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Single-Family Home Buyer Assistance Program Guidelines – (Updated 2/10/2026)

The Home Buyer Assistance Program is for new single-family home construction only. The Valley City-Barnes County Development Corporation (VCBCDC) reserves the right to amend the Guidelines to ensure the success of the Program and respond to economic conditions. Changes may be necessary based on funding availability, and program requirements of other funding sources that may be utilized with this Program. The City of Valley City and Barnes County shall be provided with current guidelines when amendments are approved by the VCBCDC Board.

Program Goals: Increase and retain population, increase the tax base, and increase housing inventory.

Program Overview

- ❖ Utilize funds approved to construct 4 new homes within city limits, 6 new homes in rural Barnes County or based on funds available.
- ❖ Maximum of \$40,000 of community investment per new home constructed in city limits and \$15,000 per new home constructed in rural Barnes County.

Homes Constructed in Rural Barnes County (Outside of city limits of the City of Valley City)

Eligibility

1. Single-Family Homes
2. Twin Homes
3. Town Homes
4. Row Houses
5. Modular Homes – defined as single family homes built to state and local building code standards.

*Rental properties, manufactured homes and mobile homes built to HUD or ANSI standards are NOT eligible.

Criteria

1. Must be the participant's primary residence and subject to property tax.
2. Contingent on bank financing approval and all other financing secured.
3. Community investment amounts will be based on appraised value or purchase price, whichever is less, with a maximum of \$15,000 per home.
4. The homeowner must contribute a minimum of five (5) percent down payment.
5. If a program participant vacates the home for any reason within five years of the date of Certificate of Occupancy, they must pay back the community investment at a pro-rated amount reduced 20% for each year lived in Barnes County.
6. Homeowners in rural Barnes County cannot apply for farm exemption for property tax for a minimum of five (5) years.

Sources of Funds

1. New homes constructed in rural Barnes County are being funded through the Barnes County Mill Levy Fund dedicated to economic development.
2. Total pool for year two is \$90,000.
3. Local funds may leverage State or Federal programs and/or local property tax incentives as allowed by law.

Homes Constructed within the city limits of the City of Valley City

Effective Date: The effective date of the Program was established as May 20th, 2025, the date of the Second Reading and Final Passage of City Ordinance No. 1171.

Eligibility

1. Single-Family Homes
2. Twin-Homes
3. Town Homes
4. Row Houses
5. Modular homes – defined as single family homes built to state and local building code standards.
6. The buyer of a new home constructed and not previously owned/occupied that meets the criteria below.

*Rental properties, manufactured homes and mobile homes built to HUD or ANSI standards are NOT eligible.

Criteria

1. Must be the participant's primary residence and subject to property tax.
2. Contingent on bank financing approval and all other financing secured.
3. New homes constructed within the City limits qualify only if a purchase agreement or construction agreement is not signed prior to May 20th, 2025. The incentive is provided to the homeowner.
4. Newly constructed homes that have not been lived in qualify only if the purchase agreement is signed after May 20th, 2025.
5. Community investment amounts will be based on the appraised value or purchase price, whichever is less, with a maximum of \$40,000. Of the \$40,000 investment, \$10,000 is funded by the City of Valley City through the City's homebuyer assistance enterprise fund. Applicants must submit the completed Housing Incentive Program form to the City of Valley City and obtain a Certificate of Occupancy to receive the \$10,000. The City also approved waiving utility tap fees and temporary meter charges for which a permit must be submitted to City Hall.
6. If the new home is constructed in the Renaissance Zone and the home buyer secures a Renaissance Zone property tax exemption, the City's \$10,000 cash investment will be reduced to an amount no less than \$3,200 because of the value of the five-year property tax exemption. If the homeowner chooses not to apply for and receive a Renaissance Zone property tax exemption, the full cash amount is available. The value of the five-year property tax exemption may vary depending on decisions made by the State of North Dakota and/or each individual situation.
7. The homeowner must contribute a minimum of five (5) percent down payment.
8. If a program participant vacates the home for any reason within five years from the date of the Certificate of Occupancy, they must pay back the community investment at a pro-rated amount reduced 20% for each year lived in Valley City.

Sources of Funds

1. VCBCDC will provide \$30,000 per home from the City Sales Tax Fund dedicated to economic development (Total \$120,000 to fund up to 4 new homes).
2. The City will provide \$10,000 per home from the City's homebuyer assistance enterprise fund provided that the new home is constructed within the city limits of the City of Valley City. (Total \$40,000 to fund up to 4 new homes.)
3. Waiver of water and sanitary sewer tap fees and charges for temporary meters. Applicants must submit the completed form to the City of Valley City and note that this program is being utilized.
4. Local funds may leverage other State or Federal programs and/or local property tax and income tax incentives as allowed by law.

Eligible Uses of Funds

1. Down Payment Assistance / Goal to reach 20% down payment threshold to eliminate mortgage insurance.
2. Home construction costs

Application Process

1. Limited to 4 homes in city limits and 6 homes in rural Barnes County, or up to funds available.
2. Applications are accepted on a first-come, first-served basis; applications will be evaluated monthly. An applicant can remain on the list for six months. To be placed on the first-come, first-served list, the following documents must be provided:
 - a. Copy of the building permit including legal description and physical location of new home.
 - b. Documentation indicating applicant has the financial ability to complete construction.
 - c. Completion of the VCBCDC's Single-Family Home Buyer Assistance Program form and a W-9.
3. Construction of the new home is to be completed within eighteen (18) months from the date of the building permit. An extension of time may be granted by the VCBCDC on a case-by-case basis.
4. Preliminary bank approval is required prior to approval of the application.
5. Housing Incentive Program form and W-9 submitted to the City of Valley City for homes in city limits.

Administration

This Program will be Administered by the Valley City – Barnes County Development Corporation –
Contact jennifer@developvcbc.com or 701-840-7820.

1. The program is on a first-come, first-served basis. An applicant can remain on the list for six months.
2. Construction of the new home must be completed within eighteen (18) months from the date of the building permit. An extension of time may be granted by the VCBCDC on a case-by-case basis.
3. The homeowner applies for financing through the lender. Standard bank loan underwriting applies. The lender provides a loan write-up and current personal financial statement of the buyer/homeowner.
4. A separate financing application for the Home Buyer Assistance Program is not required; however, additional information requested through the on-line form will be required to administer, monitor, evaluate, and improve the program.
5. VCBCDC provides written confirmation of funds approved to the bank and the applicant.
6. Funds will be held in a bank or title company escrow account for the applicant.
7. Funds will be released as follows:

- Economic Development Funds (\$30,000 in Valley City or \$15,000 in rural Barnes County) - Upon closing of a construction loan (rather than construction completion) for a new home. The bank is required to provide written confirmation within ten (10) days that construction financing has been approved. If a developer provides construction financing, funds will be released upon written confirmation within ten (10) days that construction financing has been approved or once the Certificate of Occupancy is submitted to the VCBCDC.
 - City of Valley City homebuyer assistance enterprise fund (\$10,000) – Upon receipt of the Certificate of Occupancy, the award is payable to the homeowner.
8. The homeowner must sign the contract and provide a personal guaranty for public funds received.
 9. Funds are payable to the homeowner upon construction completion and receipt of a Certificate of Occupancy if the new home is constructed with cash. The homeowner must provide a personal guarantee for public funds received.
 10. The Program can be reused once by the homeowner after five years.
 11. Recipients are encouraged to contact a CPA, attorney or other appropriate professional to determine any tax implications. IRS Form W-9 must be completed prior to release of funds.

Program Purpose & Need

1. Existing inventory is needed to attract and retain population. Potential homeowners need choices when considering purchasing a home. New residents will likely not wait 18-24+ months to purchase or construct a new home.
2. The Program is expected to create the next level of inventory. When a new home is constructed, another home will likely (but not always) become available for sale thereby creating affordable housing.
3. Inventory turnover would stimulate the private sector to build.
4. Increasing the number of households increases revenue from public utilities and increases available funding for public improvements.
5. Increasing home ownership contributes to property tax revenues, which fund public services and infrastructure.
6. An increased population will help address current workforce issues and has the potential to increase the number of businesses and services in the community.
7. An increased population will increase revenues received for utilities and other state and federal funds that are based on population.
8. The economic impact of individuals spending increases sales tax revenues that are invested back into the community.
9. Increasing the availability of single-family housing would positively impact recruiting businesses.
10. Bringing new people and families into the community benefits the tax base, school system, and community.