the preceding 60 days; and
 - c. Can be expected to continue in such status for an extended period of time due to special needs or barriers.
4. Fleeing or attempting to flee domestic violence.

NORTH DAKOTA INTERAGENCY COUNCIL ON HOMELESSNESS

The North Dakota Interagency Council on Homelessness is a collaboration among city and state government officials and a representative of the North Dakota Coalition for Homeless People. The council was established in 2004 by Governor John Hoeven by Executive Order 2004-09 in which it was recognized that there is a need to improve access to mainstream resources critical to individuals and families experiencing homelessness. The purpose of the council, as outlined by the executive order, is to:

- Coordinate state policy and working relationships among state agencies to identify and define issues of homelessness in North Dakota.
- Determine comprehensive and effective collaborative strategies and best practices for preventing and ending homelessness in North Dakota.
- Review and analyze the need for and the availability of resources to address the needs of North Dakotans who are homeless.
- Recommend changes necessary to alleviate or prevent the situation of homelessness to include making recommendations to the appropriate state agencies and organizations regarding effective distribution of resources and access to available services and programs.
- Educate other state agencies, legislators, and the public about the causes of homelessness.
- Solicit input from the faith and advocacy communities, the business community, and consumers regarding policy and program development to identify and define issues of homelessness in order to develop effective collaborative strategies for preventing and ending homelessness in North Dakota.

The council is made up of the following individuals or their designees:

- A designee from the North Dakota Governor's office.
- Representatives of North Dakota's Departments of Corrections and Rehabilitation, Health and Human Services, Commerce, and Public Instruction, the Housing Finance Agency, Indian Affairs Commission, Job Service North Dakota, and other departments or agencies as the Governor deems appropriate.
- The mayors of Bismarck, Fargo, and Grand Forks.
- The president of the North Dakota Coalition for Homeless People.

HOUSING INCENTIVE FUND

Senate Bill No. 2210 (2011), enacted in North Dakota Century Code Section 54-17-40, established the housing incentive fund as a special revolving fund at the Bank of North Dakota. The Housing Finance Agency may direct disbursements from the fund and a continuing appropriation from the fund is provided for that purpose. The Housing Finance Agency is to create an annual allocation plan for the distribution of the fund, which must give priority to provide housing for individuals and families of low or moderate income. For purposes of this priority, eligible income limits are determined as a percentage of median family income as published in the most recent federal register notice. Under this priority, the annual allocation plan must give preference to projects that benefit households with the lowest income and to projects that have rent restrictions at or below fair market rents as determined by HUD. At least 10 percent of the fund must be used to assist developing communities to address an unmet housing need or alleviate a housing shortage. Assistance from the fund may be used solely for:

- New construction, rehabilitation, preservation, or acquisition of a multifamily housing project;
- New construction, rehabilitation, preservation, or acquisition of a single-family housing project in a developing community or a community land trust project;
- Gap assistance, matching funds, and accessibility improvements;
- Assistance that does not exceed the amount necessary to qualify for a loan using underwriting standards acceptable for secondary market financing or to make the project feasible; and
- Rental assistance, emergency assistance, barrier mitigation, or services designated to prevent or end homelessness.

The 2023 Legislative Assembly provided for a transfer of \$13.75 million from the general fund to the housing incentive fund for the 2023-25 biennium, an increase of \$4.25 million from the \$9.5 million transferred from the general fund to the housing incentive fund during the 2021-23 biennium.

EMERGENCY SOLUTIONS GRANT

The Emergency Solutions Grant is a federal program administered by the state Housing Finance Agency designed to provide financial assistance to facilities and programs within the state to identify sheltered and unsheltered homeless persons, as well as those at risk of homelessness, and provide the services necessary to help those persons quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. Grant funds are awarded directly to emergency and homeless shelters and agencies throughout the state to provide for activities such as operational expenses and essential services, homelessness prevention, and rapid rehousing. Approximately \$486,494 of federal and state funding was available for the grant program for fiscal year 2023, including up to 60 percent, or \$291,896, for street outreach and shelter operation activities, and \$194,598 for homeless prevention, rapid rehousing activities, or participation in the Homeless Management Information System.

HOMELESS GRANT

The North Dakota Homeless Grant is a state program administered by the Housing Finance Agency designed to provide financial assistance to facilities and programs within North Dakota to identify sheltered and unsheltered homeless persons, as well as those at risk of homelessness, and provide the services necessary to help those persons quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. The program primarily follows the Emergency Solutions Grants Program definitions and guidelines. Grant funds are awarded directly to emergency and homeless shelters and agencies throughout the state to provide funds for activities such as operational expenses and essential services, homelessness prevention, and rapid rehousing. State funding totaling \$1.25 million was available for fiscal year 2023, of which \$120,000 was awarded directly through the Emergency Solutions Grants Program to supplement federal match requirements.

NORTH DAKOTA RENT HELP

North Dakota Rent Help (NDRH) Housing Stabilization is a program administered by the state Department of Health and Human Services with a goal of helping households experiencing homelessness find long-term stable housing. The program was established in September 2021 utilizing federal funds. The program can help cover 12 months of past due, current, and future rent and utility payments for households with a verifiable rental arrangement. The Department of Health and Human Services reports it has provided assistance to over 17,500 renters in the state, including \$99 million of rent assistance, \$10.8 million of utility assistance, and \$2.9 million of other assistance. As of April 2023, the program had made more than 225,000 individual payments at an average of \$682 per month for rent and \$137 per month for utilities. The Department of Health and Human Services reported approximately \$40 million was still available for the program in April 2023. Assistance provided by NDRH Housing Stabilization includes:

- New renter training and household coaching;
- Resources and referrals for economic assistance and other support programs; and
- A letter of commitment with intent to pay a housing provider for an approved residence within rent limits for the applicant's household size. This includes:
 - Security deposit;
 - Application fees; and
 - Up to 3 months of rent assistance.

To be eligible for the NDRH Housing Stabilization program, households must spend the majority of nights in the state and not exceed 30 percent of the area median income. North Dakota Rent Help Housing Stabilization is limited to:

- Households experiencing homelessness;
- Households at imminent risk of homelessness; and
- Households who have experienced a financial hardship during the pandemic.

HOUSING CHOICE VOUCHERS

Housing choice vouchers (HCVs), formerly known as Section 8, help with rent payment in the form of housing assistance payments that are paid directly to a private landlord. The program assists very low-income families, elderly, and individuals with disabilities to afford housing in the public housing market. The housing choice voucher program is funded by HUD and administered by local public housing agencies. In order to participate in the HCV program, applicants need to meet various eligibility requirements primarily based on family size and annual income.

Those with income below 50 percent of the median income level will be able to qualify for the voucher program if they meet other program requirements. However, 75 percent of the vouchers are to be given to individuals and families below 30 percent of the median income level to ensure that the program helps the most vulnerable first and then expands its assistance to others. Residents will generally contribute 30 percent of their income as their portion of rent to the landlord.

MAINSTREAM HOUSING VOUCHERS

Mainstream vouchers, also administered by local public housing agencies, can be used in the same way as HCVs, and the wait is significantly shorter; however, mainstream vouchers can only assist non-elderly persons with disabilities who are:

- Transitioning out of an institutional or other segregated setting;
- At serious risk of institutionalization;
- Homeless, or at risk of becoming homeless.

PRIOR LEGISLATIVE STUDIES

The 1995-96 interim Budget Committee on Government Services studied the feasibility of a long-term funding initiative to make available housing for families who are low income, homeless, or disabled, or who require transitional housing to assist them toward independent living. The committee received testimony from the Housing Finance Agency regarding an assessment conducted in 1992 on North Dakota housing needs. The assessment addressed current and projected market demand and supply for housing in North Dakota, structural conditions of North Dakota housing, financing and affordability, and the effectiveness of existing federal, state, and local programs. The report identified a number of areas of needed improvement in North Dakota housing, including increasing the quality and condition of housing in selected areas of the state and "jump starting" housing in economically developing communities.

The committee received testimony from the Office of Intergovernmental Assistance on a comprehensive housing affordability strategy update for North Dakota for fiscal years 1994 through 1998 as required by the federal National Affordable Housing Act of 1990. The report included regional needs identified at meetings held across North Dakota and established priorities to meet housing and supportive service needs in North Dakota for the years 1994 through 1998. The committee also received reports on housing-related programs offered by the Office of Intergovernmental Assistance and the Housing Finance Agency.

The Budget Committee on Government Services recommended Senate Bill No. 2026 (1997), which was not approved by the Legislative Assembly, which would have provided that a city, township, or county may not prohibit the use of land for a proposed residential structure solely because the proposed structure is a manufactured home.

The 1997-98 interim Commerce and Agriculture Committee studied the availability of affordable housing for middle-income households, for the elderly, and in rural areas of North Dakota. By directive of the Legislative Management, the study was expanded to include the availability of housing for all income levels. The committee received testimony from the Office of Intergovernmental Assistance on the updated state consolidated housing plan for 1995 through 1999 as required by the National Affordable Housing Act of 1990. The plan established the following goals:

1. Provide decent housing.
2. Establish and maintain a suitable living environment.
3. Expand economic opportunities for each citizen of North Dakota.

The Commerce and Agriculture Committee also reviewed the 1992 Housing Needs Assessment prepared by the Housing Finance Agency and various housing finance programs available from the Office of Intergovernmental Assistance and the Housing Finance Agency. The Commerce and Agriculture Committee made no recommendations regarding its study of affordable housing.

PROPOSED STUDY PLAN

The following is a proposed study plan for the committee's consideration:

1. Receive information from the Housing Finance Agency, including information regarding homelessness in the state and programs administered by the agency to help address homelessness.

2. Receive information from other state agencies regarding homelessness reporting, the effects of homelessness, and services provided by the agencies.
3. Receive information from nongovernmental organizations regarding homelessness and services provided by the organizations.
4. Receive information from the United States Department of Agriculture Rural Development regarding rural homelessness and services provided by the federal government.
5. Receive comments from interested persons regarding the study of homelessness and barriers to housing.
6. Develop recommendations and any bill drafts necessary to implement the recommendations.
7. Prepare a final report for submission to the Legislative Management.

ATTACH:1