

Testimony House Political Subdivisions Committee Senate Bill 2225 March 13, 2025

Chairman Longmuir and members of the House Political Subdivisions Committee. The Valley Prosperity Partnership (VPP) is a membership organization led by business executives – joined by economic development, chamber of commerce, and higher education leaders – to advance and advocate for shared strategic economic development opportunities for the Red River Valley region and for North Dakota.

The availability of housing, and particularly affordable housing, has become a limiting factor for growth in North Dakota – from our state's smallest communities to the largest urban areas and in all sectors of the economy.

Housing shortages in small rural towns can have significant impacts on local economic development, often leading to decline. A lack of housing prevents younger generations from settling in their hometowns. Fewer new businesses are started since entrepreneurs are less likely to invest in areas where workers and customers cannot find housing. As families leave, local schools lose funding, and public services (e.g., post offices, libraries) shrink or shut down.

In North Dakota's larger cities and areas experiencing rapid growth due to industries like energy, agriculture, healthcare and technology housing shortages have significant implications for local economic development. Businesses, schools, and healthcare facilities struggle to hire and retain workers when housing options are scarce. Restaurants, grocery stores, and local shops may close or reduce hours due to a lack of available employees.

<u>Farms and agribusinesses</u> rely on seasonal or full-time workers, but without affordable housing, recruiting becomes difficult.

The VPP strongly supports SB 2225, which provides funds for housing for opportunity, mobility, and empowerment program grants to political subdivisions to build infrastructure necessary to support affordable, market rate housing. Importantly, this is truly a public private partnership in that the department of commerce may spend the funds appropriated in this bill only to the extent matching funds have been secured from nonstate sources on a dollar-for-dollar basis.

Thank you for your consideration.

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