

Testimony of Lisa Rotvold

IN SUPPORT of

HB 1524

House Finance and Taxation Committee – hearing

March 17, 2025

Chairman, and committee members. My name is Lisa Rotvold. I live in Hillsboro and serve as the Executive Director of the Red River Community Housing Development Organization (CHDO). I also serve on the advisory board of the North Dakota Housing Finance Agency.

My testimony today is in support of HB 1524, a bill for an Act to create and enact a new section to chapter 54-40.1 of the ND Century Code, relating to funding of regional planning councils, and to provide an appropriation.

Red River CHDO is a non-profit 501(c)(3) organization with a mission to grow opportunity for low- and moderate-income people and underserved rural communities, by building attainable housing and supporting community development. A brief history of the organization reads as follows:

- Formed in 1996, by Red River Regional Council
- Helped re-develop two historic buildings, on the Life Skills Transition Center campus in Grafton, into affordable senior rental housing. (continue to provide 60 units of quality affordable housing today)
- Over time the CHDO became inactive due to lack of funding and staffing
- In 2022 Dawn Mandt and the Red River Regional Council board of directors decided to help revive the non-profit to help tackle pressing housing needs in the region
- In 2023, Red River CHDO officially reorganized and seated a new board of directors from around the region. Staffing is provided through a contract with the regional council.
- Since 2023 Red River CHDO has
 - Researched root causes of lack of new housing development
 - spoken to community leaders,
 - hosted listening sessions with 17 communities
 - toured communities, identified potential sites for new housing development
 - commissioned a region-wide housing study and action plan, and

- developed our Spark Build initiative

Spark Building is our strategy to build new single-family for sale homes in rural communities, to jumpstart new construction and demonstrate that there is a market for new housing.

In 2024 we were able to break ground on four new single-family homes in Lakota and Larimore. Two in Lakota were completed and sold by the end of 2024. Two homes in Larimore will be complete in May 2025 and are both under contract with buyers.

We are also helping Park River and Minto prepare to break ground on Spark Build homes this spring. Six more communities are lined up to participate with Spark Build once a new HIF appropriation is known.

In 2025 we have the potential to break ground on as many as 30 new homes throughout the region.

We are also looking for opportunities to help communities add new rental units. Doing this type of work requires time. Time to meet local leaders, employers, and builders. Time to share ideas and build trust. We've spent nearly two years working with people in Cavalier to get eight new rental units built. We still aren't there yet and continue to try to get all of the pieces of the puzzle to fit together.

Red River CHDO's primary source of operating funding is developer fees. **It took two years to receive the first payment of developer fee.** While the organization did have some money in the bank, **the financial support of the regional council is the only reason any of this work has happened.** With the work ahead of us we hope to have the regional council repaid by the end of 2025.

The Red River Regional Council's experience, knowledge of the region, and deep ties to communities and elected officials make them uniquely positioned to understand the needs and challenges rural communities face. Their professional economic and community development staff are a valuable resource to municipalities with small budgets and limited staff.

Regional councils have been operating in survival mode for too long. The state's investment in operating capacity for regional councils will allow staff to respond to evolving regional needs. Funding proposed in HB 1524 would ensure that the councils will no longer have to worry about running out of funding in the middle of a great project, losing staff, and losing all of the momentum they had gained.

Respectfully submitted by:

Red River Community Housing Development Organization (CHDO)

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