

TESTIMONY OF

Chris Schilken, Commissioner, North Dakota Department of Commerce

Chairman Wanzek and members of the Government Operations committee, my name is Chris Schilken, Commissioner for the North Dakota Department of Commerce. As Gov. Armstrong stated in his testimony, Commerce will administer the \$50 million HOME program, designed to address housing needs by reducing infrastructure development costs for affordable, market-rate housing. The program runs from the effective date of the authorizing legislation to June 30, 2027, and is a one-time funding item. I will walk through the program implementation components.

1. Grant Distribution: Commerce will provide grants to political subdivisions, empowering communities to identify their most pressing housing needs and develop collaborative solutions with local economic development corporations. Funding will be allocated as follows:
 - \$10 million for communities with populations under 5,000.
 - \$20 million for communities with populations between 5,001 and 20,000.
 - \$15 million for communities with populations exceeding 20,000 (with a maximum grant award of \$1.5 million).
 - \$5 million for rural metropolitan areas within 20 miles of a city center with over 20,000 residents.

2. Matching Funds Requirement: A dollar-for-dollar match from non-state sources is required for all grants. This match must be equally derived from:
 - Funds provided by the political subdivision.
 - Funds provided by local developers.
 - Private funds from within the applying community (including local development corporations, donations, or in-kind contributions).

3. Flexibility and Contingency: If funds remain uncommitted or unexpended by December 31, 2026, Commerce may award them to viable projects regardless of community size or location.
4. Reporting and Oversight: Commerce will provide a comprehensive program status report to the Legislative Management and the Governor by June 30, 2026. This report will detail expenditures, the number of housing units supported, grant applications received, and matching funds secured from various sources.

This structured approach ensures responsible allocation of funds, fosters local collaboration, and promotes the development of much-needed affordable housing across North Dakota.

I would like to invite Kelvin Hullet with the Bank of North Dakota to the podium to provide additional policy information on the program.