



North Dakota Association of Rural Electric Cooperatives
3201 Nygren Drive NW • P.O. Box 727 • Mandan, ND 58554-0727



ND
Living

Phone: 701.663.6501 or 800.234.0518
Fax: 701.663.3745 www.ndarec.com

March 13, 2025

To: North Dakota House Political Subdivisions Committee
From: Ellen Huber, NDAREC Rural Development Director
RE: **Support of Senate Bill 2225**

Chairman Longmuir and members of the House Political Subdivisions Committee,

On behalf of the North Dakota Association of Rural Electric Cooperatives (NDAREC) and its members, I express support for Senate Bill (SB) 2225. The proposed legislation would appropriate funding to the N.D. Department of Commerce for a housing program.

NDAREC President Angela Carlson of Regent served on the North Dakota Housing Initiative Advisory Committee convened in 2024 by former Governor Burgum to develop a comprehensive housing strategy. One of the committee's key recommendations is to provide flexible grant funds to local governments to support housing development.

Housing is a critical issue affecting North Dakota's ability to attract and retain workers. SB 2225 would fund grants to political subdivisions to lower infrastructure costs for affordable, market-rate housing. We also encourage allowing credit for past community investments in housing infrastructure to reduce special assessments and make lot prices more affordable.

Senate Bill 2225 also includes in it a provision for slum and blight removal, making infill lots available for redevelopment. This is a program piloted with the North Dakota Department of Commerce in the 2023 biennium. Many small towns can benefit, whether it's removing a dilapidated structure from a property that came back to the city or county for lack of property tax payment, or repurposing for housing properties that previously served the community in some other fashion.

While we support the bill's overall concept, we encourage allocating a larger share of funds to communities under 5,000 people. The bill currently designates 20% of funds for small towns, with 80% directed to the state's 14 largest cities. Larger cities already have greater access to developers and contractors, benefiting from economies of scale. Smaller communities face higher costs to attract builders, including mobilization expenses and financing gaps due to appraisal shortfalls.

This institution is an equal opportunity provider and employer

Your Touchstone Energy® Cooperative 

Aging population trends further underscore the need for targeted rural investment. Seniors are staying in their homes longer, limiting the availability of housing for younger families. Ben Winchester of the University of Minnesota Extension, known for his work on re-writing the rural narrative, highlights the importance of “move-over” housing—independent, low-maintenance housing that allows seniors to transition out of larger homes, freeing up workforce housing. He notes, “When you provide move-over housing to your older population, you create opportunities for them to move out of their four-bedroom homes, helping to fill labor shortages.” However, many retirees cannot take on another mortgage and need affordable alternatives.

Investing in infrastructure for twin homes or similar developments in small towns can provide these housing options, ultimately freeing up existing homes. Additionally, funding for slum and blight redevelopment allows communities to repurpose lots where infrastructure is already in place, maximizing prior public investments.

NDAREC urges a “Do Pass” recommendation on SB 2225.