

Department of Commerce testimony on SB2014

January 13th 2021

Senate Appropriations Committee

Senator Holmberg, Chairman

Chairman Holmberg, and members of the Senate Appropriations Committee

For the record my name is Bonnie Malo, Director of Division of Community Services at the Department of Commerce.

I am providing testimony in support of SB2014.

The Department of Commerce, Division of Community Services support the transfer of the HOME program funded by the Department of Housing and Urban Development, to the North Dakota Housing Finance Agency. I will provide some history of the HOME program. The HOME program started in 1992 as a federal block grant designed to be administered through line community development agencies. The HOME program receives an annual allocation of \$3 million each year. It is common practice with several states that housing finance agencies administer the HOME program. Over time, the HOME program has evolved into a housing development financing program that is more compatible with the operational capacity and financial resources of the Housing Finance Agency. The HOME program will better align with using Housing Finance Agency Programs, such as Low-Income Tax Credits, Housing Trust Fund and Housing Incentive Funds. These programs work cohesively to develop affordable housing projects throughout the state of North Dakota. By transferring the HOME program to the Housing Finance Agency, it will create efficiencies with a one stop shop for multi-family housing development.

Our request is to transfer the federal spending authority along with 2 FTE's to the Housing Finance Agency. The authority is broken down by the following: \$356,421 Salaries; \$286,950 operating; and \$7,700,000 grants for a total of \$8,343,371.