

McKENZIE COUNTY

★ ECONOMIC DEVELOPMENT ★

2:00pm, January 27, 2025; Red River Room; Recommend **DO PASS SB2225**

Chairman Wanzek and Committee Members:

My name is Daniel Stenberg. I am the director of McKenzie County Economic Development and executive director of our Job Development Authority board. Our board is made up of business and government leaders from throughout McKenzie County. I also serve as the chair of the Vision West ND Housing Committee. Vision West ND is a collaborative team of representatives from western North Dakota counties, cities, economic development organizations, universities, businesses and business organizations, associations, state organizations, and others who are interested in sustainability for western North Dakota. Both at the county and regional level housing development remains one the prominent pinch points for workforce and community development.

At the McKenzie County JDA level, we have participated in four different housing programs to incentivize housing development since 2019. It is not something we have wanted to do, but because the private market has not adequately responded, we felt we needed to intervene. The next page shows that about 30% of the housing permits that were pulled are attributable to one of those four programs we have been a part of. So, we do understand the need for government to intervene in spurring housing growth, and we applaud the direction of this bill.

We applaud the way this is written in that it emphasizes local control of the program. Our communities do have different needs, so it is crucial that funds awarded in a way that enables communities of various sizes to participate.

We *would ask that you consider* broadening the parameters beyond just infrastructure development, because if the incentive is just tied to getting infrastructure in the ground, a house itself might not necessarily get built. McKenzie County JDA's Shovel Ready Lot Program was released in the midst of COVID and while we got over 100 lots shovel ready, not all of them have houses on them yet.

Further, it seems the requirement "that matching funds must be derived equally from funds provided by a political subdivision, funds provided from local developers, and private funds from within the community applying for grant funding" *seems overly rigid* and it isn't immediately apparent as to what value that formula achieves.

Thank you for your consideration.

OVERVIEW OF HOUSING PROGRAMS	2018	2019	2020	2021	2022	2023	2024	SUM
Housing Development Subsidy <i>(in effect 2019-2022)</i> Provided up to \$50k subsidy for buyers who purchased newly-built house; total used: \$2 million		8	25	12				45
Shovel-Ready Lot <i>(in effect 2020-2028)</i> Provided funds for buildout of infrastructure on 134 lots with cap on sale price for lot and promise to get houses constructed on them; total used: \$5 million			4	11	1	0	2	18
Home Builder Construction Loan <i>(in effect 2023-2024?)</i> Provided lower interest loan to builders for new house construction; total used: \$757,439 (loan)							4	4
Watford City Housing Authority Pathway to Purchase <i>(in effect 2024- ~2027)</i> Provided funding for Watford City Housing Authority to administer a rent-to-own program; total used: \$3.6 million (loan)							9	9
Total houses as part of programs listed above	0	8	29	23	1	0	15	76
Single family housing permits issued County-wide	10	25	67	64	26	29	39	260

About 30% of new housing built in McKenzie Co from 2019-2024 is attributable to these programs; at an average of \$420k/house these programs impacted the building of nearly \$32 million in housing for 76+ families.

