

January 27, 2025

Senate Bill 2225 Testimony: In Favor
Hon. Terry Wanzek, Chairman
Senate Appropriations-Government Operations Division

Chairman Wanzek and Committee Members,

The Western Region Economic Development (WRED) board of directors, representing Divide, McKenzie, Mountrail, and Williams Counties, **supports SB2225** with some proposed considerations regarding the match component of the program.

Our region was fortunate to host former Governor Doug Burgum for a roundtable related to his North Dakota Housing Initiative where we were able to share our housing challenges, especially as they relate to workforce and economic growth constraints, so we are grateful to see action as a result of those discussions.

Proposed projects are projected to bring several thousand construction workers as well as hundreds of permanent jobs to the area. With apartments at nearly full capacity and a low housing inventory, there is an urgent need to build more homes to accommodate not only this anticipated growth, but also organic growth, current workforce needs, and current residents who are ready to transition into a different type of home.

While hundreds of shovel-ready lots are available, there is a distinct lack of building activity due to a low number of builders, contractors, and subcontractors. This, coupled with the high cost of materials and labor due to the current state of the economy, there is a dire need to spur homebuilding activity not just in our region, but across the state.

All this to say, we are so pleased to see that the program proposed in SB2225 seems to address these needs directly, offering funds to assist with the necessary infrastructure to stimulate homebuilding and help alleviate these pressures on growing communities.

If we may respectfully offer a suggestion to ensure maximum effectiveness, we would ask this committee to kindly reconsider the details of the match requirements. A one-to-one match with the structure outlined in the bill may prove cumbersome, especially for smaller communities. A simple proportion of matching dollars (non-state funds) to grant dollars (state funds), such as a 25% match, may help simplify the formula and allow this to be more attainable and most successful for communities of all sizes and to meet all their unique needs.

WRED appreciates all efforts from our legislators to address the growing housing needs across the state and recommends a Do Pass on this bill.

Thank you for your consideration and please do not hesitate to reach out.

Sincerely,


Ann Kvande
Executive Officer