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**This testimony is in Support of the Housing Incentive Fund included in HB 1014**

Senate Appropriations Committee – Education & Environment Division

March 1, 2023

My name is Jennifer Dusek, and I am the Community Development Director for the City of Grafton. I can report that our community is prepared to grow, but only if we can provide the quality, modern, affordable housing that newcomers need.

We have an updated medical facility, a great school system and a VoTech Center that is leading in the state, recreational activities that increase quality of living, accessibility to services, yet we are struggling to fill workforce needs, because we do not have the financial capacity to fund housing projects. North Valley CTC is providing opportunities to highschoolers, so they are exposed to workforce opportunities through job shadowing, internships, and certifications. A deterrent for young people returning to the community to fill skilled workforce is lack of housing. Our major employers are recruiting workforce from across the country; however, they struggle with *retaining* this workforce due to limitation of single-family and multiplex housing options. Our agriculture sector is struggling to provide housing for seasonal, full-time, and migrant workers. Agriculture is the largest sector of North Dakota's economy at 25%. We cannot ignore employment struggles due to housing needs when 24% of North Dakota workers are farmers and ranchers or employed through farm-related jobs. When this sector struggles, the entire state feels the impact. Our need for additional housing is real.

The median year built for rental housing in Walsh County is 1968. The median rent in Walsh County is \$728. 36.8% of renter households in Walsh County are considered cost burdened. Among rental householders ages 65 or older in Walsh County, 44.7% are cost burdened – spending more than 30% of their monthly income for rent & utilities. Federal programs are not a good fit for the smaller scale projects rural communities need.

The HIF program can make the smaller projects in rural communities work financially by filling financing gaps and allowing for a greater mix of incomes. HIF has successfully helped communities in the oil patch to meet their housing needs. It has been used to finance a variety of housing projects in our larger communities. However, of the 3,143 rental apartments produced with HIF since the program was created, only 3% are in communities with population under 5,000, outside of the oil patch. We need HIF investment in our community and region as well, but more funding is needed. I applaud the \$25 million the governor put in his budget, but I urge you to consider the \$50 million ask included in SB 2220 sponsored by Senator Kreun, Senator Barta, Senator Hogan, Senator Mathern, Representative Ista, and Representative O'Brien.

I strongly support funding for the Housing Incentive fund in the amount of \$50 million for the 2023-2025 biennium.

Respectfully submitted by Jennifer Dusek, District 19