

2017 SENATE POLITICAL SUBDIVISIONS

SB 2136

2017 SENATE STANDING COMMITTEE MINUTES

Political Subdivisions Committee
Red River Room, State Capitol

SB 2136
1/12/2017
Job # 26818

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to the appointment of housing authority commissioner

Minutes:

Attachment #1 Senator Grabinger
Attachment #2 Mr. David Klein (did not testify)

Chairman Burckhard opened the hearing on SB 2136. All senators were present.

Senator John Grabinger introduced SB 2136. Written testimony #1.

Senator Diane Larson: Are there situations in some of these governing bodies where they have difficulty getting five to serve?

Senator Grabinger: And that could be, certainly. As the law states now, you have to have five- member board you can't have overlap. The situation here is we have the five- member board with the Stutsman's County Authority, and we want to be able to bring on others. So it simply changes it to minimum of 5 members. It is already five. We just want it to be a minimum so that these smaller counties such as Foster County, Wells, Logan, they can have representation on this board that is actually overseeing their Housing Authority. That is all it is.

Senator Diane Larson: Well I am not exactly sure, is this a state housing authority or are these county housing authorities? **Senator Grabinger:** County housing authority. **Senator Larson:** So I was just wondering if there are any counties what we're going to create a problem with because they can have 5, but they can't get 5. They can only get 4 and this says no fewer than 5. I wonder if they that will create a problem with somebody else?

Senator Grabinger: The thing they are already required by law to have a 5- member board. So it's not making it any more difficult for them, it is simply allowing them to be able to put an additional member on.

Senator Judy Lee: What areas are unrepresented in the 5, I mean I am not arguing about the wording is easier, but what is the problem that we're hoping to solve here by making it 5.

Senator Grabinger: The problem is for example the Stutsman County Housing Authority already has a 5-member board, and now they take on the Housing Authority up in Foster County which is Carrington, and as it is they already have their 5-member board so they can't expand to give representation to Foster County. This would allow them bring on a representative from Foster county so that they have a say in the matter.

Senator Judy Lee: I did hear that I just went in one ear and out the other. So I am sorry about that. I think it's a great idea because I like to see the collaborative regional kinds of things, so it makes good sense. Do they have a memorandum of understanding about running the Foster County Housing authority, how do they, do you know how they are making that work because I am happy to hear about it?

Senator Grabinger: I would love to give you answer, but I don't have that. I am not that involved in the Housing Authority and I've never served on their board so to provide you with that, I just don't have it.

Chairman Burckhard closed the hearing on SB 2136. Committee any thoughts on this bill.

Senator Anderson I move a Do Pass on 2136.
2nd Senator Diane Larson

Discussion

Senator Anderson: I see in some of the testimony here that came from the Housing Authority there that HUD apparently likes to have a representative of the people that are living in the Housing Authority properties and that is some of the problems that their having here if they go to Foster county and build a unit, then HUD wants them to have somebody on the board from that area, you see representing them. That is part of the problem here. Now, obviously if they have 5 that they appoint they could use one of the 5 slots for Foster County but if they already have commissioners that are active one of the problems that they point out here in their neighboring county is that they weren't able to maintain their own board which means that like what Senator Lee said, they don't show up for the meetings or whatever, so it is hard to have a quorum. So I think this is a good solution. It doesn't say that the people appointed need to be in the area that the Housing Authority is, so that gives them that flexibility. I think it should work. Let her go!

Senator Dotzenrod: This is not directly on the bill, but just kind of a question about housing authorities. This bill talks about in the first sentence "cities" and then later on it talks about "counties". So they don't separate city and county housing authorities into separate sections. They put them together, so I was wondering if you have a county with a county housing authority I imagine if the city has one, then that county housing authority will not have anything to do with anything going on in that city. That they operate, investigate, and pursue projects that are in the county. But that anything going on in that city, that county housing authority would stay away from unless there was some joint project that they work together on but I imagine you could have one county with a city housing authority...

Chairman Burckhard: How likely is that to have two different housing authorities?

Senator Judy Lee: The only comment I would have about that is that it's the Cass County Housing Authority that has senior housing and low income housing both in West Fargo and in Fargo. I think part of the reason is so that, I don't know, who knows why they are there, but I mean there will be some anonymity then about, but any maybe its Fargo/Cass, but I know it's a county housing authority that has the senior housing and both senior and low income housing and they run that. They have Pioneer Manor in Fargo that is a senior housing and another one on the north side that's for people with disabilities primarily, but there is a city housing authority as well. So I don't know how they divide up their jobs but they have different projects I know.

Senator Diane Larson: I am a new person here, new to this whole concept. I wonder if somebody could explain what a Housing Authority does, what is their responsibilities are?

Chairman Burckhard: I think in general they, the Minot Housing Authority they manage properties that are of lower income and for those folks to live there. They manage the units for lower income folks.

Senator Anderson: Where do they get their money?

Chairman Burckhard: I don't think I know that.

Senator Diane Larson: when you say manage do you mean they hire people to shovel the sidewalks, or they determine who can live there or manage in what way? **Chairman Burckhard:** I think all of that. **Senator Diane Larson:** Just like any apartment manager would be. Yes, thank you.

Senator Anderson: The Housing Authority typically is set up because they are using Housing and Urban Development money from the federal government. That is where the loans come from and then they pay them off with the rent. In order to have that, to get the HUD money you have to have your local housing authority, they are not going to give it to a private business or whatever else. Now in McLean County to my knowledge the county does not have a Housing Authority but the cities have their own housing authority and they would do the projects within the cities, but we don't do any outside the city that the county would be involved in, so it varies I am sure from place to place.

Chairman Burckhard: I don't think Minot has one outside the city either. I don't think there is a Ward County Housing Authority.

Senator Diane Larson: so there is no requirement if somebody has low income housing to have a Housing Authority, its only when they receive that HUD money that they need to establish an authority to be responsible for managing it, is that right?

Chairman Burckhard: Yes I think so.

Committee vote: **6 Yea, 0 No, 0 Absent**

Carrier: Senator Anderson

Date: 1-12-17
Roll Call Vote #: 1

2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2136

Senate Political Subdivisions Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By Sen. Anderson Seconded By Sen. Diane Larson

Senators	Yes	No	Senators	Yes	No
Chairman Randy Burckhard	✓		Senator Jim Dotzenrod	✓	
Vice-Chairman Howard Anderson	✓				
Senator Jordan Kannianen	✓				
Senator Diane Larson	✓				
Senator Judy Lee	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Senator Anderson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2136: Political Subdivisions Committee (Sen. Burckhard, Chairman) recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2136 was placed on the Eleventh order on the calendar.

2017 HOUSE POLITICAL SUBDIVISIONS

SB 2136

2017 HOUSE STANDING COMMITTEE MINUTES

Political Subdivisions Committee Prairie Room, State Capitol

SB 2136
3/2/2017
Job # 28622

- Subcommittee
 Conference Committee

Carman Hickle

Explanation or reason for introduction of bill/resolution:

Relating to the appointment of housing authority commissioners

Minutes:

1, 2, 3

Chairman Klemin: Opened the hearing on SB 2136.

Senator Grabinger: (Testimony #1).

Rep. Ertelt: Do you foresee any problem if they need to add a single member and go to an even number of board members, would that cause a problem for voting?

Senator Grabinger: Probably not, because it is not a critical thing.

Dave Klein, Executive Director at Stutsman County Housing Authority: (Testimony #2)
(Time 3:10 to 8:04)

Vice Chairman Hatlestad: When you merge or assume contracts is your county going to be designated to head the other counties?

Mr. Klein: Yes, there has to be one housing authority that is designated by the federal government to be the federal contracted entity.

Vice Chairman Hatlestad: Is there one county will one be designated as the chief town?

Mr. Klein: Yes, whichever county is that legal entity that they are merging into.

Rep K. Koppelman: Did you say more than one county is interested in the joining your housing authority?

Mr. Klein: Yes, there are more, currently we deal with 3 separate that would like to join.

Rep K. Koppelman: You are talking about increasing the size of the board to have representation from each of those counties? If you are having trouble maintaining board members in general, do you need the increased number of members?

Mr. Klein: There is some concern that is one of the things that HUD does watch over. It is there decision whether or not our contracts can go forward to be consolidated. One of their concerns always is the scope of size. Can we efficiently provide services and board material for that size?

Chairman Klemin: The way this read now no fewer than 5 persons so it doesn't appear there is any maximum now. Who decides how many members there is going to be?

Mr. Klein: I do not know of the maximum. HUD may set a limit.

Chairman Klemin: Would you anticipate that Stutsman County would have 5, so there would be one additional board member for each county that merges into yours?

Mr. Klein: Yes, that is what we would anticipate is hopefully one voice. In Stutsman County we need to have representation from the State Hospital and Human Services Center, because we provide a lot of services to those two agencies. My opinion is that we would not want to exceed more than 10 board members.

Chairman Klemin: Your letterhead shows Dickey, Sargent, Foster and Stutsman counties are those 4 counties all merged together with Stutsman?

Mr. Klein: There are 5, Logan County had merged years ago. We have been working with Eddy, Wells and Sheridan counties. It is difficult to go that far out. We may stay with contracts for those ones.

Rep K. Koppelman: The areas on lines 13 through 15 of the bill that are stricken. Then the new language in lines in 16 and 17. It seems to me the way this would read as written it could have potential conflicts. The language being stricken probably was there from when this was first set up, to have staggered terms. You are saying they are appointed for terms of 5 years, except that all vacancies must be filled for the unexpired term. The inserted sentence, the terms must be staggered to ensure an approximately equal number of appointments that expire each year. You might end up in a conflict depending on when your member's terms expire and if you add 3 new board members at the same time, you may not be able to accomplish that.

Mr. Klein: It is something we can look at to see if there needs to be any clarifications.

Rep. Ertelt: Can you describe the powers of the housing authorities?

Mr. Klein: The Housing Authority's for I deal with are HUD sponsored organizations. They provide federal assistance to those needing housing assistance.

Rep. Ertelt: You mentioned those involved with development, so what powers does the housing authority have in regard to development?

Mr. Klein: The housing authority if they wanted to develop under the Century Code they do have the authority to take out loans, take out bonds, and develop property for low income families. Housing authorities do have a property exemption under protection of the state but also the federal government.

Rep. Ertelt: We have been talking about counties but there is provision in here for cities to have no fewer than 5 commissioners. Why is that necessary?

Mr. Klein: There are cities that have housing authorities that are separate from the county. It has its own sponsorship from HUD. Their boards are set up by their governing bodies.

Chairman Klemin: No additional testimony. Closed the hearing on SB 2136.

Rep K. Koppelman: (Proposed amendment #3) Proposed amendment which would clarify the conflict. On lines 15 through 17 of the bill, basically it says they must be appointed on line 13 for terms of 5 years except all vacancies must be filled for the unexpired term. Then it says, the terms of the commissioners must be staggered to ensure an approximately equal number of the appointments expire each year. For the initial part of the term it could be shortened to accomplish that staggering.

Chairman Klemin: It sounds like the commissioners are issued some type of certificate of appointment. If we shorten their terms after they have been appointed as a commissioner and been issued a certificate. I am not sure if we can legally shorten the term that has already been issued.

Rep K. Koppelman: The language in the original statute it did that essentially as well. If you look at what is being deleted starting on line 13, must be designated to serve for terms 1,2,3,4,5 years respectively and after that time each commissioner shall be appointed for a term of 5 years.

Chairman Klemin: When they are first appointed they were appointed for less than 5 years after that a commissioner has a term for 5 years. Now we are going to issue a certificate of appointment for 5 years. This will say your term is no longer 5 years.

Rep K. Koppelman: The intent is to add additional commissioners. Say you add 3 members and you make one a 5-year term, one a 4-year term, one a 3-term initially. Once they serve out that initial shortened term to accomplish the staggering, it would revert back to a 5 year.

Chairman Klemin: If we are look at proposed amendment, I'm thinking we need to change this language. To, the terms of additional commissioners may initially be less than 5 years to accommodate the required staggering of terms.

Rep K. Koppelman: You can add, additional, before commissioners if you think that would clarify it. It may initially be less than 5 years, rather than shortened. Between the words, more and commissioners, you could add the word, additional. Then replace, shortened with less than 5 years. I would move that change.

Chairman Klemin: The proposed amendment would read page 1 line 17 after year insert, and the term of additional commissioners may initially be less than 5 years to accommodate the requiring staggering of terms.

Rep. Ertelt: How is additional defined, here?

Chairman Klemin: They have 5, now they may have more than 5. So any commissioner more than 5 is an additional commissioner.

Rep. Maragos: Second the motion.

Voice vote carried on proposed amendment.

Rep. Ertelt: I concerned that the conflict still exists. Even as amended we are saying the commissioners must be appointed for terms of 5 years. Except all vacancies must be filled for the unexpired terms. Then it says, may be staggered. You have a, must, then you have a, may.

Chairman Klemin: I don't know how you can stagger a term of 5 years unless you wait a year to appoint someone then wait 2 years to appoint someone. By saying the initial term of a new commissioner could be less than 5 years would accomplish that.

Rep. Maragos: Do pass as amended.

Vice Chairman Hatlestad: Second the motion.

Rep. Ertelt: The county which is the not the primary county will have a diluted vote on the commission. It is the intention that those counties have one seat on that board. I am also concerned about the mechanism of appointing, who is actually appointing those members?

Chairman Klemin: It doesn't say. It might be when they do have a merger they may have something in the agreement that sets out those details. It sounds like they can't get enough board members in the small counties and Stutsman County has got the office and staff to handle work for these nearby counties. Mr. Klein mentioned collaborative agreements, it would be a matter of negotiation between those counties.

Rep K. Koppelman: It sounds like the way it operates now that even though they have cooperative agreements those smaller counties don't have representation on the board now.

Rep. Beadle: I wasn't able to be at the hearing. Was the question brought up in terms of what percentage and what amount of time would the housing authority deals with what's in Stutsman County versus what's in those outside counties?

Chairman Klemin: We did not get that information at the hearing but we were told this is regulated by HUD.

Rep. Longmuir: Everything we talk about is a moot point because HUD has to approve everything. If it's not in the best interest as HUD sees it, they will override us. HUD inspects

housing authorities on a regular basis. We have contracted out our administrative work to Minot, but before we could do that it had to be approved by HUD.

Rep. Johnson: You are talking about a portion of the Code that initially creates housing authority then you are changing it. To me this wouldn't give any existing housing authority.

Chairman Klemin: I am thinking we are talking about what is behind the scope of this bill. It can be handled by agreements that has to be approved by HUD.

Rep K. Koppelman: Are all housing authorities currently in existence or can some still start?

Rep. Longmuir: To the best of my knowledge you would still have the ability to create but most of them have already been created.

Rep K. Koppelman: I am wondering if the word, additional, should be in the amendment? If you look at the what we are striking from the statute that's what that originally allowed for. When these were created it allowed for staggered terms. If you look at the original amendment if we got rid of the word, additional, I think it could be used both for any county or city that decided to create one in the future. Or in this case to add commissioners.

Chairman Klemin: We can't reduce the term of an existing commissioner.

Rep K. Koppelman: What would be the statute if we pass this bill, the term of one or more commissioners may initially be less than 5 years to accommodate the required staggering of terms?

Rep. Johnson: In my mind to add additional commissioners they would have to dissolve and reorganize according to 23.11.05. This is just for the creation of new housing authorities. If we just have language that says, counties can merge.

Rep. Pyle: 23.11.16 designates cooperation between the authorities. It says the two authorities may join or cooperate with one another in the exercise of any or all powers conferred.

Rep. Maragos: (Inaudible)

Chairman Klemin: You would need to withdraw the motion and the second.

Rep. Maragos: Made a motion to withdraw the motion.

Vice Chairman Hatlestad: Seconds the withdrawing of the motion.

Rep K. Koppelman: Made a motion to further amend the amendment by striking the word we added, additional.

Chairman Klemin: So we are changing it to, term of one or more? So we are going to further amend after, year, insert, and the term of one or more commissioners may initially be less than 5 years to accommodate the required staggering of terms.

Rep. Maragos: Seconds the motion.

Voice vote carries

Rep. Ertelt: In regards to cities, I didn't hear any reasoning to why cities should have more than 5 commissioners on a housing authority.

Chairman Klemin: I'm sure the way they did it this way is so they are consistent between cities and counties.

Rep. Ertelt: I don't agree with that.

Rep. Maragos: Do pass as further amended.

Vice Chairman Hatlestad: Second the motion.

Rep. Johnson: I still think this does nothing for the existing housing authorities.

Rep K. Koppelman: To that point from the testimony is that there are agreements that govern subject to HUD's approval that govern the joining forces.

Rep. Johnson: (Inaudible)

Passed 10 yes, 5 no, 0 absent.

Carrier will be Rep. Longmuir.

3/2/17 JG

17.0405.01001
Title.02000

Adopted by the House Political Subdivisions
Committee

March 2, 2017

PROPOSED AMENDMENTS TO SENATE BILL NO. 2136

Page 1, line 17, after "year" insert "and the term of one or more commissioners may initially be less than five years to accommodate the required staggering of terms"

Renumber accordingly

**2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2136**

House Political Subdivisions Committee

Subcommittee

Amendment LC# or Description: and the term of additional commissioners may initially be less than 5 years to accommodate the requiring staggering of terms

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By Rep K. Koppelman: Seconded By Rep. Maragos:

Representatives	Yes	No	Representatives	Yes	No
Chairman Klemin			Rep. Guggisberg		
Vice Chairman Hatlestad			Rep. Hanson		
Rep. Beadle					
Rep. Becker					
Rep. Ertelt					
Rep. Johnson					
Rep. Koppelman					
Rep. Longmuir					
Rep. Maragos					
Rep. Pyle					
Rep. Simons					
Rep. Toman					
Rep. Zubke					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Voice vote carried

Date: 3-2-17
Roll Call Vote: 2

2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2136

House Political Subdivisions Committee

Subcommittee

Amendment LC# or Description: Striking the word additional

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By Rep. Koppelman Seconded By Rep. Maragos

Representatives	Yes	No	Representatives	Yes	No
Chairman Klemin			Rep. Guggisberg		
Vice Chairman Hatlestad			Rep. Hanson		
Rep. Beadle					
Rep. Becker					
Rep. Ertelt					
Rep. Johnson					
Rep. Koppelman					
Rep. Longmuir					
Rep. Maragos					
Rep. Pyle					
Rep. Simons					
Rep. Toman					
Rep. Zubke					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

voice vote Carried

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2136**

House Political Subdivisions Committee

Subcommittee

Amendment LC# or Description: 17.0405.01001

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By Rep. Maragos: Seconded By Rep. Hatlestad:

Representatives	Yes	No	Representatives	Yes	No
Chairman Klemin	/		Rep. Guggisberg	/	
Vice Chairman Hatlestad	/		Rep. Hanson	/	
Rep. Beadle	/				
Rep. Becker	/				
Rep. Ertelt		/			
Rep. Johnson		/			
Rep. Koppelman	/				
Rep. Longmuir	/				
Rep. Maragos	/				
Rep. Pyle	/				
Rep. Simons		/			
Rep. Toman		/			
Rep. Zubke		/			

Total (Yes) 10 No 5

Absent 0

Floor Assignment Rep. Longmuir

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2136: Political Subdivisions Committee (Rep. Klemin, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 5 NAYS, 0 ABSENT AND NOT VOTING). SB 2136 was placed on the Sixth order on the calendar.

Page 1, line 17, after "year" insert "and the term of one or more commissioners may initially be less than five years to accommodate the required staggering of terms"

Renumber accordingly

2017 TESTIMONY

SB 2136

SB 2136
1-12-17
Att #1

Good morning, Chairman Burkhardt, committee members. The bill I come before you with is a somewhat clerical issue. My understanding of this is best explained by offering you an example. The Stutsman County Housing authority has been asked by other counties to provide services. Some of our counties are really too small to justify their own authority, therefore they have asked larger ones to perform these duties for them. The problem exists here, in order for these smaller counties to have representation on the authority board that will be providing their services, the make-up of the board must be able to be increased. This bill simply allows this by changing the current makeup from a five-member board to a minimum of five members. Thus allowing the authority to have representation from all those being served. That is about it. I must apologize for not being the best spokesman on this, but I have included the testimony of our director in Stutsman County. He brought this to me and asked me to carry it. He wanted to be here this morning, but he ran up against a family issue and so I'm here to do my best to answer any questions you may have. Thank you

SB2136

1-12-17

Attach #2

ND Senate Bill 2136

meetings. First off, I would like to extend my appreciation of the time and effort to those who sponsored Senate Bill 2136, and apologize I could not attend the hearing in person. The proposed change to ND Century Code will allow housing authorities the flexibility to comply with HUD (Housing and Urban Development) regulations, create regional housing authorities, preserve rural voices, and help housing authorities continue to provide vital services across North Dakota.

The federal department HUD, requires housing authorities that assist with more than 300 clients to have a client/resident board member. However, a resident board member may not be able to vote because of a conflict of interest. Housing authorities are reluctant to add a resident board member if it means not having a quorum. Therefore, many housing authorities may be in non-compliance with HUD for not having the proper board composition.

The change would allow for program consolidation on the terms of the local housing authorities and governing bodies. Currently, HUD does not allow consortia of housing authorities because program transfers may prove difficult with current North Dakota law, rather HUD wants these agencies to merge. With current ND Century Code, merging housing authorities would remove many local (rural and non) voices.

A group of thirteen counties represented by nine housing authorities in North Dakota, spent five years trying to unify programs unsuccessfully. The goal was to maintain assistance and services, and share expertise. Housing authorities that provide assistance through HUD have fewer dollars to work with each year for assistance and administration. That makes it increasingly difficult to maintain services and compliance.

Allowing housing authorities to create their own group and maintain their voice is the best way to preserve programs, create better efficiencies, and comply with regulations.

For example, Foster County Housing Authority wanted to transfer its program to Stutsman County Housing Authority for various reasons including their inability to maintain a board. However, the agreement wanted to include having at least one board member represent Foster County. This proposed change in code would allow for Stutsman to maintain its current board of five and add a member from Foster County allowing the merge.

The ND Century Code outlines conflicts of interest in which counties may add additional measures to their policies to reduce any issues. As the housing authority is HUD funded, HUD can demand commissioners be dismissed because of an apparent or actual conflict of interest. Having combined boards that pull from a larger area can help reduce any conflicts of interest and help the board operate.

This simple Century Code change will allow for housing authorities to protect vital services and voices.

Sincerely,

David Klein

Executive Director | Stutsman County Housing Authority, Foster County Housing Authority, Dickey Sargent Housing Authority

Chairperson | ND chapter of NAHRO (The National Association of Housing and Redevelopment Officials)

SB 2136
Sen. Grabinger

#1

3-2-17

Good morning, Chairman Klemin and committee members. So glad to join you this morning to present SB 2136. This bill before you is a somewhat clerical issue that needs change.

My understanding of this is best explained by offering you an example. The Stutsman County Housing Authority has been asked by other counties to provide services. Some of our counties are really just too small to justify their own Housing authority, therefore they have asked larger ones to perform these duties for them.

This is where the problem exists: in order for these smaller counties to have representation on the authority board that will be providing their services, the make-up of the board must be able to be increased. This bill simply allows this by changing the current makeup from a five-member board to a minimum of five members, thus allowing the authority to have representation from all those counties being served. That is about it.

I must apologize for not being the best spokesman on this, but with me today is our housing authority director in Stutsman County, Mr. David Klein. He brought this to me and asked me to carry it on behalf of those counties involved. I'll now do my best to answer any questions you may have, but he is truly the expert. Thank you.

Great Plains Housing Cooperative | gphc.biz

Dickey Sargent Housing Authority | Foster County Housing Authority
Stutsman County Housing Authority



ND Senate Bill 2136

Chairperson Klemin, Vice Chairperson Hatlestad, and members of the Political Subdivision Committee; Greetings, and thank you for allowing me the time to testify.

I am David Klein, Executive Director at Stutsman County Housing Authority in Jamestown. Our office oversees housing assistance programs the counties of Stutsman, Logan, Dickey, Sargent, and Foster. In addition, our office has collaborative agreements with eight additional counties. I am also the chairperson for the North Dakota Chapter of NAHRO, or The National Association of Housing and Redevelopment Officials.

I would like to extend my appreciation of the time and effort to those who sponsored Senate Bill 2136. The proposed change to ND Century Code will allow housing authorities the flexibility to comply with HUD (Housing and Urban Development) regulations, create regional housing authorities, preserve rural voices, and help housing authorities continue to provide vital services across North Dakota.

The federal department HUD, requires housing authorities that assist with more than 300 clients to have a client/resident board member. However, a resident board member may not be able to vote because of a conflict of interest. Housing authorities are reluctant to add a resident board member if it means not having a quorum. Therefore, many housing authorities may be in non-compliance with HUD for not having the proper board composition.

The change would allow for program consolidation on the terms of the local housing authorities and governing bodies. Currently, HUD does not allow consortia of housing authorities because program transfers may prove difficult with current North Dakota law, rather HUD wants these agencies to merge. With current ND Century Code, merging housing authorities would remove many local (rural and non) voices.

A group of thirteen counties represented by nine housing authorities in North Dakota, spent five years trying to unify programs unsuccessfully. The goal was to maintain assistance and services, and share expertise. Housing authorities that provide assistance through HUD have fewer dollars to work with each year for assistance and administration. That makes it increasingly difficult to maintain services and compliance. Allowing housing authorities to create their own group and maintain their voice is the best way to preserve programs, create better efficiencies, and comply with regulations.

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Foster County HA
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Carrington, ND 58421
701-652-3276
Fax:701-252-7735

Dickey-Sargent County HA
PO Box 624
Ellendale, ND 58436
701-349-3249 ext. 9
Fax:701-252-7735

Great Plains Housing Cooperative | gphc.biz

Dickey Sargent Housing Authority | Foster County Housing Authority
Stutsman County Housing Authority



For example, Foster County Housing Authority wanted to transfer its program to Stutsman County Housing Authority for various reasons including their inability to maintain a board. However, the agreement wanted to include having at least one board member represent Foster County. This proposed change in code would allow for Stutsman to maintain its current board of five and add a member from Foster County allowing the merge.

The ND Century Code outlines conflicts of interest in which counties may add additional measures to their policies to reduce any issues. As the housing authority is HUD funded, HUD can demand commissioners be dismissed because of an apparent or actual conflict of interest. Having combined boards that pull from a larger area can help reduce any conflicts of interest and help the board operate. Our goal is to allow housing authorities to create better governmental efficiencies, maintain program compliant, retain local contact, and preserve local voices.

Senate Bill 2136 will allow for housing authorities to protect those vital services and voices.

Thank you.

David Klein
Executive Director | Stutsman County Housing Authority, Foster County Housing Authority,
Dickey Sargent Housing Authority
Chairperson | ND chapter of NAHRO (The National Association of Housing and Redevelopment
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3-2-17

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Rep. K. Koppelman

PROPOSED AMENDMENTS TO SB NO. 2136

Page 1, line 17, after "year" insert "and the term of one or more commissioners may initially be shortened to accommodate the required staggering of terms."