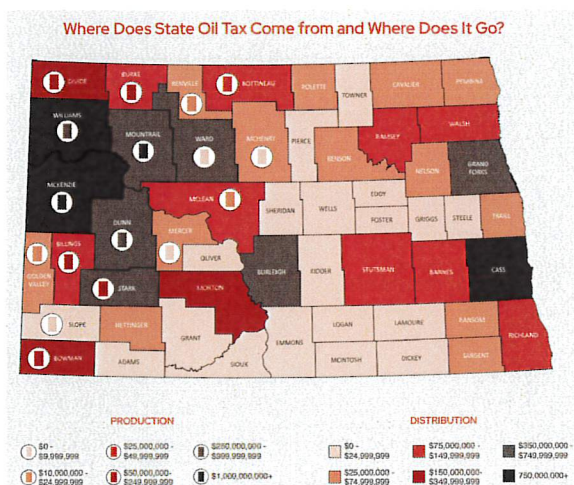


TO: Senate Appropriations
 FROM: City of Watford City
 DATE: January 27, 2025
 RE: SUPPORT of SB 2225

A BILL for an Act to provide an appropriation to the department of commerce for a housing for opportunity, mobility, and empowerment program; to provide for a legislative management report; and to declare an emergency.

Chairman Wanzek and members of Senate Appropriations – Government Operations:

Thank you for the opportunity to stand in support of SB 2225 today. My name is Vawnita Best, Community & Business Development Director for the City of Watford City. On any given month in North Dakota, McKenzie County produces between 33-45% of all the barrels of North Dakota Sweet Crude that are responsible for generating the oil & gas tax revenues which provide over 50% of all taxes collected by the state of North Dakota.



Sources:

DMR North Dakota Production – February 2022:

<https://www.dmr.nd.gov/dmr/sites/www/files/documents/DMR%20News%20Room/Presentations/2022/5.12.22%20Western%20Energy%20Roundtable.pdf>

WDEA 2022 Oil Tax Distribution Study:

<https://wdeawebsite.blob.core.windows.net/wdea-image/Resources/547/Oil%20Tax%20Distribution%20Study%202022%20Update.pdf>

As we step back and evaluate North Dakota’s GOLDEN GOOSE, it is fair to say she NEEDS HOUSING and she has needed housing and rooftop creation since the first application of technology that unleashed oil extraction from the Bakken shale 10,000 feet under McKenzie, Williams, Mountrail, and Dunn counties.

For this reason, I am honored to provide Watford City’s support to SB 2225.

In reviewing the seven sections of the bill, there are two sections that we would encourage further thought and/or clarification on.

SECTION 2:

In defining infrastructure, please consider using a broad definition of grant qualifying infrastructure. Please consider mass grade, below grade, above grade, and vertical construction infrastructure as qualifying workforce housing infrastructure to the program.

SECTION 6:

In defining the percentages and participating local matches, please maintain flexibility where possible. Please consider rather than an equal split of local participation between local political subdivision, local developers, and private funds, consider placing floors and ceilings on the triangulation of the local partnerships.

Specifically, for Watford City, because we have over 100 shovel ready lots in our town, we need grant support for vertical construction. Because construction trades hold highly transferable skills to the oil & gas energy industry, builders are reluctant to bring their crews into Williston, Watford City, Killdeer, and Dickinson. If they are willing to bring them into these communities, they must pay them wages at par with the energy industry. This in turn drives the cost of construction up to the point that the houses are priced out of range for the very workforce we are trying to build them for. Back to our GOLDEN GOOSE, which comes first; the goose or the egg. As we have been struggling with the dilemma of appropriate workforce housing for well over 15 years now, the framework of the proposed HOME project in 2323 will support the rooftop creation that is vital to employers in our community to continue to operate in the BAKKEN and even expand as we as work toward solving our critical housing shortage.

We appreciate how program HOME looks to support local communities and regions of the state, understanding that each is experiencing unique pinch points and obstacles to achieving residential rooftop creation. Watford City is the second most indebted city in North Dakota on a per/capita basis. We have pledged current and future in lieu or property tax to grow a community from 1,400 people in 2010 to 7,500 people in 2024. We have provided a home for the workforce that maintains North Dakota's GOLDEN GOOSE and who harvests her valuable commodity. Without programs and partnerships – state and local, the city will continue to struggle in roof top creation. Our largest employers all identified the lack of appropriate housing and their number one hurdle to attracting and retaining their needed workforce.

We thank you for considering our support for SB 2225 and for our amendment requests. We appreciate that this program is proposed to be housed under the Department of Commerce. They have a track record of understanding that each community is unique and faces different challenges. They have truly been a development partner to us and helped Watford City continue to support workforce development challenges, of which housing has been on the top of that list for a very long time.

Sincerely,



Vawnita Best, Community & Business Development Director, City of Watford City

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