

**Name:** Angelle French, Executive Director, Walsh County Job Development Authority

**City, County:** Grafton, Walsh County

**Bill Number:** SB2220 – North Dakota Housing Incentive Fund

January 23, 2023, 9:30 am. Finance and Taxation Committee Hearing

**This testimony is IN SUPPORT of SB 2220**

The current housing stock in our community is aging and it is lacking. It is imperative that we find a way to invest in new housing development to meet the needs of our communities. Our businesses need more workers however, we have very limited housing options for them – if any. We cannot expand our community, reversing our declining population if there is no where to live. Not just that, but we also need to have housing that is not income-based to be able to attract professionals and skilled technical labor. In a recent business retention and expansion project completed by the Red River Regional Council, we've estimated the need for as many as 1,500 new employees in rural Region 4 in northeastern North Dakota.

It is extremely difficult to compete for housing development funding in rural areas as our projects are often smaller scale, we are unable to attract developers seeking economies of scale, and our projects often have an appraisal gap (market value is less than construction cost).

Creating the Housing Incentive Fund back in 2011 has proven to be a wise decision, producing 88 housing developments comprising over 3,000 new rental homes to date. There are still many communities that need state support to grow. HIF needs to be permanently funded and at this higher level, \$50,000,000, to give rural communities access and opportunity to this funding. HIF can also be a valuable tool to jump starting single-family development in rural areas.

HIF is ideal for helping rural communities finance smaller scale development, by filling financing gaps (caused by appraisal gaps), and allowing for a greater mix of incomes. HIF has successfully helped communities in western North Dakota meet their housing needs. It has also been used to finance a variety of low- and moderate-income housing projects in our larger communities. It can do the same in our rural communities. With the modifications proposed in SB 2220, we will be enabled to begin to address our housing needs in northeastern North Dakota.

If you have questions or concerns you can contact me via email ([walshcountyjda@nd.gov](mailto:walshcountyjda@nd.gov)) or by phone at (701) 352-2171.

I strongly encourage you to support SB 2220.