



WRITTEN TESTIMONY PROVIDED TO
ND SENATE - APPROPRIATIONS COMMITTEE
DURING THE 67th LEGISLATIVE ASSEMBLY
On January 29th, 2021
IN SUPPORT OF
SB 2127
REGARDING THE
HOUSING INCENTIVE FUND

Chairman Holmberg
Vice Chairpersons Krebsbach and Wanzek
Members of the Senate Appropriations Committee

I testify today asking for your support of SB 2127 as this bill is presented, with one change/ amendment as discussed at the end of this testimony. Affordable housing for the low income households of North Dakota is a persistent problem. Nearly 40% of renter households in North Dakota are cost-burdened, paying 30% or more of household income towards housing. Within the districts of this committee's members, the range of persons living below 200% of poverty is from a low 15.2% in Mr. Poolman's District 7 to a high of 38.9% in Mr. Heckaman's District 23. The average of committee member districts is 24.76% and the median is 24.95%. In the State, 25.5% of the population is living below 200% of the poverty level. Affordable housing for low income families is an issue that is just not going away. And, with the aging of existing affordable housing inventory, without preservation activity, this situation will only worsen as this older housing stock leaves the market.

The HIF Program provides the financial resource that is greatly needed to aid in addressing the affordable housing problems in North Dakota. Whether to provide new construction or preservation financing, gap assistance, or targeted supported services needed to prevent homelessness, the HIF Program works. Dave Flohr and his staff at North Dakota Housing Finance Agency have the research that shows the great extent of the need. Please see: <https://www.ndhfa.org/index.php/ndhif/> to learn more of the need as well as how effectively the HIF program addresses the affordable housing issue. Also, another fine document to learn more about the need for affordable housing in North Dakota is "The Current State of Housing in North Dakota", a study of single and multifamily housing prepared by the State's own NDHFA. This document can be found here: <https://www.ndhfa.org/wp-content/uploads/2020/11/CurrentStateofHousing.pdf>

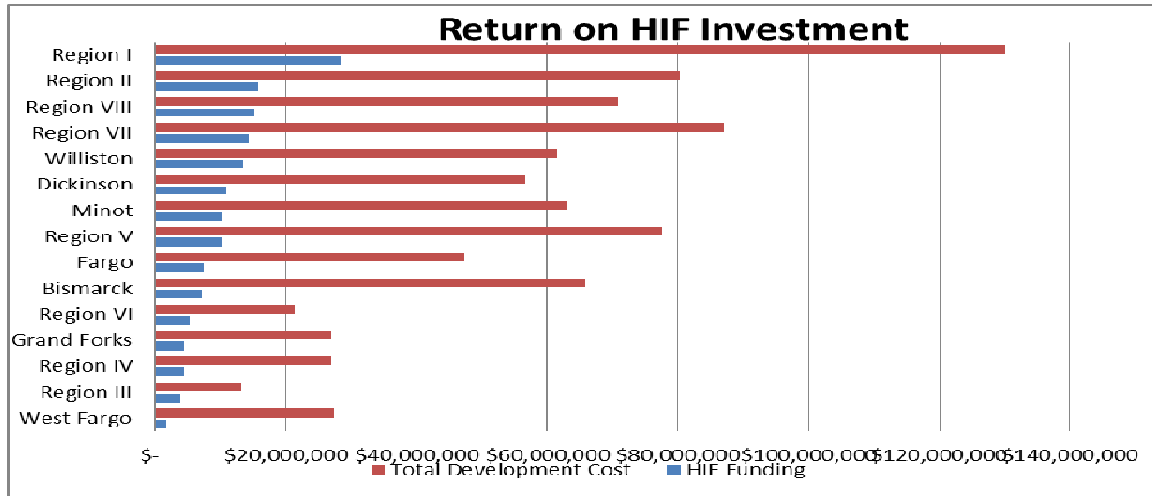
For committee members looking for other reasons to support the HIF Program one needs only look at the leveraging of these important dollars. Since its inception, the HIF Program has brought in \$4.23 of private and federal dollars for every \$1.00 of the state's funding, as the graph



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and table below reflect. The HIF Program has contributed towards the development of nearly \$508 million of housing in the state.



	HIF Funding	Total Development Cost	Private and Federal Dollars Spent for Every HIF Dollar Spent
Region I	\$ 28,423,677	\$ 130,057,346	\$ 3.58
Region II	\$ 15,674,954	\$ 80,324,341	\$ 4.12
Region III	\$ 3,803,129	\$ 13,156,080	\$ 2.46
Region IV	\$ 4,354,545	\$ 27,014,863	\$ 3.03
Region V	\$ 10,145,460	\$ 77,578,114	\$ 6.65
Region VI	\$ 5,288,303	\$ 21,327,228	\$ 3.03
Region VII	\$ 14,231,418	\$ 87,186,008	\$ 5.13
Region VIII	\$ 15,188,691	\$ 70,846,568	\$ 3.66
State Total	\$ 97,110,177	\$ 507,490,548	\$ 4.23

As you can see, HIF Program funding has provided not only much needed affordable housing but also significant economic activity within the HIF participating communities throughout the state.

At the Industry, Business and Labor Committee’s hearing on this bill, it was suggested to amend the bill as presented to include the authorization to carry over from one biennium to the next any committed but unspent funding. It is my understanding that this has given cause for problems during previous funding cycles. It has been suggested that line 31 of page 2 of SB 2127 be amended to read: “June 30, 2023, with funds committed but not yet expended to be carried forward to the next biennium.” I support such an amendment.

Thank you in advance for you favorable consideration of SB 2127 and the requested appropriation amount of \$50 million and Thank You for all you do.

Respectfully submitted,

Terry Hanson
Executive Director