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Testimony in support of HB 1014
Senate Appropriations – Education and Environment Division

Chairman: Senator Ronald Sorvaag
03/08/2023

Submitted by: Derek Johnson, Executive Director
Housing Authority of Cass County and the following affiliated entities:

Pembina County Housing Authority	Traill County Housing Authority
Richland County Housing Authority	Ransom County Housing Authority
LaMoure County Housing Authority	McIntosh County Housing Authority
Stark, McKenzie, and Dunn County Housing Authorities	

Chairman Sorvaag and members of the Committee:

My name is Derek Johnson, and I have the privilege of serving as Executive Director of the Housing Authority of Cass County and several rural Housing Authorities throughout the state. The programs we manage provide federal rental assistance to low-income families.

While our agencies receive Federal dollars to provide this rental subsidy, there is a shortage of affordable housing options in nearly every community we work in. In many of the communities we serve, the limited affordable housing options that are available for rent are in dire need of repair and/or replacement. More often than not, the homes that are available to rent in these communities were built closer to 1923 than 2023. And each year that passes, that housing inventory gets another year older and more functionally obsolete.

Further, there are dozens of communities throughout the state that do not have an apartment building that has been constructed in the 21st century. Many communities that do have apartments built in the 1960s, 1970s, and 1980s were constructed without accessible features needed by families and individuals with disabilities. It can be nearly impossible to find accessible housing in dozens of communities throughout North Dakota. With an aging rural population, this is a problem that needs to be addressed sooner rather than later.

The Housing Incentive Fund is a much-needed solution to this problem. HIF allows the Housing Finance Agency to direct much needed dollars for the preservation and new construction of affordable housing specifically where it is needed most. At its core HIF is an investment in infrastructure. The projects that receive HIF awards are required to meet today's updated codes and

accessibility standards. Unlike Federal subsidy dollars, which are consumed on a monthly basis to provide rental assistance, the HIF investment results in an asset to the community which will serve the needs of residents for years to come.

As a recipient of HIF funds I have seen firsthand the life-changing impact of this program. As a participant in the development and construction process, I have also seen firsthand the rising costs of construction, which limit the number of awards that HIF can support. The current and future demand for additional affordable housing far exceeds the current appropriation of \$12.5 million. I strongly encourage the committee to consider an increase of the appropriation to \$25 million as a critical investment in the state's housing infrastructure. North Dakota residents desperately need this investment in infrastructure, which will have lasting impacts for generations to come.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Derek Johnson", followed by a long horizontal line extending to the right.

Derek Johnson, HCCP
Housing Authority of Cass County