

**2025 SENATE APPROPRIATIONS**

**SB 2225**

# **2025 SENATE STANDING COMMITTEE MINUTES**

## **Appropriations - Government Operations Division** Red River Room, State Capitol

SB 2225  
1/27/2025

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.

2:00 p.m. Chairman Wanzek opened the hearing.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

### **Discussion Topics:**

- Housing / workforce attraction
- Public / private fiduciary, financial cooperation
- Bank of North Dakota role
- Matching fund requirements
- Infrastructure costs
- End-of-process home loans
- Lot cost impact
- Interest rate impact
- Rural community building costs
- Housing Initiative Advisory Committee
- Grafton housing story
- Corporate investment in worker housing
- ND Region Four Rural Housing Study
- Rural rental rate differential
- Local flexibility and control
- Housing lack / barrier to economic development
- Building costs in Bakken / 30% premium
- Education/home-grown workforce
- Accessible housing and transportation
- Land costs
- Per capita benefits of SB 2225

2:02 p.m. Senator Brad Bekkedahl, District One in Williston, testified in favor and submitted testimony #31337.

2:03 p.m. Governor Kelly Armstrong testified in favor and submitted testimony #31849.

2:06 p.m. Chris Schilken, Commissioner of the Department of Commerce, testified in favor and submitted testimony #31837.

2:11 p.m. Don Morgan, President and CEO of the Bank of North Dakota, testified in favor.

2:18 p.m. Joe Sheehan, Board Member of ND Housing and Finance Agency Advisory Board and Member of ND Real Estate Appraiser Board testified in favor.

2:27 p.m. Kory Peterson, ND League of Cities, testified in favor and submitted testimony #31590.

2:29 p.m. Carlee McLeod, Government Relations and External Affairs Representative for Minnkota Power Cooperative, testified in favor.

2:29 p.m. Mathew Marshall, Economic Development Manager for Minnkota Power Cooperative, testified in favor and submitted testimony #31850.

2:40 p.m. Jeff Sattler, ND Association of Builders, testified in favor and submitted testimony #31806.

2:43 p.m. Dawn Mandt, Executive Director of Red River Regional Council, testified in favor and submitted testimony #31803.

2:50 p.m. Zachary Broadwell, Executive Director of Rugby Job Development Authority, testified in favor.

3:01 p.m. Andrea Pfennig, Vice President, Greater North Dakota Association, testified in favor and provided testimony #31677.

3:04 p.m. Corry Shevlin, Board Member of the Economic Development Association of ND, testified in favor and submitted testimony #31584.

3:06 p.m. Daniel Stenberg, Director of McKenzie County Economic Development, testified in favor and submitted testimony #31690.

3:13 p.m. Vawnita Best, Community and Business Development Director for Watford City, testified in favor and submitted testimony #32198.

3:20 p.m. Cale Dunwoody, Vice President of Public Policy for Fargo Moorhead West Fargo Horace Chamber of Commerce, testified in favor and submitted testimony #31656.

3:25 p.m. Brenda Nagel, President and CEO of Bismarck Mandan Chamber of Commerce and Economic Development Center, testified in favor.

3:30 p.m. Micah Olson, Attorney for ND Protection and Advocacy, testified in favor and submitted testimony #31445.

3:32 p.m. Lisa Rotvold, Executive Director of Red River Housing Development Organization, testified in favor and submitted testimony #31537 and #31817.

**Additional written testimony:**

Brandon Bochenski, Mayor, City of Grand Forks, submitted testimony #31520.

Teran Doerr, Executive Director, Roosevelt Regional Council, ND Region 8, submitted testimony #31581.

Nick Phillips, Executive Vice President of External Affairs, Applied Digital, submitted testimony #31600.

Nick Hacker, President of The Title Team Co. and member of ND Land Title Association, submitted testimony #31698.

Angela Schutt, Auditor of the City of Minto, submitted testimony #31707.

Carol Peterson, Economic Development Coordinator, City of Milnor, submitted testimony #31717.

Janelle Moos, Associate State Director of Advocacy, ND AARP, submitted testimony #31789.

David Flohr, Executive Director of ND Housing Finance Agency, submitted testimony #31805.

Amie Vasichek, City Auditor of Lakota, and member Red River Regional Council Community Housing Development Organization, submitted testimony #31813.

Brent Ekstrom, Executive Director, Lewis and Clark Development Group, submitted testimony #31823.

Lindsey Harriman, Community Engagement Coordinator for Williams County, and member Vision West ND Housing Committee, submitted testimony #31824.

Ann Kvande, Executive Director of Western Regional Economic Development, submitted testimony #31839.

Anna Nelson, Executive Director of the City of Williston Economic Development Department, submitted testimony #31855.

Clarence Sitter, Chief Operating Officer, Theodore Roosevelt Medora Foundation, submitted testimony #32576.

3:40 p.m. Chairman Wanzek closed the hearing.

*Carol Thompson, Committee Clerk*





# North Dakota Senate

STATE CAPITOL  
600 EAST BOULEVARD  
BISMARCK, ND 58505-0360



## **Senator Brad Bekkedahl**

District 1  
P.O. Box 2443  
Williston, ND 58802-2443  
[bbekkedahl@ndlegis.gov](mailto:bbekkedahl@ndlegis.gov)

**COMMITTEES:**  
Appropriations (Chair)

**January 27, 2025**

## **Senate Bill 2225 Testimony**

### **Senate Appropriations Government Operations Division**

#### **Hon. Terry Wanzek, Chairman**

Chairman Wanzek and Committee Members,

For the record, I am Senator Brad Bekkedahl from District 1 in Williston. I am here to introduce Governor Armstrong's bill request prioritizing his agenda for the Department of Commerce Housing for Opportunity, Mobility, and Empowerment (HOME) program grants. The bill provides for grants to political subdivisions to build infrastructure to support affordable and market rate housing for the 25-27 biennium period. It is a one-time funding request. The funds will be used by local political subdivisions to address affordable housing by lowering the costs of infrastructure development. The Commerce Department will establish the guidelines for providing the grants, and they are represented here today to follow my testimony in support and to provide details to the committee. You will see the allocation brackets by population categories on the top of page two. You will also see on page two of the bill that the grant funding requires local matching funds. Also included in the bill is a reporting requirement to Legislative Management and the Governor regarding the status of the program and its accomplishments. The bill has an emergency clause to move funding out as quickly as possible to take advantage of this year's construction season if passed with the appropriate vote margins. Chairman Wanzek and Committee, thank you for considering this bill and my testimony. I will now stand for questions and yield to other experts in the room if necessary for the appropriate answers.



# Protection & Advocacy Project

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Senate Appropriations Government Operations Committee

Senate Bill 2225 - January 27, 2025

Testimony of Micah Olson, P&A Position-In Support

Mr. Chairman, members of the committee, my name is Micah Olson. I am an attorney at Protection & Advocacy. I am speaking in support of Senate Bill No. 2225, a bill to provide housing for opportunity, mobility, and empowerment program grants to political subdivisions to build infrastructure necessary to support affordable, market rate housing.

Protection & Advocacy supports funding for accessible and affordable housing. The high cost of rent, limited housing options with accessibility features, and limits on public transportation options can be barriers for individuals to find a place to live. Increased funding will assist in improving housing options. Protection & Advocacy encourages communities to keep accessibility and the need for public transportation in mind when reviewing housing needs, as this will benefit those you require accessible housing and transportation.

P&A recommends do pass on Senate Bill 2225.

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City of Grand Forks  
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**TESTIMONY ON SENATE BILL 2225**  
**Senate Appropriations - Governmental Operations Division**  
**January 27, 2025**

**Brandon Bochenski, Mayor, City of Grand Forks, ND**

Chairman Wanzek and members of the Senate Appropriations Government Operations Division, I thank you for the opportunity to provide testimony and express the City's support for Senate Bill 2225, along with a respectful request for consideration of raising the allocation cap to communities of greater than 20,000 individuals. Raising the cap would allow for economies of scale which further drives costs down for the benefit of North Dakota residents.

Housing availability and affordability is a growing national crisis from which Grand Forks has not been immune. On the contrary, as significant economic projects move forward in our region and paired with North Dakota's ongoing workforce challenges, the lack of availability and affordability of market rate housing has become a major constraint to the attraction and retention of workforce, and by extension to sustained future growth (not to mention quality of life for North Dakota residents).

Local housing development has not kept pace to accommodate this growth as cost of infrastructure, labor, and building materials has been a major impediment. Not only does rising infrastructure cost deter private investment, it also limits supply of building lots further negatively impacting affordability for homeowners.

Public-Private partnerships in this area has the potential to make a major impact and that is what is required as the challenges we face require bold, strategic action, which Grand Forks is prepared to take. Expectedly though, this bold action requires a larger investment to achieve the impactful outcomes we need. It is in that spirit that I humbly request you consider eliminating or raising the currently-proposed \$1.5 million allocation cap to communities like Grand Forks. We want to take up this challenge head-on with major, strategic investments. The flexibility to tailor available resources in large scale would be invaluable in maximizing economic returns. Removing the cap would also allow the commerce department to ensure funds are dispersed both widely across the state and in the most impactful manner.

The funding proposed in SB 2225 presents an incredible opportunity for state, local, and private sector partners to come together to address a critical need for our community and our state and it has our wholehearted support.

The City of Grand Forks asks for a DO PASS recommendation for SB 2225.

Respectfully,

Brandon Bochenski  
Mayor of Grand Forks



Testimony of Lisa Rotvold

**IN SUPPORT of SB 2225**

A BILL for an Act to provide an appropriation to the department of commerce for a housing opportunity, mobility, and empowerment program;

Senate Appropriations Committee – Government Operations Division hearing

**January 27, 2025 – 2:00 PM**

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Chairman Wanzek and Committee members, my name is Lisa Rotvold. I live in Hillsboro and serve on the advisory board for the North Dakota Housing Finance Agency. I am also the Executive Director of the non-profit Red River Community Housing Development Organization (CHDO), based in Grafton. We are a partner organization to the Red River Regional Council.

In my 30 years of experience in the affordable housing and community development sector I have had the great pleasure to assist in the development of over 1,200 homes in ND, SD, and MN, in communities large and small. In my current role I am deeply focused on helping rural communities meet their diverse housing needs to support economic growth and rural prosperity.

This testimony is to highlight the need for infrastructure investments in rural communities as documented in our regional housing study entitled, ***Building Rural Prosperity; A look at current and future housing needs in North Dakota's Region 4***, published in August 2024.

This study was done cooperatively with Red River CHDO, Red River Regional Council, the Job Development Authorities in Nelson, Pembina, and Walsh Counties, Grand Forks Region Economic Development Corporation, Grand Forks Growth Fund, Grand Forks Housing Authority, and the North Dakota Housing Finance Agency. Pittsburgh, PA based Fourth Economy, was hired to measure and document housing needs, evaluate barriers, and develop strategies to increase housing availability and affordability in the rural communities of Grand Forks, Nelson, Pembina, and Walsh Counties.

The study identified a need for **approximately 4,800 additional housing units in the rural parts of Region 4 by the year 2030**. These numbers are based on current unique job postings and projected job growth in the region.

Of course, **there are nowhere near 4,800 buildable lots in the rural communities of Region 4. The shortage of residential lots was highlighted in many of the seventeen community and topic based focus groups** hosted by Fourth Economy.

The top two barriers to creating new residential lots were identified as:

- the cost of new infrastructure; and
- availability of land outside the flood plain (a common issue in Region 4)

Small towns in Region 4, eager to welcome the newcomers needed to fill jobs and fuel the economy, would benefit greatly from the resources proposed in SB 2225. I see these funds helping communities in multiple ways,

(1) sharing the investment risk with the communities by **sharing the cost of new water, sewer, and streets, in places that do not benefit from economies of scale** (example: Grafton)

(2) **offsetting the cost of land acquisition for land-locked communities** that need to acquire high value farmland to grow (example: Minto and Cavalier)

(3) bringing in engineered fill to **raise existing lots that are in the flood plain to put them back in service for housing development**, and **eliminate the need for flood insurance** (example: Pembina and Drayton),

(4) **buying down special assessments for communities that have made significant infrastructure improvements in the past 5 years** to increase the buying power of homebuyers (example: Larimore), and

(5) bring the state to the table as a partner, to invest in rural North Dakota, and **share the risk with small municipalities ready to take a chance on themselves**.

Shifting some of the costs related to housing development away from builders and buyers can increase the buying power/ mortgage capacity of buyers.

- For example, an annual specials payment of \$2,000 (Larimore example) **reduces the mortgage capacity of a buyer by \$25,000**.
- For lots in the flood plain, a buyer will need flood insurance, which **reduces mortgage capacity by \$10,000**.

Taking some of these costs out of the equation will help buyers afford more house, and chip away at rural appraisal gaps. **An investment in infrastructure is a permanent investment in the future of a community.**

The region wide housing study identified five core themes/actions to improve the availability of housing in the region, with recommendations and strategies for achieving them. A copy of the strategy matrix is attached to this testimony. Each strategy identified key players needed to accomplish them - local municipalities, regional organizations, the state, and employers.

The first theme identified is Enabling New Construction. One of four strategies recommended is to extend municipal infrastructure. The state is identified as the key partner needed to make this happen. **SB 2225 appears to be a great match to help rural communities enable new construction to meet this widespread need.**

Lastly, I suggest that if dollar amounts are tied to various sized communities, as shown in Section 1(3) on page 2, the distribution be made in an equitable manner. For example, as written:

- Section 1(3)(a) sets a funding level of \$10 million for communities with population under 5,000. There are 84 communities with population between 500 and 5000. **So, \$10 million would be \$93 per capita or an average of \$119,000 per community.**
- Section 1(3)(b) sets aside \$20 million for communities with a population between 5,001 and 20,000, of which there are 6. **This amounts to \$408 per capita or an average of \$3.33 million per community.**

**Flipping those two amounts would make for a more equitable distribution of resources and give more communities the opportunity to grow.**

Thank you for allowing me to share my experience supporting rural communities, and how SB 2225 could boost rural growth and prosperity.

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Contact Information: Lisa Rotvold; lisa@redriverrc.com

Attachments:

1. Overview of ***Building Rural Prosperity; A look at current and future housing needs in North Dakota's Region 4***
2. Strategy Matrix - ***Building Rural Prosperity; A look at current and future housing needs in North Dakota's Region 4***





**Roosevelt Custer**  
REGIONAL COUNCIL

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**Testimony of Teran Doerr  
Roosevelt Custer Regional Council  
In Favor of SB 2225  
January 27, 2025**

Chairman Wanzek and Committee Members:

My name is Teran Doerr, and I serve as the Executive Director of the Roosevelt Custer Regional Council, representing Region 8 in North Dakota. I am submitting this written testimony in strong support of Senate Bill 2225.

Housing has become one of the most significant challenges facing our state. This challenge is felt in every corner of North Dakota, including the communities of Region 8. While each community faces unique circumstances, the common thread is that housing shortages significantly hinder efforts to attract and retain the workers needed to sustain and grow local economies. The lack of adequate, affordable housing is a key barrier that affects industries and livelihoods across the state. Senate Bill 2225 recognizes that no two communities are the same and provides the flexibility to address the diverse housing needs of our state effectively.

I am especially encouraged by the bill's recognition of the diverse housing needs across the state, including a set-aside for rural areas. While rural communities face unique challenges, such as high infrastructure costs, limited funding, and fewer private sector developers, this bill ensures that rural areas will have access to the resources they need. At the same time, SB 2225 is designed to address housing needs in all types of communities, from urban centers to small towns, enabling local governments and stakeholders to tackle workforce and housing challenges effectively.

The high cost of infrastructure, such as roads, water, sewer, and utilities, is one of the largest hindrances to housing development. Without upfront support to address these expenses, projects often become financially unfeasible, leaving communities without the housing they need to meet workforce demands. SB 2225 offers a clear and straightforward path to reducing these barriers by providing the tools needed to overcome infrastructure challenges.

This bill also promotes partnerships and collaboration, which are essential to successful housing development. Partnerships between local governments, state agencies, and private developers allow for a more targeted approach to meeting housing needs while maximizing available resources. The simplicity of the program outlined in SB 2225 makes it an attractive and workable solution for communities across North Dakota, enabling them to address housing shortages more effectively and efficiently.

The connection between housing and workforce is undeniable. Without adequate housing, we cannot hope to attract or retain workers in critical industries such as healthcare, education, manufacturing, and energy. Addressing housing shortages is not just about providing shelter; it is about creating an environment where workers can live, contribute, and thrive in the communities they serve. Senate Bill 2225 is an important step toward making that vision a reality.

On behalf of the Roosevelt Custer Regional Council and the communities of Region 8, I urge your strong support for Senate Bill 2225. Housing is a critical piece of the puzzle in solving workforce shortages and ensuring the continued growth and success of North Dakota. Thank you for your consideration of this vital legislation.

Respectfully submitted,  
Teran Doerr  
Executive Director  
Roosevelt Custer Regional Council



**Testimony in Support of Senate Bill 2225**

North Dakota Sixty-Ninth Legislative Assembly

**Corry Shevlin**

Economic Development Association of North Dakota

01/27/2025

Chairman Wanzek and Members of the Committee,

Thank you for the opportunity to testify in support of Senate Bill 2225, an essential step toward addressing the pressing housing needs in North Dakota.

The housing shortage in North Dakota has become a significant challenge, impacting families, employers, and the overall economic growth of our communities. By providing grants to political subdivisions based on population size, the bill ensures that resources are equitably distributed to address the unique needs of rural, small, and urban communities alike. One of the bill's key strengths is this targeted investment approach, the tiered allocation reflects a commitment to ensuring that no part of North Dakota is left behind in the effort to expand housing opportunities.

Another highlight of Senate Bill 2225 is its emphasis on public-private collaboration. The requirement for dollar-for-dollar matching funds from nonstate sources—equally contributed by political subdivisions, local developers, and private entities—maximizes the program's impact. This collaborative framework leverages the state resources in a way that also allows the political subdivisions the ability to make strategic investments in their communities. Private contributions, whether from local development corporations, donations, or in-kind contributions, demonstrate a shared commitment to addressing housing challenges and ensure that the funding generates broad-based support and engagement.

Additionally, this bill provides communities with the flexibility to identify and address their specific housing needs. Recognizing that the housing demands of a rural town differ from those of a metropolitan area, the program allows political subdivisions to work cooperatively to create solutions tailored to their unique circumstances. This community-driven approach ensures that the funding is utilized effectively, focusing on projects that align with local priorities and have the most immediate and meaningful impact.

Finally, Senate Bill 2225 includes mechanisms for accountability and transparency, which are essential for the responsible use of public funds. By requiring a report to legislative management and the governor, the program ensures that its progress is closely monitored. The report will provide valuable insights into the number of housing units supported, the communities benefiting from grants, and the sources of matching funds raised. This level of oversight helps build public trust and provides a foundation for refining future housing initiatives.

This legislation is critical for fostering economic growth and ensuring that all North Dakotans have access to quality housing. By reducing barriers to infrastructure development, Senate Bill 2225 will help attract and retain talent, support local businesses, and build stronger, more resilient communities.

I urge this committee to pass Senate Bill 2225 and demonstrate your commitment to addressing one of the most pressing issues facing our state today. Thank you for considering this important legislation.

Respectfully,  
Corry Shevlin



January 27, 2025

Senate Appropriations - Government Operations Division

SB 2225

Senator Terry Wanzek, Chair

For the record, my name is Kory Peterson. I am appearing before you today on behalf of the North Dakota League of Cities, in support of SB 2225. Prior to working with the North Dakota League of Cities, I was the Mayor of Horace for 8 years, from June 2016 to July 2024.

The League of Cities is supportive of measures to help with the housing crisis within the state. This bill will provide the ability of municipalities receiving matching monies to help facilitate housing developments within their jurisdiction.

For many cities within the state, the further they are away from a larger metropolitan area, the harder it is for them to compete for building resources. This would include getting engineering, contractor, and developer support into these areas.

This funding opportunity would give those cities looking to create a housing development some additional financial resources to be able to compete for these resources. With additional housing in municipalities, this will positively impact their quality of life and economic situation.

A concern for the smaller cities (under 500) competing for this additional funding for housing, they may have a difficult time coming up with a 1 to 1 match on funding. Because of this threshold, they may feel disenfranchised with this approach and won't even try this avenue for funding because of the lack of a match.

The League appreciates the efforts of lawmakers to help create more housing opportunities in the state and recommends a Do Pass on this bill.

Thank you.

Kory Peterson

January 26, 2025

Honorable Chairman Bekkedahl and Committee Members,

Applied Digital Corporation (Nasdaq: APLD) is a designer, builder and operator of next-generation digital infrastructure for High Performance Compute ("HPC") applications. Applied Digital has been active in North Dakota since 2021. We've greatly appreciated the collaborative spirit of the state and the opportunity to work with North Dakota employees, contractors, and local and state officials. Our facilities north of Jamestown and in Ellendale reflect the strong partnerships we've built. To date we have invested over \$1B in infrastructure in North Dakota and anticipate roughly \$4B more in the coming years. According to our economic impact study, conducted by a third party earlier this year, we anticipate becoming a top-ten property tax payer in the state within the next few years. We believe this will create roughly 14,000 temporary and permanent jobs during construction. We anticipate we will be responsible for nearly one-half of a percent (0.5%) of state GDP. Our permanent employment footprint at our facilities is expected to be roughly 400 jobs. According to the study, we anticipate there will be roughly 2,500 indirect jobs as a result of our projects. North Dakota Senate Bill SB2225 is a vital step in strengthening partnerships between businesses and communities and enabling investment such as ours in communities that have been troubled by the crisis surrounding affordable housing across the country.

In order for us to be successful in our projects, it is critical we collaborate with communities. When identifying potential facility locations, we prioritize engaging with local individuals and government to understand community needs, including housing, amenities, services, and quality-of-life factors. Affordable housing is particularly critical for supporting workforce growth and sustainable community development. We strive to align our contributions—whether through donations, volunteerism, or other initiatives—with locally identified priorities.

By reducing infrastructure costs and supporting housing affordability, this legislation encourages investment and ensures mutual growth.

We urge the committee to advance this legislation, which will enhance community well-being and foster matching investments.

Thank you for your time and consideration. Please feel free to contact me for further information. We look forward to continuing our partnership with North Dakota.

Sincerely,



Nick Phillips  
Executive Vice President of External Affairs



[Nick@AppliedDigital.com](mailto:Nick@AppliedDigital.com)



## Letter of Support – SB 2225

Monday, January 27, 2025

Chairman Wanzek and Members of the Senate Appropriations – Government Operations Division,

For the record, my name is Cale Dunwoody, and I have the distinct pleasure of serving as the Vice President of Public Policy for the Fargo Moorhead West Fargo Chamber of Commerce (FMWF Chamber). On behalf of our over 1,700 members, I respectfully offer testimony in support of Senate Bill 2225.

At the FMWF Chamber, our mission is to protect and promote business, inspire individuals, cultivate communities, and influence action. Housing continues to be a significant challenge for communities across the state. These communities lack a stock of income-aligned and diversified housing – directly impacting their ability to attract and retain workers and their families. Access to diverse, affordable housing stock is a pivotal aspect to addressing our state's workforce environment.

We are extremely grateful for the leadership of Governor Armstrong, Senator Bekkedahl, and Commissioner Schilken in their development and support of key workforce initiatives, such as the Housing for Opportunity, Mobility, and Empowerment Grant Program (H.O.M.E). Housing is a vital component of our state's workforce environment and is central to building strong and stable communities. Through this community-based solution, political subdivisions across North Dakota will be able to enhance their efforts to further attract and retain individuals to address their communities' workforce needs.

Since 2010, the FMWF region's population has grown nearly 18 percent; however, our members continue to express concerns centered around the availability of high-quality, skilled workers and a strong workforce pipeline. North Dakota's Labor Force Participation rate trends well above the national average at 68.9% (the national average is 62.8%) and our Unemployment rates are amongst the lowest in that nation at 2.4%. This suggests that most individuals who are able and willing to work are already employed – we simply do not have enough workers to fill open positions. The H.O.M.E grant program is a pivotal workforce tool that makes strategic investments to help lower the cost of infrastructure and incentivize the production of additional housing units, directly addressing our state's workforce challenges.

A recent housing study indicated that the FMWF region will need at least 16,400 additional units in the next 10 years, with at least 11,800 units needing to be built in Fargo, West Fargo, and Horace. Our region has experienced steady increases in housing costs, largely due to rising mortgage rates and construction costs – increasing the minimum income required to purchase a home. For example, in 2022 the minimum income required to purchase the average home (approx. average home value - \$274,000) was \$81,000 (approx. median household income is \$71,000). Additionally, in 2022, new construction homes were sold or appraised on average at \$425,000 and less than 30% of the region's residents can afford homes at these prices.

As North Dakota continues to grow, we must make strategic public-private investments to address housing shortages and affordability in urban and rural communities. This grant program ensures North Dakota's communities have additional resources to develop diverse, affordable, long-term housing solutions that best meet the needs of their individual community. State investments, like this, coupled with local public and private programmatic and financial support, are fundamental to directly addressing our state's housing challenges - ensuring the continued growth and prosperity of our state.

As the Legislative Assembly considers vital workforce and housing initiatives, we encourage strategic investments in key programs, like the H.O.M.E grant program. This community-based solutions recognizes the unique challenge of different communities and provides necessary resources to address our growing population and vibrant economy. We respectfully urge this committee to give this bill a DO PASS recommendation.

Thank you for your attention to this matter and your commitment to North Dakota.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cale Dunwoody', with a stylized, flowing script.

Cale Dunwoody  
Vice President of Public Policy  
Fargo Moorhead West Fargo Chamber of Commerce



GREATER NORTH DAKOTA CHAMBER  
SB 2225  
Senate Appropriations Committee  
Government Operations Division  
Chair Terry Wanzek  
January 27, 2025

Mr. Chairman and members of the Committee, my name is Andrea Pfennig, and I am the Vice President of Government Affairs for the Greater North Dakota Chamber. GNDC is North Dakota's largest statewide business advocacy organization, with membership represented by small and large businesses, local chambers, and trade and industry associations across the state. We stand in **support** of Senate Bill 2275.

In our 2024 ND Economics and Employer Survey of our membership, 70% of respondents indicated they were having trouble hiring employees. Labor availability has been identified as the top business concern facing companies in North Dakota. When we asked specifically about housing in our survey, 43% indicated that it was a barrier.



We know from conversations with our members that when housing is a barrier, it can be very significant. Businesses that are poised for growth are questioning if they can grow in their existing community or if they will have to expand out of state. Because of this, we support innovative solutions to help solve the housing shortage in the state.

We appreciate that SB 2225 provides flexibility for communities to tailor funding to meet their specific needs and urge you to SUPPORT SB 2225. Thank you for your consideration.

# McKENZIE COUNTY

## ★ ECONOMIC DEVELOPMENT ★

2:00pm, January 27, 2025; Red River Room; Recommend **DO PASS SB2225**

Chairman Wanzek and Committee Members:

My name is Daniel Stenberg. I am the director of McKenzie County Economic Development and executive director of our Job Development Authority board. Our board is made up of business and government leaders from throughout McKenzie County. I also serve as the chair of the Vision West ND Housing Committee. Vision West ND is a collaborative team of representatives from western North Dakota counties, cities, economic development organizations, universities, businesses and business organizations, associations, state organizations, and others who are interested in sustainability for western North Dakota. Both at the county and regional level housing development remains one the prominent pinch points for workforce and community development.

At the McKenzie County JDA level, we have participated in four different housing programs to incentivize housing development since 2019. It is not something we have wanted to do, but because the private market has not adequately responded, we felt we needed to intervene. The next page shows that about 30% of the housing permits that were pulled are attributable to one of those four programs we have been a part of. So, we do understand the need for government to intervene in spurring housing growth, and we applaud the direction of this bill.

***We applaud*** the way this is written in that it emphasizes local control of the program. Our communities do have different needs, so it is crucial that funds awarded in a way that enables communities of various sizes to participate.

We ***would ask that you consider*** broadening the parameters beyond just infrastructure development, because if the incentive is just tied to getting infrastructure in the ground, a house itself might not necessarily get built. McKenzie County JDA's Shovel Ready Lot Program was released in the midst of COVID and while we got over 100 lots shovel ready, not all of them have houses on them yet.

Further, it seems the requirement "that matching funds must be derived equally from funds provided by a political subdivision, funds provided from local developers, and private funds from within the community applying for grant funding" ***seems overly rigid*** and it isn't immediately apparent as to what value that formula achieves.

Thank you for your consideration.



OVERVIEW OF HOUSING PROGRAMS	2018	2019	2020	2021	2022	2023	2024	SUM
<b>Housing Development Subsidy</b> <i>(in effect 2019-2022)</i> Provided up to \$50k subsidy for buyers who purchased newly-built house; total used: \$2 million		8	25	12				<b>45</b>
<b>Shovel-Ready Lot</b> <i>(in effect 2020-2028)</i> Provided funds for buildout of infrastructure on 134 lots with cap on sale price for lot and promise to get houses constructed on them; total used: \$5 million			4	11	1	0	2	<b>18</b>
<b>Home Builder Construction Loan</b> <i>(in effect 2023-2024?)</i> Provided lower interest loan to builders for new house construction; total used: \$757,439 (loan)							4	<b>4</b>
<b>Watford City Housing Authority Pathway to Purchase</b> <i>(in effect 2024- ~2027)</i> Provided funding for Watford City Housing Authority to administer a rent-to-own program; total used: \$3.6 million (loan)							9	<b>9</b>
<b>Total houses as part of programs listed above</b>	<b>0</b>	<b>8</b>	<b>29</b>	<b>23</b>	<b>1</b>	<b>0</b>	<b>15</b>	<b>76</b>
<b>Single family housing permits issued County-wide</b>	<b>10</b>	<b>25</b>	<b>67</b>	<b>64</b>	<b>26</b>	<b>29</b>	<b>39</b>	<b>260</b>

About 30% of new housing built in McKenzie Co from 2019-2024 is attributable to these programs; at an average of \$420k/house these programs impacted the building of nearly \$32 million in housing for 76+ families.

**Senate Appropriations Committee****Hearing on SB 2225**

Testimony from North Land Title Association

Nick Hacker – Legislative Chair

[nick@thetitleteam.com](mailto:nick@thetitleteam.com)

(240) 688-2210

Chairman Bekkedahl and Members of the Committee, my name is Nick Hacker with the North Dakota Land Title Association as well as President of The Title Team Co. Our members provide real estate title and closing services to homeowners across the state and country.

We write in support of Senate Bill 2225. This bill is an important step forward in addressing the ongoing housing crisis, and we urge you to consider its potential to bring meaningful solutions to North Dakota.

As you are well aware, the United States is currently experiencing a severe housing shortage. The shortage is a result of the slowest pace of housing construction during the 2010-2020 decade since the 1930's even though our population is three times as large. This shortage overshadows the state's need for workforce, one can is not solved without the other.

Senate Bill 2225 offers flexible, innovative solutions to solving the housing shortage by providing the tools necessary for the public and private sector to collaborate on housing development. The public private sector, matching concept in the bill are a proven solution found in nearby states such as South Dakota.

One of the most important aspects of Senate Bill 2225 is its focus on flexibility. Housing needs vary greatly across different communities, and a "one-size-fits-all" approach often fails to meet the unique demands of each region. This bill recognizes that flexibility is key to addressing the diversity of housing needs and creating solutions that can work across urban, suburban, and rural areas alike. It encourages creative approaches that can be tailored to local conditions while ensuring that affordable housing is within reach for more North Dakotans.

In conclusion, Senate Bill 2225 provides North Dakota with an opportunity to be proactive in addressing the housing challenges that many families face. By supporting this bill, we can make a real difference in the lives of North Dakotans and contribute to a national effort to solve the housing shortage. We encourage the committee to support Senate Bill 2225 and vote for its passage.

Thank you for your time and consideration.



Box 342, Minto ND 58261  
701-248-3858

**MAYOR**

*January 27, 2025*

*Larry Jamieson*

**CITY COUNCIL**

*Senate Appropriations Committee*

*John Narloch*

*701-520-4035*

*Keith Shutt*

*701-520-3456*

*Lucas Kelley*

*701-520-8665*

*Josh Miskavige*

*763-276-3835*

*Dear Ladies & Gentleman:*

*I am writing this letter on behalf of the City of Minto. We are located 30 miles north of Grand Forks. We have been struggling to find a suitable location to build a new housing development in our town for years. Our main problem is having the money to purchase the land for a new development. There is a desperate need for housing in our area and we would like to be able to meet this need.*

**PUBLIC WORKS  
DIRECTOR**

*Pat Paschke*

*701-213-2586*

*I am concerned about the 1:1 match on this grant. The City of Minto would have a hard time coming up with the match. Right now, we are in the process of updating our system wide water plant and possibly doing street repairs this year. As much as we need a new housing development, current infrastructure always comes first.*

**AUDITOR**

*Angela Shutt*

*701-248-3858*

*We do appreciate the introduction of a bill to help cities with the housing crunch, but I am not sure the smaller towns will benefit from this bill as much as the larger cities will.*

*Thank you for taking the time to review my letter.*

*Sincerely,*

*Angela Shutt  
Auditor  
City of Minto*



408 Main Street - PO Box 70 – Milnor, North Dakota 58060-0070

City Auditor: 701-427-5272 Fax: 701-427-5292

**Testimony of Carol Peterson**

**Economic Development Coordinator, City of Milnor**

**701-6785415 milnorND@hotmail.com**

**January 25, 2025**

I am testifying today as the Economic Development Coordinator and a citizen of Milnor, ND to support funding for the Department of Commerce, Workforce Housing.

The Milnor community has made great strides recently, adding 26 new businesses in the past 15 years, some of which are anchor businesses such as a veterinary service, HVAC/electrical business, a plumbing enterprise, pet care/kennel, a licensed childcare center, MDU Natural Gas, as well as a new John Deere dealership. We continue to support all our long-term key businesses such as Milnor Market Grocery, Stock Growers Bank, Dakota Valley Electric Cooperative, Milnor Grain, Community Credit Union, Milnor Clinic, and many others. We have changed the appeal of our downtown business district with new street lights, sidewalks, and several new businesses. Our childcare center, that was originally built in 2014 has been recently enlarged in 2024, to accommodate up to 122 children to attend daycare, pre-school, and after-school programs. This is the only licensed childcare center in Sargent County and supports our K-12 school system as well as the employees at Doosan Bobcat and all our other local businesses and farms. Milnor used the Rural Workforce Impact Program (RWIP) grant to help enlarge the childcare center from 5,000 square feet to an 8,800 square foot facility, allowing their licensed capacity to increase from 67 to 122 children.

The people who live and work in southeast North Dakota enjoy our scenic lakes area which includes the Dead Colt Creek Recreation Area, Silver Lake Recreation Area, Tewaukon National Wildlife Refuge, the Storm Lake National Wildlife Refuge and the Sheyenne National Grasslands with the North Country National Scenic Trail, all located within minutes of the Milnor community.

Our existing businesses, expanding businesses and new enterprises have added to our area's workforce. Many of our citizens work in Milnor or have a ten-minute drive to the Doosan Bobcat plant that employs over 1,500 people from southeast North Dakota. Our area people also work at and support many of the

suppliers that Bobcat relies on. Businesses such as Comstock Construction, Lunseth Plumbing, HA Thompson & Sons, Gates Inc., Job Erection, ICS, Grotberg Electric (which all work on-site at the Bobcat factory), along with local support industries such as Thompson Customizing, Ray Mac, Wurth Service Supply, Fargo Assembly, J & M Printing, Neuweg Industries, Briton Manufacturing, several trucking companies, and many other auxiliary businesses working with and supporting Bobcat. However, Doosan Bobcat has been continually moving production lines to North Carolina and other locations due to lack of workforce in our area which has been caused by a lack of housing. These production reductions at Bobcat causes a ripple effect for their supporting industries, businesses and the financial well-being of southeast North Dakota. Readily available housing would allow a smooth transition for the potential employee coming from within North Dakota or from in-migration.

Milnor has used the Renaissance Zone incentives which has helped immensely in rehabbing our older homes. We have worked with the Sargent County JDA in building two spec homes, that have been sold. Milnor has been fortunate to have had 17 new homes built in the past 15 years by homeowners, but we have not been able to entice a developer to build multi-family units in our community which is one of the factors causing our workforce crisis. The area does not have enough homes and not every potential employee wants to or is financially capable of buying a single-family home, many want or need an apartment. We do not have local developers in our area and the developers from Fargo (80 miles) stress additional costs in building due to the windshield time to the job sites. Milnor is shovel-ready for homes and multi-family units with our new housing development, including infrastructure such as roads, water, sewer and natural gas. We also have several other incentives including rebates on the lots. Our area needs State of North Dakota financial assistance to incentivize the developers to come to smaller communities to build the housing our workforce needs today and into the future. The Milnor 2023 Housing Study stresses the need for additional housing, both residential and multi-family. (Housing Study on Milnor website: [2023 - Housing Study - Milnor, ND](#)). But we lack the finances and local talent and other incentives to exercise such a plan.

Milnor supports additional workforce housing in the entire State of North Dakota. The southeast area of North Dakota, which includes our state's largest manufacturing facility with all their supporting businesses, needs your help.



Senate Bill 2225 – Support  
January 27, 2025  
Senate Appropriations, Government Operations Division  
Janelle Moos, AARP ND [jmoos@aarp.org](mailto:jmoos@aarp.org)

Chairman Wanzek and members of the Senate Appropriations, Government Operations Division, my name is Janelle Moos, Associate State Director of Advocacy with AARP North Dakota. AARP is a nonpartisan, nonprofit, nationwide organization with nearly 38 million members. Approximately, 82,000 of those members live in North Dakota.

Surveys by AARP show that most Americans, including older North Dakotas, prefer to live in walkable neighborhoods that offer a mix of housing and transportation options and are close to jobs, schools, shopping, entertainment, and green spaces. Missing Middle Housing can meet these needs. “Missing Middle Housing” describes a set of residential building types that exist in the middle of the continuum between detached single-family houses and large apartment buildings. The word “middle” as used in the term “Missing Middle Housing” principally refers to the mid-sized housing types that exist between single family homes and large (often high-rise) apartment or condominium buildings. However, “middle” also relates to the home type’s level of affordability, given that this home type uses land more efficiently, designs small yet spacious residences, employs lower-cost-but-still-quality construction methods and reduces the reliance on automobile owners.

With a growing aging population, construction of a variety of housing options will become more important. Currently, we have thousands of older adults who are “house rich but cash poor.” Some would like to sell their home and buy something more affordable or accessible

in their community, but in most cases, that type of housing does not exist. Older adults will also become more reliant on caregivers as they age. Unpaid family caregivers are the backbone of our long-term care system. Missing middle housing can help family members live with, or near, one another to support their loved one while still having their own space or residence. The option will also help older adults have the care they need rather than being forced to spend down their assets to near poverty level to qualify for Medicaid.

Missing Middle homes typically look like and are the size of a single-family dwelling. But inside, the house contains multiple homes. Among the Missing Middle home type's other characteristics and qualities:

- The buildings fit seamlessly into neighborhoods, either because similar housing types already exist in the community or because the homes are designed and constructed to preserve or complement the streetscape's appearance and character.
- The house-sized, multiunit structures can provide a neighborhood or community with a wider range of housing options, at various price points.
- The housing types fit within — and help to generate — walkable, place-based neighborhoods with community amenities that become an extension of people's homes and serve as shared spaces where neighbors can safely get out and about and gather.

AARP ND has been working with many local communities including Bismarck, Mandan, Milnor, West Fargo and Fargo along with state elected leaders to pursue much-needed changes to remove barriers that prevent the creation of missing middle housing including as a member of former Governor Burgum's Housing Initiative Advisory Committee. We believe SB 2225 is a step in the right direction that would support communities and neighborhoods that includes missing middle housing and is well-positioned to respond to the housing supply, affordability, smart land use, income, equity, and empowerment, and therefore urge you to support the bill.

Thank you.

Testimony of Dawn Mandt IN SUPPORT of

**SB 2225** - A BILL for an Act to provide an appropriation to the department of commerce for a housing opportunity, mobility, and empowerment program;

Senate Appropriations Committee – Government Operations Division hearing

**January 27, 2025 – 2:00 PM**

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Chairman Wanzek and Committee members, my name is Dawn Mandt. I live in Grafton and am the Executive Director of the Red River Regional Council, serving Region 4 in the northeast corner. We are a partner organization with the Red River Community Housing Development Organization. I began working in rural community and economic development as a junior at Jamestown College in 1993.

There are several systemic issues small towns across North Dakota are facing today which are complex and require solving at a regional scale. Housing is one of these issues.

According to the Housing Finance Agency's 2022 Housing Needs Assessment, much of the housing stock in small towns is aged and there has been little new construction for the past 20+ years.

**Nearly 70% of our small-town housing stock was built prior to 1970.** Over the past 20 years, there have been 835 housing units built in our small towns in our four counties compared to more than 8,000 in the City of Grand Forks.

In August 2024, Region 4 completed a four-county housing study and action plan. This study included extensive community outreach and public engagement, including focus groups with 17 small towns in our region. The study revealed the **need for more than 4,800 housing units in our region within the next five years based on current job demand.**

Just last Thursday, we held our quarterly meeting with our Northeast Manufacturing Group. **We once again heard the private sector's plea for more housing in the region.** Last week, we heard loudly from Motor Coach Industries, which is now producing electric coaches from the Pembina plant; Midcentral Medical, a medical equipment manufacturer also in Pembina, and Enduraplas which is producing large plastic tanks in Neche. These companies are along the Canadian border and have their challenges attracting staff to these locations. In just two of our four counties, we have **25 manufacturing companies with 1,200 employees – 90% of these companies have shared growth plans** and are in the process of hiring to replace a high level of retirees.

Last year, **our region also had nearly 1,000 H2A visa employees working for farmers and agricultural businesses – this number has continued to rise quickly over the past three years.** To be clear, we need these workers who are an important part of our agriculture economy. However, adding so many additional people quickly have also put a strain on rural housing markets. These ag



workers are not recognized in any census counts and so tend to be missing from the housing equation as programs and policies are being developed.

As our team has studied Region 4's rural housing shortage, **we have found that risk, be it real or perceived, has inhibited new development.** Risk is a consideration for city leaders, developers, builders, lenders, and buyers. The cost of new infrastructure is generally prohibitive and daunting in small towns.

Grafton has a proposed project to extend the infrastructure that has been on the shelf for a number of years. **A \$3 million investment would create the opportunity to build 34 new single-family homes.** The cost and how to pay for it has been the reason why it hasn't been completed yet. This is one example of a community eager to use a program such as this.

The state's Housing Needs Assessment also concluded that the cost of construction can be 20-30% higher in rural areas than are largest cities. We need a combination of ways that we can continue to lower the cost ultimately to the eventual homeowner as we continue to build through a rural market correction, and as we see wages increase in small towns due to the lack of available labor to fill expansion and retirement needs.

**Generally, the more the state can do to share risk across multiple parties to support new housing development, the better.** The funding proposed in SB 2225, would be an effective way to share risk with municipalities and make room for the growth rural communities need to capitalize on current economic opportunity.

We are eagerly supporting SB 2225 and appreciate that this was proposed.



Testimony of David Flohr  
Senate Appropriations Government Operations Division  
SB 2225  
January 20, 2025

Chairman Wanzek and Members of the Committee,

I am Dave Flohr, Executive Director of the North Dakota Housing Finance Agency (NDHFA) and I am in favor of SB 2225.

Along with 26 other individuals I was a member of the North Dakota Housing Initiative Advisory Committee in 2024 - [North Dakota Housing Initiative](#). The other members consisted of Realtors, local financial institutions, community leaders from across the state, apartment owners, housing developers and builders, your fellow Senators Bekkedahl and Rummel, and Representatives Schauer and Beltz. The Committee met 3 times over the summer of 2024 and conducted 5 listening sessions in Bismarck, Fargo, Williston, Harvey and at the Tribal Government to Government Conference. The Committee also conducted a statewide survey of the public - [ND Housing Initiative public survey highlights](#).

In October 2024 the Committee released its recommendations - [ND Housing Initiative recommendations](#). SB 2225 assists in meeting these recommendations and goals:

1. Make targeted investments to bridge affordability gaps in today's housing market.
2. Assist the path of moderate-income households to make a transition from renting to owning.
3. Provide for a full range of housing choices in our communities.
4. Helping to ensure communities have adequate housing for their workforce.

As a member of the ND Housing Initiative Advisory Committee and in my role at the North Dakota Housing Finance Agency I recommend a Do Pass on SB 2225.

NDHFA is a state agency that was created by an initiated measure in 1980. We sell mortgage revenue bonds exempt from federal income tax. Private investors purchase these bonds and NDHFA uses the sale proceeds to purchase mortgages from North Dakota private sector mortgage lenders, primarily for first-time homebuyers. NDHFA services the loans (mortgage payments, tax and insurance payments) on behalf of the first-time homebuyers. We also administer several federal housing programs on behalf of the State.

**Testimony in Support of SB 2225**  
**Senate Appropriations Committee**  
**January 24, 2025**



Chairman Wanzek and Members of the Senate Appropriations Committee,

On behalf of the North Dakota Association of Builders, I am pleased to submit this testimony in support of SB 2225. The bill is aimed at addressing the housing infrastructure needs of North Dakota communities through the Housing for Opportunity, Mobility, and Empowerment (HOME) Grant Program.

Access to quality, affordable housing is a foundational element of economic growth and community stability. This bill's \$50 million appropriation is a significant step toward ensuring that North Dakota's communities have the necessary resources to meet their housing challenges. By allocating funding across various community sizes, this program acknowledges that housing needs differ based on location, ensuring that small towns, mid-sized, and large cities alike can benefit equitably.

The requirement for a match from political subdivisions, local developers, and private entities promotes public-private partnerships that will maximize the impact of these investments. By leveraging local resources, we can expand our capacity to build quality housing. Additionally, the provision allowing communities to identify their own housing priorities ensures that the program remains flexible and responsive to local needs.

As builders, we recognize the urgent demand for workforce housing, particularly in growing areas where affordability has become a barrier. This program will provide support for infrastructure development, enabling us to construct homes that working families, seniors, and young professionals can afford. Furthermore, the emergency designation of this bill underscores the immediate need for action, and we strongly support its expedited implementation to prevent delays in addressing our housing shortages.

In conclusion, the NDAB urges the committee to support SB 2225. Thank you for your consideration, and we look forward to working together to build a stronger, more resilient housing market for our state.

Respectfully submitted,

Jeff Sattler  
North Dakota Association of Builders

Amie Vasichек  
PO Box 505  
Lakota, ND 58344

January 27<sup>th</sup>, 2025

Chairman Wanzek and Members of the Senate Appropriations Committee,

Re: SB 2225

My name is Amie Vasichек, and I have had the honor of serving as the City Auditor of Lakota for close to 16 years. Additionally, I am a proud board member of the Red River Regional Council Community Housing Development Organization (CHDO), which I have served on for the past two years and Chair of the Nelson County JDA. Today, I am here to provide my **support** for the proposed **Senate Bill 2225**.

As you are aware, housing is the foundation of thriving communities. However, for rural areas like Lakota, the lack of adequate housing and cost of essential infrastructure continues to be one of the greatest barriers to growth and sustainability. Rural communities are not only the backbone of our state's agricultural economy but also home to families, small businesses, and essential workers who keep these areas vibrant.

SB 2225 aims to provide communities like Lakota with the opportunity to expand infrastructure in support of potential homebuyers without significantly increasing special assessments on the property. The cost of building a home is already incredibly high, and adding further financial burdens to homeowners makes the dream of homeownership unattainable for many.

Recently, Lakota was honored to be the first community to build two "Spark Homes" through the Housing Incentive Fund. The project was an incredible success, with both homes selling even before construction was complete. As a result, the new Spark Home owners vacated their previous Lakota residences, creating opportunities for new families to move into town—and that's exactly what happened! This project would not have been possible without the support of the Red River CHDO and Lisa Rotvold, whose efforts made these homes a reality. SB 2225 holds the potential to help more communities like Lakota access the funding needed to create additional affordable housing opportunities.

Moreover, this funding aligns with the state's broader goals of strengthening rural areas and ensuring all North Dakotans have access to safe and affordable housing. By providing targeted funds for infrastructure upgrades, the state can unlock the potential of rural communities, fostering long-term prosperity for residents and ensuring these towns remain vital contributors to our state's economy.

While I appreciate the funding allocations proposed in this bill, I recommend increasing the funding level for communities with populations under 5,000. North Dakota has 84 communities within the 500 to 5,000 population range, compared to only 6 communities with populations between 5,001 and 20,000. Adjusting the allocations to provide \$20 million for populations under 5,000 and \$10 million for populations between 5,001 and 20,000 would have a greater impact and ensure a more equitable distribution of resources across the state.

I urge you to recognize the importance of this investment and support SB 2225. With your help, we can ensure that rural North Dakota remains a place where families can thrive, businesses can grow, and communities can sustain themselves for generations to come.

Thank you for your time and consideration. I would be happy to answer any questions you may have.

Sincerely,



Amie Vasichek

701-247-3635

# Building Rural Prosperity:

A look at current and future housing needs  
in North Dakota's Region 4

August 2024

## A SNAPSHOT OF OPPORTUNITY

### Methodology

The focus of the study is the on housing needs in rural communities in Region 4. This includes all areas outside of the City of Grand Forks. The methodology was designed to build on previous studies by gathering and analyzing current data, and do extensive community engagement to hear from the grass roots of the region. Nearly 700 regional residents participated in some part of the study including a steering committee of 12, one on one interviews with 10 key stakeholders, 14 focus groups involving 114 participants, 504 survey respondents, and four build sessions gathering 49 local leaders and interested citizens from around the region. In the final phase, Fourth Economy identified strategies to help the region increase the affordability, quality and quantity of housing.

***Building Rural Prosperity: A look at current and future housing needs in North Dakota's Region 4*** is the result. The full study can be found at [www.redriverrc.com](http://www.redriverrc.com)

### Interconnected

The economies of the city of Grand Forks and the many smaller communities throughout Region 4 are undeniably interconnected. From workforce, commerce, healthcare, and education, to recreation and entertainment spending, the people and the dollars in the region are constantly mixing.

### Regional Strength

This study identified aggregation of resources and opportunities as a strategy to manage risk and break down barriers that have hindered development of much needed housing in under resourced small towns of Region 4. This can include aggregating financial resources, as well as aggregating opportunities to create the scale appealing to many builders and developers.

Together we can do more.

**This study was done by Fourth Economy with extensive engagement with citizens and leaders in Grand Forks, Nelson, Pembina, and Walsh Counties. Funding for the study was provided by:**

- North Dakota Housing Finance Agency
- Minnesota Housing Partnership
- Grand Forks Region Economic Development
- City of Grand Forks
- Grand Forks Housing Authority
- Nelson County JDA
- Pembina County JDA
- Walsh County JDA



# TAKE AWAYS

## Economy

- **77% of business owners responding to our survey say that the lack of available housing in their community affects their business.**
- Given the layers of interdependency between rural communities and the city of Grand Forks, it is critical that housing be seen as a region wide issue.
- **Foreign born visa workers are an important and growing component of the region's labor market, nearly 1,000 in 2024. They are putting pressure on the housing market, yet their numbers are not accounted for in census data.**

**52%**

of business owners plan to hire additional staff in the next 12 months

**70%**

business owners believe their success depends on the development of additional suitable housing in the community

## Rental Housing

- **Since 2021, vacancy rates in Region 4 have remained consistently below 3%.** In Walsh County rental vacancy is consistently below 2%. A healthy rental vacancy rate is around 5%.
- **Across all four counties, 43% of renters are cost burdened, meaning they** pay more than 30% of monthly income for housing expenses.
- **This includes nearly 1,300 seniors** who pay more than 30% of their monthly income for rent.
- The **absence of new rental construction** has held rents artificially low over the past 20 years and now makes financing new construction challenging.

## Owner Housing

- **The Region's housing stock is aging, with 70% of homes in Region 4 more than 54 years old, built prior to 1970.**
- **The median list price for single family homes has spiked since 2018,** up 52.6% in Grand Forks County, 224.2% in Nelson County, 58.4% in Pembina County, and 73.7% in Walsh County.
- **Closed housing markets,** lack of property listings, and lack of sale price disclosure on deeds hinders the availability of good market data that could support growth through new construction - 27% of survey respondents selected "word of mouth" as their primary strategy for selling a home.
- **A need for newly constructed entry level homes** in the region was identified as the highest need by 53% of survey respondents, and 48% identified a **need for low interest loans for rehabilitation** of existing homes.
- The National Association of Home Builders found that **half of Americans can not afford a \$250,000 home.**
- **The median annual income in Region 4 is approximately \$65,000. A buyer at this income level is likely to be able to afford a mortgage of about \$200,000.**



# Need

- Employers cited **new entry level homes and lease purchase homeownership opportunities** as the top strategies to help attract and keep the employees they need.
- Projected housing needs by 2030 call for an additional 1,810 homes: **65% owner, 35% renter.**
- The projected need for **senior housing units** by 2030 is 382 units.
- The region exhibits a **strong market for market rate rental and owner housing.**

- There is also a significant need for **subsidized rental housing for very low income households.**

382

Senior Units

43%

of survey respondents would sell their home if suitable housing was available in their community.

# Opportunity

- **Owner mismatch** - 3,950 homeowners in the study area spend less than 30% of their monthly income on housing, meaning they are potential market rate customers for new move-up and move-over homes.
- **Renter Mismatch** - 1,295 renters spend less than 30% of their monthly income on housing, meaning they are potential market rate renters for modern new rental housing.
- **Nearly 50% of survey respondents know people who would like to move to the region** but are unable to due to a lack of suitable housing.
- Because rural housing markets have been stagnant for so long, there is **room for “move up” and “move over” housing** if we can attract builders.

**NEARLY 4,800 HOMES ARE NEEDED TO FILL CURRENT WORKFORCE DEMAND**

**CURRENT HOUSING SHORTAGE BY COUNTY**

2,414

Grand Forks County

1,170

Walsh County

627

Pembina County

553

Nelson County

**ANNUALY until 2030**

**483 HOMES**

**234 HOMES**

**125 HOMES**

**110 HOMES**

## Resources

- **FEDERAL.** Programs like HOME, Low Income Housing Tax Credits, and Housing Trust Fund are harder to use and less effective in small towns due to cumbersome regulations. USDA Rural Development has limited funding but may have underutilized programs that can be useful.
- **STATE.** North Dakota's Housing Incentive Fund, Flex PACE for housing, Slum and Blight elimination grants, and Prairie Dog Fund have been effective in small towns and should be expanded.
- **REGIONAL.** A new regional fund focused on housing and community development could be capitalized by, employers, banks, municipalities, and regional philanthropy, and support place-based solutions.
- **NON-PROFIT.** A regional non-profit housing development organization like Red River Community Housing Development Organization (CHDO) can step in when the private market can't make money on a housing development. Red River CHDO's work is intended to fill development gaps and spark the private market when it isn't working.



# Strategies

1

ENABLE

## NEW CONSTRUCTION

### LOCAL. REGIONAL.

Catalyze new housing development with zoning changes, incentives, and partnerships with builders & employers.

### LOCAL. REGIONAL.

Inventory and aggregate region-wide needs and assets to create scale to attract builders and developers

**LOCAL. REGIONAL.** Explore nontraditional ownership models such as coops and land trusts.

**LOCAL. REGIONAL.** Reach out to owners of underutilized property to encourage them to sell

**LOCAL. STATE.** Expand infrastructure to create additional buildable lots.

2

ENCOURAGE

## HOUSING INNOVATION

### LOCAL.

Enable innovative housing types in individual communities through pilot programs, zoning updates, and districting efforts.

### LOCAL. REGIONAL.

Incentivize transfer of ownership of larger existing homes occupied by singles, to ownership by families.

**REGIONAL.** Educate regional leaders and residents on alternative housing types such as accessory dwelling units (ADU's) cooperative housing, and modular construction.

**REGIONAL. STATE.** Support homebuyer education and financial fitness classes.

**EMPLOYERS.** Invest in solutions that increase availability of employee housing.

3

DEVELOP

## WORKFORCE & HUMAN CAPITAL

### LOCAL.

Advance age appropriate educational opportunities to increase exposure and understanding of building trades and apprentice programs.

### REGIONAL.

Develop a stronger understanding of the region's workforce needs as they relate to housing development.

**REGIONAL.** Highlight housing development, construction, and back office opportunities for regional entrepreneurs.

### REGIONAL. STATE.

Support operations and growth of regional organizations to maintain professional capacity in housing & community development in the region.

4

FACILITATE

## REDEVELOPMENT, REUSE & REPAIR

### LOCAL.

Target individual homes for demolition and/or redevelopment, effecting incremental progress in creating new housing at a regional level.

### LOCAL.

Incentivize upkeep and productive use of property; disincentivize blight, vacancy, and under investment

### LOCAL. REGIONAL.

Inventory vacant and underutilized properties in the community/ region to facilitate redevelopment

**REGIONAL.** Explore and develop funding tools, policies, and marketing strategies that increase the volume of housing redevelopment, reuse, and repair in the region.

5

INVEST

## FUNDING

### LOCAL. EMPLOYERS.

**REGIONAL. STATE.** Explore creation of new regional housing development funding programs such as CDFI, Housing Trust Fund, or Investment Co-ops. Local money = local place based solutions.

### REGIONAL. STATE.

Invest in regional housing development capacity by supporting operations and growth of the non-profit Red River Community Housing Development Organization (CHDO).

### STATE.

Leverage and expand existing statewide finance programs such as the Housing Incentive Fund (HIF), Flex PACE for housing, R-WISH, and Slum & Blight Elimination Grants.

### STATE.

Raise the \$150,000 maximum on the two year tax abatement cities can offer for new home construction.

## Appendix B - Strategy Matrix

Theme → Recommendation → Strategy			Local	Regional	State	Employer
<b>1. New Construction</b>						
	<b>1.1: Work with municipal leaders to help towns, cities, and counties take local actions that catalyze new housing development</b>					
	1.1.1: Advance local rezoning to make more areas available for new housing development.		x	x		
	1.1.2: Educate municipal leadership about best practices for zoning, incentives, and other tools that can facilitate housing development.		x	x		
	1.1.3: Inventory available land, property values, municipal land use, and infrastructure capacity throughout the region in a publicly searchable database and better data collection.		x	x		
	1.1.4: Extend municipal infrastructure to accommodate new housing development.		x		x	
	<b>1.2: Empower region-wide actions that catalyze housing construction in areas that are viable for new development</b>					
	1.2.1: Work with regional property owners to put vacant properties on the market.		x	x		
	1.2.2: Bundle lots across municipalities to attract a builder, working with real estate agents to showcase available, shovel-ready lots to private developers.		x	x		
	1.2.3: Form a regional building co-operative (co-op) to encourage development of spec homes, and housing co-ops to lower costs of home ownership.		x			
	1.2.4: Create local or regional land trusts to acquire land for housing development.			x		
<b>2. Housing Innovation</b>						
	<b>2.1: Educate regional leaders and residents on alternative housing types</b>					
	2.1.1: Develop an educational campaign around the development of multifamily homes, modular and manufactured homes, and accessory dwelling units (ADUs).			x		
	2.1.2: Host homebuyer education in small towns across Region 4 and incentivize home transfer.		x	x	x	
	<b>2.2: Enable innovative housing types in individual communities through pilot programs, zoning, and districting efforts</b>					
	2.2.1: Shift local zoning codes to encourage accessory dwelling units (ADUs).		x			

Theme → Recommendation → Strategy		Local	Regional	State	Employer
	2.2.2: Create affordable housing districts in municipalities throughout the region, where appropriate.	x			
	2.2.3: Target denser microhome communities for senior citizens and H-2A seasonal agricultural workers.	x			
<b>3. Workforce and Human Capital</b>					
<b>3.1: Advance educational opportunities to create regional housing developers and homebuilders</b>					
	3.1.1: Incorporate age-appropriate career exploration and entrepreneurship into the K–16 curriculum.		x	x	
	3.1.2: Build more apprenticeship programs for high school students and adults in the building trades and associated industries, such as business banking and real estate.		x	x	x
	3.1.3: Create regional scholarships for students to pursue trades education.		x		x
<b>3.2: Develop a stronger understanding of the region's workforce needs as they relate to housing development</b>					
	3.2.1: Conduct a workforce study to understand regional gaps and discover residents who may be underemployed.		x		
	3.2.2: Partner with workforce development entities to better market and advertise opportunities in the trades.		x		
	3.2.3: Launch a centralized job board that local employers can use to post job openings.		x		
	3.2.4: Increase staffing for regional housing organizations to adequate levels for required impact.		x		
<b>3.3: Highlight housing development as a priority for the region's entrepreneurial ecosystem</b>					
	3.3.1: Provide business support services and incentives to enterprising local residents to develop startups and encourage entrepreneurship related to housing.		x		
	3.3.2: Amplify existing "builders exchange" directories and encourage more participation by local Region 4 construction companies, builders, and tradespeople.		x		
<b>4. Redevelopment, Reuse, and Repair</b>					
<b>4.1: Explore funding tools, policies, and marketing strategies that increase the volume of housing redevelopment, reuse, and repair in the region</b>					
	4.1.1: Create a redevelopment fund that provides low-interest loans for repair and renovation.		x	x	
	4.1.2: Expand the use of tax increment financing (TIF) for redevelopment throughout the region.		x	x	

Theme → Recommendation → Strategy		Local	Regional	State	Employer
	4.1.3: Develop ordinances that incentivize upkeep of vacant properties. Tax unoccupied properties at a higher rate to disincentivize blight, vacancy, and underinvestment.	x	x		
	4.1.4: Raise awareness of the redevelopment, reuse, and repair projects that are possible in the region.	x	x		
<b>4.2: Target individual homes for demolition and/or redevelopment, effecting incremental progress in creating new housing at a regional level</b>					
	4.2.1: Empower local municipalities to condemn and demolish blighted buildings through funding and ordinance.	x	x	x	
	4.2.2: Sponsor engineering surveys of available lots, properties, and parcels to facilitate redevelopment.	x	x		
<b>5. Funding</b>					
<b>5.1: Explore the creation of new regional housing development funding programs</b>					
	5.1.1: Provide loan guarantees to housing lenders.		x	x	
	5.1.2: Create a revolving loan fund (RLF) to finance the appraisal gap seen in many Study Area communities.		x	x	
	5.1.3: Create a regional community development financial institution (CDFI).		x	x	x
	5.1.4: Issue regional bonds to create a higher volume of development-ready capital.		x		
<b>5.2: Leverage and expand existing statewide housing finance programs</b>					
	5.2.1 Propose changes to the Bank of North Dakota's Flex PACE for Affordable Housing program to include not only housing development but repair and rehabilitation.			x	
	5.2.2: Advocate for an expansion of the North Dakota Housing Incentive Fund (HIF) program.			x	
	5.2.3 Work with state leaders to expand the two-year tax exemption limit.			x	

## Endnotes

1. Fourth Economy Analysis of American Community Survey 5-Year Estimates, 2008–2012 and 2018-2022
2. Chase Bank: “Vacancy rate in real estate: What is it and how does it work?”
3. North Dakota Labor Market Information; <https://www.nd.gov/>
4. Lightcast™ Unique Job Postings. May 2024.
5. U.S. Department of Justice, Justice Department Reaches Major Olmstead Settlement Agreement with North Dakota, 2020
6. US Census Bureau – [Walsh County, North Dakota QuickFacts \(Housing\)](#)
7. Fourth Economy Analysis of American Community Survey 5-Year Estimates, 2008-2012 and 2018-2022
8. Fourth Economy Analysis of US Census ACS data, 2012-2022
9. US Census Annual Estimates of the Resident Population: April 1, 2010, to July 1, 2019, and US Census ACS 2022 1-Year Estimates
10. Note: This is based on ACS 2022 5-year data, and contains a +/- 10 percent margin of error. Due to small population numbers, margin of error in rural data tends to be large.
- 11-11. Fourth Economy Analysis of Census OnTheMap data, 2021
12. Chase Bank: “Vacancy rate in real estate: What is it and how does it work?”
13. Site Selection Group, 2024
14. Note: Value is measured by the Census Building Permits Survey, which provides national, state, and local statistics on new privately owned residential construction. The United States Code, Title 13, authorizes this survey, provides for voluntary responses, and provides an exception to confidentiality for public records.
15. North Dakota Labor Market Information, Long-Term Employment Projections, 2020–2030
16. Lightcast™ Unique Job Postings. May 2024
17. Fourth Economy Analysis of Census Business Builder data
- 18-19. North Dakota Labor Market Information, Long-Term Employment Projections, 2020–2030
- 20, 22-23. Fourth Economy Analysis of Lightcast™ Data
21. Supercommuters are a category of commuters who undertake a significantly longer than average commute each day in terms of time and/or distance—in this case, more than fifty miles.
24. [Value Capture - Tax Increment Financing](#)
25. [FHWA - Center for Innovative Finance Support - Value Capture - Land Value Tax](#)





Respectfully Submitted by: Brent Ekstrom, Executive Director  
 Lewis & Clark Development Group  
 (701) 667-7600 | [brent@lcdgroup.org](mailto:brent@lcdgroup.org) | [www.lcdgroup.org](http://www.lcdgroup.org)

Chairman Wanzek and Members of the Senate Appropriations – Government Operations Division:

I am Brent Ekstrom, Executive Director of the Lewis & Clark Development Group, which is based in Mandan. Our mission is to advance economic and community development throughout North Dakota, and we do so through the work of our four subsidiaries: Lewis & Clark Regional Development Council, Lewis & Clark Certified Development Company, CommunityWorks North Dakota, and Lewis & Clark Property Management.

CommunityWorks North Dakota is our state's only chartered member of the congressional chartered NeighborWorks America (NWA) network – the nation's leader in creating opportunities for people to live in affordable housing and strengthen communities. Through Lewis & Clark Property Management, we manage and/or own 33 properties in 25 communities, which serve over 1,000 residents. Expanding affordable housing is at the heart of what we do.

Since 2021, I have had the honor of serving on the Affordable Housing Advisory Council of the Federal Home Loan Bank of Des Moines. Last summer, at the invitation of Governor Doug Burgum, I served on the Statewide Housing Initiative Advisory Committee, which collected invaluable insight into the scope of North Dakota's housing challenge.

From my perspective, SB 2225 is very much anchored in the recommendations of the Housing Initiative Advisory Committee. It presents a much-needed public-private partnership model to help tackle North Dakota's affordable housing challenge. I believe the strength of SB 2225 rests upon four pillars:

- 1) **Flexibility:** SB 2225 provides communities with flexibility to allow communities to determine the type of housing they most need. This ensures local control and that efforts are targeted and responsive to community housing needs.
- 2) **Tools:** By offering grants to political subdivisions for development, SB 2225 provides communities with critical tools to build public-private support for new housing projects.
- 3) **Equity:** SB 2225 allocates funding to communities based on population size. This guarantees that our often-overlooked smaller communities and rural areas have access to critical funding. I speak from experience when I state that our smaller municipalities struggle the most with the financial burden of infrastructure and housing development. SB 2225 strives to have growth distributed across North Dakota.
- 4) **Accountability:** By requiring a report to legislative management and the governor by June 30, 2026, SB 2224 ensures there is transparency and accountability. As such, we will understand the program's impact, including the number of housing units created, the amount of matching funds raised, and the overall success in meeting local needs.

In conclusion, I want to commend my fellow Housing Initiative Advisory Committee member, Senator Brad Bekkedahl, for taking the lead on this effort. By investing in infrastructure, empowering local communities to make housing decisions, and fostering public-private partnerships, SB 2225 lays a strong foundation for North Dakota to build upon.

I believe SB 2225 is a significant step toward meaningfully addressing the housing needs of communities of every size in our state. I urge the committee to support this bill. Thank you for your consideration.

Sincerely,

Brent Ekstrom, Executive Director

Lewis & Clark Development Group  
 200 1<sup>st</sup> Avenue NW, Suite 100  
 Mandan, ND 58554



**Senate Bill 2225 Testimony: In Favor – DO PASS**  
**January 27, 2025 | 2 pm | Senate Appropriations – Government Operations Division**

Chairman Wanzek and Committee Members,

My name is Lindsey Harriman, and I am the Community Engagement Coordinator for Williams County. I am a member of the Vision West ND Housing Committee, which has been cultivating resources for building affordable housing. Additionally, one of our County Commissioners, Steve Kemp, was a member of former Governor Burgum's North Dakota Housing Initiative Advisory Committee and we were both participants in the Initiative's Housing Round Table Discussion in Williston last summer.

I am writing today **in favor of SB 2225**, with a **request to re-consider** the details of the match requirement. This bill addresses a critical element for increasing the inventory of much needed affordable housing through infrastructure funding. We appreciate that the bill is constructed in a way that leverages local entities to determine the pressing housing needs and cooperatively create solutions.

Williams County, and its communities, have been on a housing rollercoaster since the onset of the most recent oil boom in the early 2010s. In response to the boom, builders flocked to the area to quickly put up housing, including workforce housing. As the oil and gas industry fluctuated, some housing units remained unoccupied for a few years, but in 2025, we are now at a point again where rental units are exceeding 90% occupancy and there is a very limited inventory of single-family homes, let alone any type of housing that can be considered "affordable." Over the next decade, we expect our population to continue to grow at a strong rate as the energy industry continues to innovate and new industrial projects, such as the Cerilon gas-to-liquids plant and the Basin Electric natural gas power generation station, come online.

The common theme in our local housing discussions is the need for not only new infrastructure, but also for upgraded or improved infrastructure to support the current population. Williams County has been working to do our part, through funding for improvements to not just our county roads but also providing supplemental funding to townships for their road improvements and to the Northwest Rural Water District for a new water line. However, funding-intensive needs continue to exist, such as for new water lines, upgraded water lines, new and improved rural sewer systems, and roads for community access – all to support the increase in affordable housing inventory.

We understand that a match requirement is essential for a grant program such as this, but we ask that you re-consider the proportion requirements that are stated in the bill: *"The matching funds **must be derived equally** from funds provided by a political subdivision, funds provided from local developers, and private funds from within the community applying for grant funding. The private funds from within the community may be from a local development corporation, donations, or in-kind contributions."* In the true spirit of enabling local political subdivisions and communities to decide on the type of housing that is needed and ensuring that these funds can be leveraged to meet the goal of increasing housing inventory as soon as possible, **kindly consider a match with a simple proportion of state to non-state funds (match), which would allow for maximum project success and flexibility.**

Williams County encourages a **DO PASS for SB 2225**. Thank you for your consideration of this important piece of legislation that aims to invest in infrastructure for much-needed affordable housing.

Respectfully submitted,

Lindsey Harriman  
Williams County Community Engagement Coordinator

**Lindsey Harriman | Community Engagement Coordinator**

PO Box 2047 | 206 E. Broadway | Williston, ND 58802-2047 | Office 701.577.4547 | Cell 701.609.1160 | lindseyh@co.williams.nd.us



Testimony in Support of  
**Senate Bill No. 2225**  
**Government Operations Committee**  
January 27, 2025

TESTIMONY OF

**Chris Schilken, Commissioner, North Dakota Department of Commerce**

Chairman Wanzek and members of the Government Operations committee, my name is Chris Schilken, Commissioner for the North Dakota Department of Commerce. As Gov. Armstrong stated in his testimony, Commerce will administer the \$50 million HOME program, designed to address housing needs by reducing infrastructure development costs for affordable, market-rate housing. The program runs from the effective date of the authorizing legislation to June 30, 2027, and is a one-time funding item. I will walk through the program implementation components.

1. Grant Distribution: Commerce will provide grants to political subdivisions, empowering communities to identify their most pressing housing needs and develop collaborative solutions with local economic development corporations. Funding will be allocated as follows:
  - \$10 million for communities with populations under 5,000.
  - \$20 million for communities with populations between 5,001 and 20,000.
  - \$15 million for communities with populations exceeding 20,000 (with a maximum grant award of \$1.5 million).
  - \$5 million for rural metropolitan areas within 20 miles of a city center with over 20,000 residents.
2. Matching Funds Requirement: A dollar-for-dollar match from non-state sources is required for all grants. This match must be equally derived from:
  - Funds provided by the political subdivision.
  - Funds provided by local developers.
  - Private funds from within the applying community (including local development corporations, donations, or in-kind contributions).



3. Flexibility and Contingency: If funds remain uncommitted or unexpended by December 31, 2026, Commerce may award them to viable projects regardless of community size or location.
4. Reporting and Oversight: Commerce will provide a comprehensive program status report to the Legislative Management and the Governor by June 30, 2026. This report will detail expenditures, the number of housing units supported, grant applications received, and matching funds secured from various sources.

This structured approach ensures responsible allocation of funds, fosters local collaboration, and promotes the development of much-needed affordable housing across North Dakota.

I would like to invite Kelvin Hullet with the Bank of North Dakota to the podium to provide additional policy information on the program.



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

**Senate Bill 2225**  
**Sen. Brad Bekkedahl**  
**Senate Appropriations - Government Operations Division**  
**Sen. Terry Wanzek, Chair**  
**Monday, January 27, 2025, 2:00 PM**  
**Red River Room, State Capitol**

Good afternoon, Chairman Wanzek and members of the Government Operations Committee. I am Kelly Armstrong, and I have the honor of serving as North Dakota's 34<sup>th</sup> governor. During my campaign, as I visited with thousands of constituents from both urban and rural areas of our state, it was clear housing is a major obstacle in our efforts to attract and retain a workforce.

Our budget includes nearly \$105 million to address housing availability and affordability. Today, we are focusing on the \$50 million for a new Department of Commerce solution to address the housing needs through a public-private partnership structure called Housing for Opportunity, Mobility and Empowerment, or HOME. By using local and private sector matches, this will create a \$150 million investment in housing solutions across North Dakota.

What is different about the HOME fund is it recognizes each local community has unique needs to fit their housing shortage. Some need single family homes, others need apartments or duplexes. Communities looking for homeless shelter solutions also could access these funds.

This plan is straightforward and easy to understand and implement. A community decides the type of housing they need and which contractor they want to build the project. The

community, state and developer each put up 1/3 of the cost for the infrastructure. Then, the contractor builds the project.

In coordination with the Bank of North Dakota, we are working on a policy change to go hand-in-hand with this by streamlining financing for housing that costs more to build than it appraises at when finished. The bank program will have no budget impact but will allow us to deploy the money we are requesting to address a pressing need.

We believe the HOME fund changes the status quo – it is not a one-size-fits-all program.

This is a solution that will empower local communities to make decisions that best fit their needs. Mr. Chairman and members of the committee, thank you for allowing me to address you today. I ask for a do pass on Senate Bill 2225. I would be happy to answer any questions.



Matthew Marshall  
5301 32<sup>nd</sup> Ave S  
Grand Forks ND 58201  
mmarshall@minnkota.com

**RE: TESTIMONY IN SUPPORT OF SB 2225**

Chair Wanzek and members of the Senate Appropriations Committee – Government Operations Division:

For nearly a decade workforce has been named as one of the top limiting factors preventing North Dakota businesses from reaching their full potential. As companies compete to keep workers in the state and bring new talent to North Dakota, housing has become a major barrier to overcome. All cities struggle with the housing issue but some more than others, in particular, rural communities struggle to keep an inventory for middle income earners available. Since the year 2000, ninety-six percent of new housing starts have been in only seven North Dakota counties leaving the rest of the state with an aging housing stock and low supply.

SB 2225 addresses the core need within communities by partnering with private capital and local stakeholders to lower costs and establishes a market in areas where there isn't good new construction data for banks and developers to rely on. Once these markets are reestablished, we can rely on the private sector to right size the inventory in these communities.

SB 2225 will expand housing capacity across the state to foster sustainable healthy growth for our businesses and communities. I urge a Do PASS on SB 2225.

Sincerely,

A handwritten signature in blue ink that reads "Matt Marshall". The signature is fluid and cursive, with the first name "Matt" and last name "Marshall" clearly distinguishable.

**Matthew Marshall**

**Member Services, Rates & Economic Development Manager**



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

January 27, 2025

Chairman Wanzek and Committee Members,

My name is Anna Nelson, Executive Director of the City of Williston Economic Development Department. As is the case across the state, workforce development has become a priority for our department, which includes addressing childcare and housing challenges that have proven a hindrance to workforce and economic growth.

As a participant in former Governor Doug Burgum's roundtable in Williston as part of his North Dakota Housing Initiative, I am grateful to see that the HOPE Housing Infrastructure Grant program addresses some of the challenges and desires expressed during that discussion, and want to express my support of SB2225, with a request to revise the match requirement.

Being the largest community in the region, Williston serves as a hub for businesses, activities, and housing for individuals and businesses in a radius of up to 120 miles. Looking ahead to the next five years, the Williston area is set to see substantial growth with several proposed projects:

- Williston Square construction, including:
  - Highway 2 re-direct project
  - Sloulin Elementary School
  - Black Diamond Estates
  - Retail/food and beverage projects
- Cerilon gas-to-liquids plant
- Basin Electric generation stations
- More to be announced

These are projected to bring in more than 3,000 temporary workers during construction and another more than 500 employees to fill permanent jobs. This does not even take into account current business expansions or any other projects in the area. With our rental units at about 98% occupancy, low housing inventory, and families that are ready to transition, we know that we will need to build a substantial amount of rooftops to be able to meet demand.

After assessing our current housing situation, fellow department heads and I have determined that, while we have a good number of shovel-ready lots available, conversations with local builders have informed us that high materials and labor costs as well as a lack of subcontractors have limited their ability to build, especially to scale. These challenges have illustrated the need to support homebuilding activity in some capacity, and we are pleased to see the potential assistance that could come from SB2225 to ensure we can have the infrastructure in place to support the much-needed additional rooftops.



In reviewing the bill, there were some questions raised regarding the details of the match requirement, specifically regarding their clarity and attainability. Reflecting on not just our needs but the needs of our rural neighbors, we would respectfully ask this committee to consider a simpler and more direct percentage match, perhaps a 4:1 (state funds:non-state or matching funds) ratio would allow for more accessibility and flexibility.

I would be remiss if I did not extend my sincere thanks to the legislative body for considering multiple approaches to address the dire need to increase housing availability and affordability across the state. North Dakota is increasingly becoming a state in which people want to invest and live, and it is prudent that we ensure that we are able to welcome new businesses and residents, offering them a place to call home here in our great state.

We encourage your consideration of the above request, along with a Do Pass recommendation for SB2225.

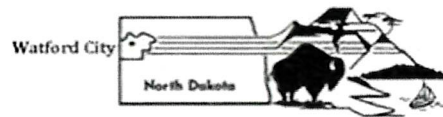
Thank you for your efforts and I invite you to please reach out should you have any questions or need additional information from us here in Williston.

Sincerely,

*Anna Nelson*

Anna Nelson  
Executive Director  
[annan@ci.williston.nd.us](mailto:annan@ci.williston.nd.us)  
(c) 701-651-8265



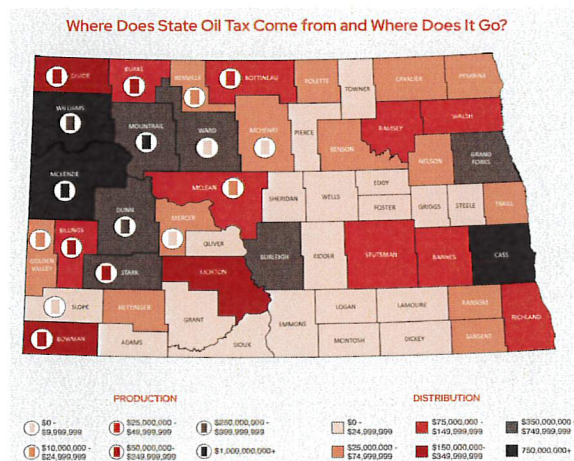


TO: Senate Appropriations  
 FROM: City of Watford City  
 DATE: January 27, 2025  
 RE: SUPPORT of SB 2225

*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.





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

[vbey@nd.gov](mailto:vbey@nd.gov) | (701) 580-1862

1-29-25



A 501 (c) (3) public non-profit organization

January 27, 2025

Support Letter  
Re: Senate Bill 2225

Chairman Wanzek and Members of the Government Operations Division of Senate Appropriations,

On behalf of the Theodore Roosevelt Medora Foundation (TRMF) and Theodore Roosevelt Presidential Library Foundation (TRPL), we are writing to express our strong support for Senate Bill 2225, which provides funding for the Housing for Opportunity, Mobility, and Empowerment (HOME) program. This legislation is a vital step toward addressing the pressing housing needs in North Dakota, especially in rural communities like Medora, which are essential to the state's economic and cultural identity.

Founded in 1986, TRMF is dedicated to preserving, improving, and sharing the historic town of Medora. TRMF is the steward of numerous attractions, including the Medora Musical, which brings thousands of visitors to our state each year. As one of the top tourist destinations in our state and with anticipated growth over the next few years with the opening of the Theodore Roosevelt Presidential Library, it presents unique challenges for workforce retention and housing availability in and around our community. The same can be said for TRPL, which plans to hire 40 to 60 employees in the Medora area community in the next 18 months.

One of the most significant challenges TRMF, TRPL and the broader community of Medora faces is securing affordable, accessible housing for seasonal and year-round employees. These individuals are the backbone of Medora's success, supporting not just TRMF and TRPL's operations but also the local economy. TRMF and TRPL are currently studying the housing needs of our community and region with partners and stakeholders in Medora. Preliminary analysis indicates the need for at least 50 housing units to meet the demand within the next two years. Without affordable and reliable housing, many prospective employees are unable to commit to living and working in Medora. Senate Bill 2225 offers a solution to this critical issue by allocating funding to expand affordable housing options in communities like ours.

**Medora Office**  
701-623-4444  
(f) 701-623-4494

405 East River Road S.  
Medora, ND 58645

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Medora, ND 58645

**Bismarck Office**  
701-223-4800  
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Bismarck, ND 58503

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Bismarck, ND 58502

**MEDORA.COM**  
1-800-MEDORA-1

*Medora*<sup>TM</sup>  
EXPLORE IT. ADORE IT.



The HOME program will have a transformative impact on our community, region, and state by:

- **Enhancing Workforce Stability:** Providing accessible housing for seasonal and permanent employees will help us attract and retain talented individuals essential to sustaining Medora's economy and that of southwest North Dakota.
- **Encouraging Economic Development:** Investment in rural housing directly supports Medora's businesses and tourism sector, creating long-term benefits for our state, region and community.
- **Strengthening Community Bonds:** Improved housing opportunities create a more resilient and thriving community, benefiting not only TRMF and TRPL employees but also residents of Medora and southwest North Dakota.

We believe that Senate Bill 2225 represents a forward-thinking and pragmatic approach to addressing North Dakota's housing challenges. As organizations committed to fostering Medora's growth, preserving its heritage, and partnering with the state and municipalities in our region, we respectfully urge you to support Senate Bill 2225 and prioritize affordable housing investments in rural communities. Thank you for your leadership and attention to this important issue.

Sincerely,



Clarence Sitter  
Chief Operating Officer  
Theodore Roosevelt Medora Foundation



Robbie Lauf  
Executive Director  
Theodore Roosevelt Presidential Library Foundation

# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division Red River Room, State Capitol

SB 2225  
1/28/2025

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.

2:15 p.m. Chairman Wanzek opened the hearing.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

### Discussion Topics:

- Matching funds
- Bill language

2:35 pm Senator Dwyer moved to amend SB 2225 on page 1, line 19, after the word "development," add "and for slum and blight removal." On page 2, line 16, remove the word "equally".

Senator Erbele seconded the motion.

Senators	Vote
Senator Terry M. Wanzek	Y
Senator Randy A. Burckhard	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jonathan Sickler	Y

Motion passed 5-0-0

2:38 p.m. Senator Dwyer moved a Do Pass as Amended for SB 2225.  
Senator Burckhard seconded the motion.

Senators	Vote
Senator Terry M. Wanzek	Y
Senator Randy A. Burckhard	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jonathan Sickler	Y

Motion passed 5-0-0

Senator Erbele will carry the bill.

2:40 p.m. Chairman Wanzek closed the meeting.

*Carol Thompson, Committee Clerk*

# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Harvest Room, State Capitol

SB 2225  
1/30/2025

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.

9:24 a.m. Vice-Chair Erbele opened the hearing.

Members Present: Chairman Bekkedahl, Vice-Chairman Erbele, and Senators Burckhard, Cleary, Conley, Davison, Dever, Dwyer, Mathern, Schaible, Sickler, Sorvaag, Thomas, Wanzek.

Members Absent: Senators Magrum, Meyer.

### Discussion Topics:

- City Center Definition
- Infrastructure Locations
- Transportation Concerns
- Blight Program

9:24 a.m. Senator Erbele introduced the bill, the amendment LC 25.1186.01001, and submitted testimony #33044.

9:32 a.m. Senator Thomas moved to further amend the amendment LC 25.11.86.01001 by changing "city center" to "city limits" in line 11.

9:33 a.m. Senator Dwyer seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	N
Senator Randy A. Burckhard	Y
Senator Sean Cleary	N
Senator Cole Conley	Y
Senator Kyle Davison	N
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	A
Senator Tim Mathern	N
Senator Scott Meyer	A
Senator Donald Schaible	Y
Senator Jonathan Sickler	N
Senator Ronald Sorvaag	N
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 8-6-2.

9:43 a.m. Vice-Chair Erbele recessed the meeting.

10:00 a.m. Chairman Bekkedahl reconvened the meeting.

10:01 a.m. Chris Schilken, ND Department of Commerce Commissioner, testified neutral.

10:12 a.m. Senator Wanzek moved to adopt the amendment with further amendments LC 25.1186.01002.

10:12 a.m. Senator Erbele seconded the motion.

<b>Senators</b>	<b>Vote</b>
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	A
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	A
Senator Tim Mathern	Y
Senator Scott Meyer	A
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 13-0-3.

10:13 a.m. Senator Erbele moved a Do Pass as Amended.

10:14 a.m. Senator Wanzek seconded the motion.

<b>Senators</b>	<b>Vote</b>
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	A
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	A
Senator Tim Mathern	Y

Senator Scott Meyer	A
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 13-0-3.

Senator Erbele will carry the bill.

10:14 a.m. Chairman Bekkedahl closed the hearing.

*Elizabeth Reiten, Committee Clerk*

January 30, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO**

**SENATE BILL NO. 2225**

Introduced by

Senators Bekkedahl, Meyer, Wanzek

Representatives Nathe, Nelson, O'Brien

1-30-25  
JB  
1042

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

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. APPROPRIATION - DEPARTMENT OF COMMERCE - STRATEGIC**  
6 **INVESTMENT AND IMPROVEMENTS FUND - HOUSING FOR OPPORTUNITY, MOBILITY,**  
7 **AND EMPOWERMENT GRANT PROGRAM - MATCHING FUNDS REQUIREMENT -**  
8 **LEGISLATIVE MANAGEMENT REPORT - ONE-TIME FUNDING.**

- 9 1. There is appropriated out of any moneys in the strategic investment and  
10 improvements fund in the state treasury, not otherwise appropriated, the sum of  
11 \$50,000,000, or so much of the sum as may be necessary, to the department of  
12 commerce for the purpose of providing housing for opportunity, mobility, and  
13 empowerment program grants to political subdivisions to build infrastructure necessary  
14 to support affordable, market rate housing for the period beginning with the effective  
15 date of this Act, and ending June 30, 2027. This funding is considered a one-time  
16 funding item.
- 17 2. The department of commerce shall use funding appropriated in this section to provide  
18 grants to political subdivisions to assist communities address housing needs by  
19 lowering the cost of infrastructure development and for slum and blight removal. The  
20 department shall allow a community to identify the type of housing most needed and



JB 2 of 2

1 cooperatively create solutions to address the housing need through a political  
2 subdivision or economic development corporation. The department shall establish  
3 guidelines for providing grants under the program.

4 3. The department of commerce shall allocate funding appropriated in this section as  
5 follows:

- 6 a. \$10,000,000 for communities with a population of fewer than 5,000 individuals;  
7 b. \$20,000,000 for communities with a population of 5,001 to 20,000 individuals;  
8 c. \$15,000,000 for communities with a population of more than 20,000 individuals;  
9 and

10 d. \$5,000,000 for rural metropolitan areas located within 20 miles of the city  
11 ~~center~~limits of a community of more than 20,000 individuals.

12 4. The maximum grant award for a community with more than 20,000 individuals is  
13 \$1,500,000.

14 5. If all funding appropriated in this section is not committed or expended by  
15 December 31, 2026, the department of commerce may award any remaining funds to  
16 viable projects regardless of community size or location.

17 6. The department of commerce may spend the funds appropriated in this section only to  
18 the extent matching funds have been secured from nonstate sources on a  
19 dollar-for-dollar basis. The matching funds must be derived ~~equally~~ from funds  
20 provided by a political subdivision, ~~funds provided from~~ and local developers, and  
21 private funds from within the community applying for grant funding. The private funds  
22 from within the community may be from a local development corporation, donations, or  
23 in-kind contributions.

24 7. The department of commerce shall provide a report to the legislative management and  
25 the governor by June 30, 2026, regarding the status of the program, including  
26 expenditures to date, the number of housing units supported, communities applying for  
27 grants, and matching funds raised by political subdivisions, local developers, and  
28 communities.

29 **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.

**REPORT OF STANDING COMMITTEE  
SB 2225**

**Appropriations Committee (Sen. Bekkedahl, Chairman)** recommends **AMENDMENTS** ([25.1186.01002](#)) and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). SB 2225 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

25.1186.01001  
Title.

Prepared by the Legislative Council  
staff for Senate Appropriations -  
Government Operations Division  
Committee

January 28, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## **PROPOSED AMENDMENTS TO**

### **SENATE BILL NO. 2225**

Introduced by

Senators Bekkedahl, Meyer, Wanzek

Representatives Nathe, Nelson, O'Brien

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

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. APPROPRIATION - DEPARTMENT OF COMMERCE - STRATEGIC**  
6 **INVESTMENT AND IMPROVEMENTS FUND - HOUSING FOR OPPORTUNITY, MOBILITY,**  
7 **AND EMPOWERMENT GRANT PROGRAM - MATCHING FUNDS REQUIREMENT -**  
8 **LEGISLATIVE MANAGEMENT REPORT - ONE-TIME FUNDING.**

- 9 1. There is appropriated out of any moneys in the strategic investment and  
10 improvements fund in the state treasury, not otherwise appropriated, the sum of  
11 \$50,000,000, or so much of the sum as may be necessary, to the department of  
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15 date of this Act, and ending June 30, 2027. This funding is considered a one-time  
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- 17 2. The department of commerce shall use funding appropriated in this section to provide  
18 grants to political subdivisions to assist communities address housing needs by  
19 lowering the cost of infrastructure development and for slum and blight removal. The

- 1 department shall allow a community to identify the type of housing most needed and  
2 cooperatively create solutions to address the housing need through a political  
3 subdivision or economic development corporation. The department shall establish  
4 guidelines for providing grants under the program.
- 5 3. The department of commerce shall allocate funding appropriated in this section as  
6 follows:
- 7 a. \$10,000,000 for communities with a population of fewer than 5,000 individuals;  
8 b. \$20,000,000 for communities with a population of 5,001 to 20,000 individuals;  
9 c. \$15,000,000 for communities with a population of more than 20,000 individuals;  
10 and  
11 d. \$5,000,000 for rural metropolitan areas located within 20 miles of the city center  
12 of a community of more than 20,000 individuals.
- 13 4. The maximum grant award for a community with more than 20,000 individuals is  
14 \$1,500,000.
- 15 5. If all funding appropriated in this section is not committed or expended by  
16 December 31, 2026, the department of commerce may award any remaining funds to  
17 viable projects regardless of community size or location.
- 18 6. The department of commerce may spend the funds appropriated in this section only to  
19 the extent matching funds have been secured from nonstate sources on a  
20 dollar-for-dollar basis. The matching funds must be derived ~~equally~~ from funds  
21 provided by a political subdivision, ~~funds provided from~~ local developers, and private  
22 funds from within the community applying for grant funding. The private funds from  
23 within the community may be from a local development corporation, donations, or  
24 in-kind contributions.
- 25 7. The department of commerce shall provide a report to the legislative management and  
26 the governor by June 30, 2026, regarding the status of the program, including  
27 expenditures to date, the number of housing units supported, communities applying for  
28 grants, and matching funds raised by political subdivisions, local developers, and  
29 communities.

30 **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.

**2025 HOUSE POLITICAL SUBDIVISIONS**

**SB 2225**

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Political Subdivisions Committee Room JW327B, State Capitol

SB 2225  
3/13/2025

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.

10:00 a.m. Chairman Longmuir opened the hearing.

Members Present: Chairman Longmuir, Vice-Chairman Fegley, Vice-Chairman Jonas, Representatives Bolinske, Hager, Hatlestad, Heilman, Klemin, Motschenbacher, Ostlie, Toman, Warrey

Members Absent: Representative Davis

### Discussion Topics:

- South Dakota housing fund programs
- North Dakota housing programs
- Affordable market rate housing

10:00 a.m. Governor Kelly Armstrong, 34th Governor of North Dakota, introduced the bill and provided testimony #41304.

10:07 a.m. Chris Schilken, Commissioner of the North Dakota Department of Commerce, testified in favor and provided testimony #41234.

10:27 a.m. Don Morgan, President and CEO of the Bank of North Dakota, testified in favor.

10:31 a.m. Vawnita Best, Community and Business Development Director for the City of Watford City, testified in favor and provided testimony #41141.

10:35 a.m. Andrea Pfennig, Vice President of Government Affairs for the Greater North Dakota Chamber, testified in favor and provided testimony #41146.

10:37 a.m. Zachary Broadwell, Executive Director of Rugby Job Development Authority, testified in favor and provided testimony #41300.

10:47 a.m. Corry Shevlin, Economic Development Association of North Dakota, testified in favor and provided testimony #41099.

10:51 a.m. Ellen Huber, Rural Development Director of North Dakota Association of Rural Electric Cooperatives, testified in favor and provided testimony #41245.

10:56 a.m. Lisa Rotvold, Red River Community Housing Development Organization, testified in favor and provided testimony #40075.

11:07 a.m. Kory Peterson, North Dakota League of Cities, testified in favor and provided testimony #41264.

**Additional written testimony:**

In favor:

#39540, #40168, #40585, #40715, #41021, #41108, #41123, #41136, #41145, #41162, #41191, #41224, #41243, #41267, #41278, #41296

11:09 a.m. Chairman Longmuir closed the hearing.

*Wyatt Armstrong, Committee Clerk*





# North Dakota Senate

STATE CAPITOL  
600 EAST BOULEVARD  
BISMARCK, ND 58505-0360



## **Senator Brad Bekkedahl**

District 1  
P.O. Box 2443  
Williston, ND 58802-2443  
[bbekkedahl@ndlegis.gov](mailto:bbekkedahl@ndlegis.gov)

**COMMITTEES:**  
Appropriations (Chair)

**March 13, 2025**

## **Senate Bill 2225 Testimony**

### **House Political Subdivisions Committee**

### **Hon. Representative Donald Longmuir, Chairman**

Chairman Longmuir and Committee Members,

For the record, I am Senator Brad Bekkedahl from District 1 in Williston. I am here to introduce Governor Armstrong's bill request prioritizing his agenda for the Department of Commerce Housing for Opportunity, Mobility, and Empowerment (HOME) program grants. The bill provides for grants to political subdivisions to build infrastructure to support affordable and market rate housing for the 25-27 biennium period. It is a one-time funding request. The funds will be used by local political subdivisions to address affordable housing by lowering the costs of infrastructure development. The Commerce Department will establish the guidelines for providing the grants, and they are represented here today to follow my testimony in support and to provide details to the committee. You will see the allocation brackets by population categories on the top of page two. You will also see on page two of the bill that the grant funding requires local matching funds. Also included in the bill is a reporting requirement to Legislative Management and the Governor regarding the status of the program and its accomplishments. The bill has an emergency clause to move funding out as quickly as possible to take advantage of this year's construction season if passed with the appropriate vote margins. Chairman Longmuir and Committee, thank you for considering this bill and my testimony. I will now stand for questions and yield to other experts in the room if necessary for the appropriate answers.





Testimony of Lisa Rotvold

**IN SUPPORT of SB 2225**

A BILL for an Act to provide an appropriation to the department of commerce for a housing opportunity, mobility, and empowerment program;

House – Political Subdivisions Committee

**March 13, 2025 – 10:00 AM**

---

My name is Lisa Rotvold. I live in Hillsboro and serve on the advisory board for the North Dakota Housing Finance Agency. I am also the Executive Director of the non-profit Red River Community Housing Development Organization (CHDO), based in Grafton. We are a partner organization to the Red River Regional Council.

In my 30 years of experience in the affordable housing and community development sector I have had the great pleasure of assisting in the development of over 1,200 homes in ND, SD, and MN, in communities large and small. In my current role I am deeply focused on helping rural communities meet their diverse housing needs to support economic growth and rural prosperity.

This testimony is to highlight the need for infrastructure investments in rural communities as documented in our regional housing study entitled, ***Building Rural Prosperity; A look at current and future housing needs in North Dakota's Region 4***, published in August 2024.

The study identified a need for **approximately 4,800 additional housing units in the rural parts of Region 4 by the year 2030**. These numbers are based on current unique job postings and projected job growth in the region.

Of course, **there are nowhere near 4,800 buildable lots in the rural communities of Region 4**. **The shortage of build ready residential lots was highlighted in many of the seventeen different community and topic based focus group discussions** hosted by Fourth Economy as part of the study.

The **top two barriers** to creating new residential lots were identified as:

1. The **cost of new infrastructure**; and
2. Availability of land outside the **flood plain** (a common issue in Region 4)

This study was done cooperatively with Red River CHDO, Red River Regional Council, the Job Development Authorities in Nelson, Pembina, and Walsh Counties, Grand Forks Region Economic Development Corporation, Grand Forks Growth Fund, Grand Forks Housing Authority, and the North Dakota Housing Finance Agency. Pittsburgh, PA based Fourth Economy, was hired to measure and document housing needs, evaluate barriers, and develop strategies to increase housing availability and affordability in the rural communities of Grand Forks, Nelson, Pembina, and Walsh Counties.

Small towns in Region 4, are eager to welcome the newcomers needed to fill jobs and fuel the economy. SB 2225 would greatly improve the ability of these rural communities to develop the infrastructure needed to support this growth.

I see this housing infrastructure funding helping rural communities in multiple ways,

- (1) **Sharing the cost of new water, sewer, and streets**, in places that do not benefit from economies of scale (example: Grafton, Hoople)
- (2) **Sharing in the cost of land acquisition for land-locked communities** that need to acquire high value farmland in order to grow (example: Minto and Cavalier)
- (3) Sharing the cost of bringing in engineered fill to **raise existing lots that are in the flood plain** so they can be used for housing development and eliminate the need for costly flood insurance. This is a real barrier for communities in the Red River Valley. (example: Pembina and Drayton),
- (4) **Buying down special assessments** for communities that have made significant infrastructure improvements in the past 5 years to increase the buying power of homebuyers (example: Larimore).

With investment from the State, a City's cost will be reduced, green lighting growth while reducing lot costs and special assessments. This in turn will increase the mortgage capacity of new homebuyers.

- For example, an annual specials payment of \$2,000 (Larimore example) **reduces the mortgage capacity of a buyer by approximately \$25,000** (dependent on interest rate and loan term).
- For lots in the flood plain, a buyer will need flood insurance, which **reduces mortgage capacity by approximately \$10,000** (dependent on interest rate and loan term).

So, if a buyer can afford \$2,000 per month for a housing payment, and they pay \$200 per month for special assessments, and flood insurance costs them \$100 per month, all of a sudden, the amount

going to cover principle and interest on a home mortgage is only \$1,700. Then there is homeowners' insurance and private mortgage insurance also cutting into the principle and interest payment. Current high interest rates also reduce a buyer's mortgage capacity. There are just so many things chipping away at people's ability to purchase a home.

Reduced mortgage capacity may also contribute to appraisal gaps – an issue in small rural markets. A house is only worth what someone is willing to pay for it. If the buyer's borrowing capacity can be increased (by reducing specials and flood insurance), without increasing their monthly payment, the price on the house can be higher, and we start getting home values closer to the cost to build. Which is exactly what rural communities need in order to grow. **The state's investment in infrastructure is a permanent investment in the future of a community.**

The region wide housing study identified five core themes/actions to improve the availability of housing in the region, with recommendations and strategies for achieving them. A copy of the strategy matrix is attached to this testimony. The full study can be downloaded at <https://redriverrc.com/housing-chdo/>. Each strategy identified key players needed to accomplish them - local municipalities, regional organizations, the state, and even local employers.

The first theme identified is Enabling New Construction. One of four strategies recommended is to extend municipal infrastructure. The state is identified as the key partner needed to make this happen. **SB 2225 will do just that, making the state a partner with rural communities to make space for new construction to meet the widespread housing need.**

Lastly, I request consideration for modifying the funding set asides outlined for communities of various populations, shown in Section 1(3) on page 2 of the engrossed bill (first engrossment).

- A funding level of \$10 million is proposed for communities with population under 5,000. There are 84 communities with population between 500 and 5000. **So, \$10 million would be \$93 per capita or an average of \$119,000 per community.**
- Funding of \$20 million is proposed for communities with a population between 5,001 and 20,000, of which there are 6. **This amounts to \$408 per capita or an average of \$3.33 million per community.**

If the set asides were adjusted as follows, it would make for a more equitable distribution of resources and give more North Dakota communities the opportunity to grow.

- **Decrease funding for communities with population between 5,001 and 20,000** from \$20 million to \$10 million. This would put the funding level at approximately **\$204 per capita and an average of \$1,666,667 per city.**
- **Increase funding for communities with population under 5,000** from \$10 million to \$20 million. This change would provide funding of approximately **\$187 per capita and an average of \$238,095 per city.**

I would like to express my sincere thanks for allowing me to share my experience working with rural communities in Region 4 to address their housing shortages. We are all grateful to the governor and

the legislature for recognizing the need for this funding. There are many who are eager to put it to work.

**My board of directors and I strongly support SB 2225.**

---

**Contact Information:**

Lisa Rotvold, Executive Director; Red River CHDO; lisa@redriverrc.com

**Board of Directors**

Marcy Douglas, President  
Arvilla

Amie Vasichuk  
Lakota

Mike Helt, Vice President  
Park River

Paul Houdek  
Grafton

Shelley Popiel, Secretary/Treasurer  
Grafton

Dawn Mandt, Ex-officio  
Red River Regional Council, Grafton

**Attachments:**

1. Red River Community Housing Development Organization (CHDO) - **About Us** flyer
2. Overview of ***Building Rural Prosperity; A look at current and future housing needs in North Dakota's Region 4***
3. Strategy Matrix - ***Building Rural Prosperity; A look at current and future housing needs in North Dakota's Region 4***



516 Cooper Avenue | Grafton | ND | 58237 | 701-430-1597



## Mission

Red River CHDO's mission is to grow opportunities for low income people and the communities they call home by developing quality affordable housing and supporting community development.

## Who we are

- Red River Community Housing Development Organization (CHDO)
- 501(c)3 non-profit organization
- Service Area (Region 4): Grand Forks, Nelson, Pembina, and Walsh counties
- Organized in 1996 by Red River Regional Council
- Volunteer board of directors representing low income, public, and private sector
- Primarily self funded operations

## What we do

- Develop single family and multi-family housing
- Partner with communities, service providers, and other developers and builders
- Package multiple financing sources
- Access gap funding
- Study housing needs in the region
- Participate in project that address unique community needs, including childcare and entrepreneurship
- Share the stories of rural communities with policy makers

## Experience

- Staff with 30 years of housing development experience
- 1,200+ homes in ND, SD, and MN
- Initiated Spark Build 2024 program to increase new home construction in rural communities
- Regional Housing Study and Action Plan - published in August 2024

## Operations

- Located in Grafton, serving Grand Forks, Nelson, Pembina, and Walsh counties
- Sister organization to Red River Regional Council
- Seeks ways to aggregate needs and solutions to bring more funding and development to the region
- Developer fees are the primary source of operational funding



# Red River CHDO 2024 Activity

## Regional Housing Study and Action Plan

A four county regional housing study and action plan coordinated by Red River CHDO and Red River Regional Council was completed in August of 2024. The plan identified a need for 4,800 additional housing units in the region (outside of the city of Grand Forks) by 2030. It also outlines five strategies that communities can use to support an increase in production of new housing. The study was funded by Nelson, Pembina, and Walsh County JDAs, Grand Forks Housing Authority, Regional Development Corp. and Growth Fund, North Dakota Housing Finance Agency and Minnesota Housing Partnership. The study can be found on the Regional Council's website. <https://redriverrc.com/housing-chdo/>

## Spark Building Initiative

In 2024 Red River CHDO implemented its Spark Building Initiative pilot. The initiative sought to reduce barriers to new construction in rural communities. Serving as the developer, Red River CHDO broke ground and sold two homes in Lakota, and broke ground on two more in Larimore. Those homes will be complete in May 2025. Additional Spark Build homes are being planned for the 2025 construction season.

## Walsh County Childcare Center

In early 2024 Red River CHDO partnered with the Walsh County JDA to raise funds for the new childcare center on Hill Avenue in Grafton. Three local banks donated a total of \$92,000 with participation of the Member Impact Fund through the Federal Home Loan Bank of Des Moines. We continue to facilitate additional fund raising efforts to complete the project. The project opened its doors in February 2025. Later in 2025 Red River CHDO will take ownership of the building and assume the lease to the childcare provider.

## 532 Hill Business Incubator

Red River CHDO also partnered with Red River Regional Council to finance and develop the 532 Hill small business incubator project in Grafton. The project includes a full commercial kitchen where start-up and emerging food entrepreneurs can produce product. Additionally these and other small business start-ups will be able to tap into the Red River Regional Council's experienced staff and resources to build their businesses. In 2024 Red River CHDO received a grant of \$250,000 from the US Bank Foundation to support program development for the incubator. These funds have made it possible to hire a project coordinator to move this complex project forward.

## Board of Directors

### **Marcy Douglas**

President  
Arvilla

### **Mike Helt**

Vice President  
Park River

### **Shelley Popiel**

Secretary  
Grafton

### **Amie Vasichek**

Lakota

### **Paul Houdek**

Grafton

### **Dawn Mandt**

Ex-Officio  
Grafton

### **Executive Director**

Lisa Rotvold

[lisa@redriverrc.com](mailto:lisa@redriverrc.com)





# Building Rural Prosperity:

A look at current and future housing needs  
in North Dakota's Region 4

August 2024

## A SNAPSHOT OF OPPORTUNITY

### Methodology

The focus of the study is the on housing needs in rural communities in Region 4. This includes all areas outside of the City of Grand Forks. The methodology was designed to build on previous studies by gathering and analyzing current data, and do extensive community engagement to hear from the grass roots of the region. Nearly 700 regional residents participated in some part of the study including a steering committee of 12, one on one interviews with 10 key stakeholders, 14 focus groups involving 114 participants, 504 survey respondents, and four build sessions gathering 49 local leaders and interested citizens from around the region. In the final phase, Fourth Economy identified strategies to help the region increase the affordability, quality and quantity of housing.

***Building Rural Prosperity: A look at current and future housing needs in North Dakota's Region 4*** is the result. The full study can be found at [www.redriverrc.com](http://www.redriverrc.com)

### Interconnected

The economies of the city of Grand Forks and the many smaller communities throughout Region 4 are undeniably interconnected. From workforce, commerce, healthcare, and education, to recreation and entertainment spending, the people and the dollars in the region are constantly mixing.

### Regional Strength

This study identified aggregation of resources and opportunities as a strategy to manage risk and break down barriers that have hindered development of much needed housing in under resourced small towns of Region 4. This can include aggregating financial resources, as well as aggregating opportunities to create the scale appealing to many builders and developers.

Together we can do more.

**This study was done by Fourth Economy with extensive engagement with citizens and leaders in Grand Forks, Nelson, Pembina, and Walsh Counties. Funding for the study was provided by:**

- North Dakota Housing Finance Agency
- Minnesota Housing Partnership
- Grand Forks Region Economic Development
- City of Grand Forks
- Grand Forks Housing Authority
- Nelson County JDA
- Pembina County JDA
- Walsh County JDA



# TAKE AWAYS

## Economy

- **77% of business owners responding to our survey say that the lack of available housing in their community affects their business.**
- Given the layers of interdependency between rural communities and the city of Grand Forks, it is critical that housing be seen as a region wide issue.
- **Foreign born visa workers are an important and growing component of the region's labor market, nearly 1,000 in 2024. They are putting pressure on the housing market, yet their numbers are not accounted for in census data.**

52%

of business owners plan to hire additional staff in the next 12 months

70%

business owners believe their success depends on the development of additional suitable housing in the community

## Rental Housing

- **Since 2021, vacancy rates in Region 4 have remained consistently below 3%.** In Walsh County rental vacancy is consistently below 2%. A healthy rental vacancy rate is around 5%.
- **Across all four counties, 43% of renters are cost burdened, meaning they** pay more than 30% of monthly income for housing expenses.
- **This includes nearly 1,300 seniors** who pay more than 30% of their monthly income for rent.
- The **absence of new rental construction** has held rents artificially low over the past 20 years and now makes financing new construction challenging.

## Owner Housing

- **The Region's housing stock is aging, with 70% of homes in Region 4 more than 54 years old, built prior to 1970.**
- **The median list price for single family homes has spiked since 2018,** up 52.6% in Grand Forks County, 224.2% in Nelson County, 58.4% in Pembina County, and 73.7% in Walsh County.
- **Closed housing markets,** lack of property listings, and lack of sale price disclosure on deeds hinders the availability of good market data that could support growth through new construction - 27% of survey respondents selected "word of mouth" as their primary strategy for selling a home.
- **A need for newly constructed entry level homes** in the region was identified as the highest need by 53% of survey respondents, and 48% identified a **need for low interest loans for rehabilitation** of existing homes.
- The National Association of Home Builders found that **half of Americans can not afford a \$250,000 home.**
- **The median annual income in Region 4 is approximately \$65,000. A buyer at this income level is likely to be able to afford a mortgage of about \$200,000.**



# Need

- Employers cited new entry level homes and lease purchase homeownership opportunities as the top strategies to help attract and keep the employees they need.
- Projected housing needs by 2030 call for an additional 1,810 homes: **65% owner, 35% renter.**
- The projected need for **senior housing units** by 2030 is 382 units.
- The region exhibits a **strong market for market rate rental and owner housing.**

- There is also a significant need for **subsidized rental housing for very low income households.**

382

Senior Units

43%

of survey respondents would sell their home if suitable housing was available in their community.

# Opportunity

- **Owner mismatch** - 3,950 homeowners in the study area spend less than 30% of their monthly income on housing, meaning they are potential market rate customers for new move-up and move-over homes.
- **Renter Mismatch** - 1,295 renters spend less than 30% of their monthly income on housing, meaning they are potential market rate renters for modern new rental housing.
- **Nearly 50% of survey respondents know people who would like to move to the region** but are unable to due to a lack of suitable housing.
- Because rural housing markets have been stagnant for so long, there is **room for “move up” and “move over” housing** if we can attract builders.

**NEARLY 4,800 HOMES ARE NEEDED TO FILL CURRENT WORKFORCE DEMAND**

**CURRENT HOUSING SHORTAGE BY COUNTY**

2,414

Grand Forks County

1,170

Walsh County

627

Pembina County

553

Nelson County

**ANNUALY until 2030**

**483 HOMES**

**234 HOMES**

**125 HOMES**

**110 HOMES**

## Resources

- **FEDERAL.** Programs like HOME, Low Income Housing Tax Credits, and Housing Trust Fund are harder to use and less effective in small towns due to cumbersome regulations. USDA Rural Development has limited funding but may have underutilized programs that can be useful.
- **STATE.** North Dakota's Housing Incentive Fund, Flex PACE for housing, Slum and Blight elimination grants, and Prairie Dog Fund have been effective in small towns and should be expanded.
- **REGIONAL.** A new regional fund focused on housing and community development could be capitalized by, employers, banks, municipalities, and regional philanthropy, and support place-based solutions.
- **NON-PROFIT.** A regional non-profit housing development organization like Red River Community Housing Development Organization (CHDO) can step in when the private market can't make money on a housing development. Red River CHDO's work is intended to fill development gaps and spark the private market when it isn't working.

# Strategies

1

ENABLE

## NEW CONSTRUCTION

### LOCAL. REGIONAL.

Catalyze new housing development with zoning changes, incentives, and partnerships with builders & employers.

### LOCAL. REGIONAL.

Inventory and aggregate region-wide needs and assets to create scale to attract builders and developers

**LOCAL. REGIONAL.** Explore nontraditional ownership models such as coops and land trusts.

**LOCAL. REGIONAL.** Reach out to owners of underutilized property to encourage them to sell

**LOCAL. STATE.** Expand infrastructure to create additional buildable lots.

2

ENCOURAGE

## HOUSING INNOVATION

### LOCAL.

Enable innovative housing types in individual communities through pilot programs, zoning updates, and districting efforts.

### LOCAL. REGIONAL.

Incentivize transfer of ownership of larger existing homes occupied by singles, to ownership by families.

**REGIONAL.** Educate regional leaders and residents on alternative housing types such as accessory dwelling units (ADU's) cooperative housing, and modular construction.

**REGIONAL. STATE.** Support homebuyer education and financial fitness classes.

**EMPLOYERS.** Invest in solutions that increase availability of employee housing.

3

DEVELOP

## WORKFORCE & HUMAN CAPITAL

### LOCAL.

Advance age appropriate educational opportunities to increase exposure and understanding of building trades and apprentice programs.

### REGIONAL.

Develop a stronger understanding of the region's workforce needs as they relate to housing development.

**REGIONAL.** Highlight housing development, construction, and back office opportunities for regional entrepreneurs.

### REGIONAL. STATE.

Support operations and growth of regional organizations to maintain professional capacity in housing & community development in the region.

4

FACILITATE

## REDEVELOPMENT, REUSE & REPAIR

### LOCAL.

Target individual homes for demolition and/or redevelopment, effecting incremental progress in creating new housing at a regional level.

### LOCAL.

Incentivize upkeep and productive use of property; disincentivize blight, vacancy, and under investment

### LOCAL. REGIONAL.

Inventory vacant and underutilized properties in the community/ region to facilitate redevelopment

**REGIONAL.** Explore and develop funding tools, policies, and marketing strategies that increase the volume of housing redevelopment, reuse, and repair in the region.

5

INVEST

## FUNDING

### LOCAL. EMPLOYERS.

**REGIONAL. STATE.** Explore creation of new regional housing development funding programs such as CDFI, Housing Trust Fund, or Investment Co-ops. Local money = local place based solutions.

### REGIONAL. STATE.

Invest in regional housing development capacity by supporting operations and growth of the non-profit Red River Community Housing Development Organization (CHDO).

### STATE.

Leverage and expand existing statewide finance programs such as the Housing Incentive Fund (HIF), Flex PACE for housing, R-WISH, and Slum & Blight Elimination Grants.

### STATE.

Raise the \$150,000 maximum on the two year tax abatement cities can offer for new home construction.

## Appendix B - Strategy Matrix

Theme → Recommendation → Strategy			Local	Regional	State	Employer
<b>1. New Construction</b>						
	<b>1.1: Work with municipal leaders to help towns, cities, and counties take local actions that catalyze new housing development</b>					
	1.1.1: Advance local rezoning to make more areas available for new housing development.		x	x		
	1.1.2: Educate municipal leadership about best practices for zoning, incentives, and other tools that can facilitate housing development.		x	x		
	1.1.3: Inventory available land, property values, municipal land use, and infrastructure capacity throughout the region in a publicly searchable database and better data collection.		x	x		
	1.1.4: Extend municipal infrastructure to accommodate new housing development.		x		x	
	<b>1.2: Empower region-wide actions that catalyze housing construction in areas that are viable for new development</b>					
	1.2.1: Work with regional property owners to put vacant properties on the market.		x	x		
	1.2.2: Bundle lots across municipalities to attract a builder, working with real estate agents to showcase available, shovel-ready lots to private developers.		x	x		
	1.2.3: Form a regional building co-operative (co-op) to encourage development of spec homes, and housing co-ops to lower costs of home ownership.		x			
	1.2.4: Create local or regional land trusts to acquire land for housing development.			x		
<b>2. Housing Innovation</b>						
	<b>2.1: Educate regional leaders and residents on alternative housing types</b>					
	2.1.1: Develop an educational campaign around the development of multifamily homes, modular and manufactured homes, and accessory dwelling units (ADUs).			x		
	2.1.2: Host homebuyer education in small towns across Region 4 and incentivize home transfer.		x	x	x	
	<b>2.2: Enable innovative housing types in individual communities through pilot programs, zoning, and districting efforts</b>					
	2.2.1: Shift local zoning codes to encourage accessory dwelling units (ADUs).		x			

Theme → Recommendation → Strategy		Local	Regional	State	Employer
	2.2.2: Create affordable housing districts in municipalities throughout the region, where appropriate.	x			
	2.2.3: Target denser microhome communities for senior citizens and H-2A seasonal agricultural workers.	x			
<b>3. Workforce and Human Capital</b>					
<b>3.1: Advance educational opportunities to create regional housing developers and homebuilders</b>					
	3.1.1: Incorporate age-appropriate career exploration and entrepreneurship into the K–16 curriculum.		x	x	
	3.1.2: Build more apprenticeship programs for high school students and adults in the building trades and associated industries, such as business banking and real estate.		x	x	x
	3.1.3: Create regional scholarships for students to pursue trades education.		x		x
<b>3.2: Develop a stronger understanding of the region's workforce needs as they relate to housing development</b>					
	3.2.1: Conduct a workforce study to understand regional gaps and discover residents who may be underemployed.		x		
	3.2.2: Partner with workforce development entities to better market and advertise opportunities in the trades.		x		
	3.2.3: Launch a centralized job board that local employers can use to post job openings.		x		
	3.2.4: Increase staffing for regional housing organizations to adequate levels for required impact.		x		
<b>3.3: Highlight housing development as a priority for the region's entrepreneurial ecosystem</b>					
	3.3.1: Provide business support services and incentives to enterprising local residents to develop startups and encourage entrepreneurship related to housing.		x		
	3.3.2: Amplify existing "builders exchange" directories and encourage more participation by local Region 4 construction companies, builders, and tradespeople.		x		
<b>4. Redevelopment, Reuse, and Repair</b>					
<b>4.1: Explore funding tools, policies, and marketing strategies that increase the volume of housing redevelopment, reuse, and repair in the region</b>					
	4.1.1: Create a redevelopment fund that provides low-interest loans for repair and renovation.		x	x	
	4.1.2: Expand the use of tax increment financing (TIF) for redevelopment throughout the region.		x	x	

Theme → Recommendation → Strategy		Local	Regional	State	Employer
	4.1.3: Develop ordinances that incentivize upkeep of vacant properties. Tax unoccupied properties at a higher rate to disincentivize blight, vacancy, and underinvestment.	x	x		
	4.1.4: Raise awareness of the redevelopment, reuse, and repair projects that are possible in the region.	x	x		
<b>4.2: Target individual homes for demolition and/or redevelopment, effecting incremental progress in creating new housing at a regional level</b>					
	4.2.1: Empower local municipalities to condemn and demolish blighted buildings through funding and ordinance.	x	x	x	
	4.2.2: Sponsor engineering surveys of available lots, properties, and parcels to facilitate redevelopment.	x	x		
<b>5. Funding</b>					
<b>5.1: Explore the creation of new regional housing development funding programs</b>					
	5.1.1: Provide loan guarantees to housing lenders.		x	x	
	5.1.2: Create a revolving loan fund (RLF) to finance the appraisal gap seen in many Study Area communities.		x	x	
	5.1.3: Create a regional community development financial institution (CDFI).		x	x	x
	5.1.4: Issue regional bonds to create a higher volume of development-ready capital.		x		
<b>5.2: Leverage and expand existing statewide housing finance programs</b>					
	5.2.1 Propose changes to the Bank of North Dakota's Flex PACE for Affordable Housing program to include not only housing development but repair and rehabilitation.			x	
	5.2.2: Advocate for an expansion of the North Dakota Housing Incentive Fund (HIF) program.			x	
	5.2.3 Work with state leaders to expand the two-year tax exemption limit.			x	

## Endnotes

1. Fourth Economy Analysis of American Community Survey 5-Year Estimates, 2008–2012 and 2018-2022
2. Chase Bank: “Vacancy rate in real estate: What is it and how does it work?”
3. North Dakota Labor Market Information; <https://www.nd.gov/>
4. Lightcast™ Unique Job Postings. May 2024.
5. U.S. Department of Justice, Justice Department Reaches Major Olmstead Settlement Agreement with North Dakota, 2020
6. US Census Bureau – [Walsh County, North Dakota QuickFacts \(Housing\)](#)
7. Fourth Economy Analysis of American Community Survey 5-Year Estimates, 2008-2012 and 2018-2022
8. Fourth Economy Analysis of US Census ACS data, 2012-2022
9. US Census Annual Estimates of the Resident Population: April 1, 2010, to July 1, 2019, and US Census ACS 2022 1-Year Estimates
10. Note: This is based on ACS 2022 5-year data, and contains a +/- 10 percent margin of error. Due to small population numbers, margin of error in rural data tends to be large.
- 11-11. Fourth Economy Analysis of Census OnTheMap data, 2021
12. Chase Bank: “Vacancy rate in real estate: What is it and how does it work?”
13. Site Selection Group, 2024
14. Note: Value is measured by the Census Building Permits Survey, which provides national, state, and local statistics on new privately owned residential construction. The United States Code, Title 13, authorizes this survey, provides for voluntary responses, and provides an exception to confidentiality for public records.
15. North Dakota Labor Market Information, Long-Term Employment Projections, 2020–2030
16. Lightcast™ Unique Job Postings. May 2024
17. Fourth Economy Analysis of Census Business Builder data
- 18-19. North Dakota Labor Market Information, Long-Term Employment Projections, 2020–2030
- 20, 22-23. Fourth Economy Analysis of Lightcast™ Data
21. Supercommuters are a category of commuters who undertake a significantly longer than average commute each day in terms of time and/or distance—in this case, more than fifty miles.
24. [Value Capture - Tax Increment Financing](#)
25. [FHWA - Center for Innovative Finance Support - Value Capture - Land Value Tax](#)

# McKENZIE COUNTY

## ★ ECONOMIC DEVELOPMENT ★

Chairman Longmuir, Vice Chairman Fegley and members of the House Political Subdivisions Committee:

My name is Daniel Stenberg. I am the director of McKenzie County Economic Development and executive director of our Job Development Authority board. Our board is made up of business and government leaders from throughout McKenzie County. I also serve as the chair of the Vision West ND Housing Committee. Vision West ND is a collaborative team of representatives from western North Dakota counties, cities, economic development organizations, universities, businesses and business organizations, associations, state organizations, and others who are interested in sustainability for western North Dakota. Both at the county and regional level housing development remains one the prominent pinch points for workforce and community development.

At the McKenzie County JDA level, we have participated in four different housing programs to incentivize housing development since 2019. It is not something we have wanted to do, but because the private market has not adequately responded, we felt we needed to intervene. The next page shows that about 30% of the housing permits that were pulled are attributable to one of those four programs we have been a part of. So, we do understand the need for government to intervene in spurring housing growth, and we applaud the direction of this bill.

***We applaud*** the way this is written in that it emphasizes local control of the program. Our communities do have different needs, so it is crucial that funds awarded in a way that enables communities of various sizes to participate.

We ***would ask that you consider*** an amendment to the bill: “The maximum grant award for a community with more than 20,000 individuals is \$1,500,000. **The maximum grant award for a community with 5,001 to 20,000 individuals** (Jamestown, Minot AFB, Wahpeton, Devils Lake, Watford City, Valley City) **is \$3,333,000.**”

Thank you for your consideration.



OVERVIEW OF HOUSING PROGRAMS	2018	2019	2020	2021	2022	2023	2024	SUM
<b>Housing Development Subsidy</b> <i>(in effect 2019-2022)</i> Provided up to \$50k subsidy for buyers who purchased newly-built house; total used: \$2 million		8	25	12				<b>45</b>
<b>Shovel-Ready Lot</b> <i>(in effect 2020-2028)</i> Provided funds for buildout of infrastructure on 134 lots with cap on sale price for lot and promise to get houses constructed on them; total used: \$5 million			4	11	1	0	2	<b>18</b>
<b>Home Builder Construction Loan</b> <i>(in effect 2023-2024?)</i> Provided lower interest loan to builders for new house construction; total used: \$757,439 (loan)							4	<b>4</b>
<b>Watford City Housing Authority Pathway to Purchase</b> <i>(in effect 2024- ~2027)</i> Provided funding for Watford City Housing Authority to administer a rent-to-own program; total used: \$3.6 million (loan)							9	<b>9</b>
<b>Total houses as part of programs listed above</b>	<b>0</b>	<b>8</b>	<b>29</b>	<b>23</b>	<b>1</b>	<b>0</b>	<b>15</b>	<b>76</b>
<b>Single family housing permits issued County-wide</b>	<b>10</b>	<b>25</b>	<b>67</b>	<b>64</b>	<b>26</b>	<b>29</b>	<b>39</b>	<b>260</b>

About 30% of new housing built in McKenzie Co from 2019-2024 is attributable to these programs; at an average of \$420k/house these programs impacted the building of nearly \$32 million in housing for 76+ families.





## BILLINGS COUNTY

P.O. Box 168

MEDORA, ND 58645-0168

**Billings County Commission**  
*Steven Klym District 2*



**Phone (701) 623-4377**  
*James Haag District 1*

**Fax (701) 623-4761**  
*Dean Rodne District 3*

March 3, 2025

House Political Subdivisions Committee

VIA email testimony to: [lcouncil@ndlgis.gov](mailto:lcouncil@ndlgis.gov)

RE: IN FAVOR 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 (HOME) program

Chairperson Longmuir and Members of the Committee,

On behalf of the Billings County Commission, I am writing for your support of SB 2225. The County would like to begin by thanking the North Dakota Department of Commerce and the ND Housing Initiative Advisory Committee for their guidance and work on drafting this bill which seeks to provide a program to assist housing development in North Dakota communities. There has been positive momentum for this bill in the Senate and the county hopes this momentum will continue in the House after cross-over.

The North Dakota Housing Initiative Advisory Committee established the Goal to: *Remove housing as a workforce barrier by unleashing the power of the private market to increase access to housing that is attainable to people living and working in North Dakota.*

This goal of the State aligns with the following policies of the Billings County Comprehensive Plan:

- Ensure **access of all residents of the County to the local housing market.**
- Promote use of and **coordination with state and federal housing programs.**
- Encourage housing development to **meet changes in the demands of the local economy.**

The Medora area is projected to need 50-60 housing units within the next 2 years and another 150 units in the next 5-10 years, but we're challenged for housing development because of limitations that increase the typical costs of construction. Lack of water and sewer infrastructure, unique and difficult terrain, and a high percentage of state and federal lands all contribute to increased housing costs that developers must pass on to the homebuyer.

Public-private-partnerships are essential for developing affordable housing and the private market must collaborate with the local municipalities to provide this needed infrastructure for North Dakota's workforce. Billings County is committed to support housing and we appreciate the State's involvement as a local public partner as well. Thank you for considering these issues when making your recommendation & appropriation.

Sincerely,

A handwritten signature of Dean Rodne in black ink.

Dean Rodne

Chairperson, Billings County Commission



[www.graftonnd.gov](http://www.graftonnd.gov)

PO Box 578 | 5 East 4th Street | Grafton, ND 58237

Phone: 701.352.1561 | Fax: 701.352.2730 | TDD: 701.352.1411

**Testimony of Jennifer Dusek in support of SB 2225**

To House Political Subdivisions Committee

March 13, 2025

Chairman Longmuir, Vice Chairman Fegley, and Committee Members:

I am Jennifer Dusek, Community Development Director for the City of Grafton.

**I'm seeking your consideration to support SB 2225 for \$50 million to help municipalities with the cost of infrastructure related to housing development. Our primary barrier to economic growth in our small community is housing, making this bill pertinent to the growth of rural towns.**

Contrary to common belief, our small towns are not dying. Grafton, rural town with 4,100 people, anticipates a 4% growth in population within the next decade. Grafton also sees 70% more workers commuting to Grafton to work rather than leaving Grafton to work, indicating that there is nowhere for them to live. Our employers echo the need that lack of housing is what prevents them from attracting and sustaining their workforce. Housing influences every area of economic growth.

Our preliminary estimate to add necessary infrastructure for housing in Grafton was over \$3.5 million. This high cost of infrastructure is a major deterrent to moving forward with housing construction. Our small towns are burdened by increasing costs; however, the support of this bill would allow our rural community to add needed infrastructure for 34 single family lots. Local employers confirm that at least 60 housing units are needed immediately.

A lack of housing has become the chief barrier to progress in our community and is a critical economic development priority. The cost of infrastructure is too great for our rural cities to absorb and still maintain current economic programming.

I urge your support to allocate funding of \$50,000,000 in which \$10,000,000 will be allocated to communities with a population of fewer than 5,000 individuals. Our rural communities need your support.

Respectfully submitted by Jennifer Dusek, District 19

[jdusek@graftonnd.gov](mailto:jdusek@graftonnd.gov)

(701) 352-1561



Testimony of Jim Murphy, Executive Director, Traill County EDC in support of SB 2225

House of Representatives – Political Subdivisions Committee

March 11, 2025

My name is Jim Murphy, and I am the Executive Director of Traill County Economic Development Commission. We serve the citizens and businesses to help identify and cultivate economic prosperity within Traill County and at the same time, throughout the region.

Many of the businesses in Hillsboro, Mayville and other Traill County cities are growing and have need for increased workforce. This growth necessitates additional capacity for workforce. Meeting that need can be challenging given the distances builders must send construction materials and crews to build in our markets.

Geographically, Traill County is located between Cass County and Grand Forks County – two of the economic centers of the state. Many Traill County denizens live and work within the county, of course. However, many work in Grand Forks and Fargo as well, **supporting the entire region's economy**. Regardless of their work life, residents enjoy the location and the small-town atmosphere of Traill Counties' cities, and we want to make sure there are options for this lifestyle. To do that, we need to be able to build more multi-family and single-family housing, in our cities. And we need a little help to do so.

It is with that in mind that I am in support of SB 2225. The stimulus provided by this public/private partnership is exactly what many of the developers and builders can use to reduce the added expenditure of sending crews and materials 40 miles. The structure of awards demonstrated in SB 2225 means that municipality, state and businesses will all be invested in the building toward the future of these cities. **When I think of a house or apartment building built with this program having an effective life of 50 or 60 (or more) years, the investment will pay off for decades for these cities and the State of ND.**

I am encouraging a yes vote on SB 2225 to help us continue to grow our workforce and businesses for many years to come and thank you for taking a few minutes to read this.

Sincerely,

Jim Murphy – [Director@traillcountyedc.com](mailto:Director@traillcountyedc.com) – 701-636-4746





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701-355-4458 • [www.ednd.org](http://www.ednd.org)

**Testimony of Corry Shevlin**  
**Economic Development Association of North Dakota**  
**In Support of SB 2225**  
**March 13, 2025**

Chairman Longmuir and members of the House Political Subdivisions Committee:

My name is Corry Shevlin, CEO of Jamestown/Stutsman Development Corporation and member of the Economic Development Association of North Dakota (EDND). EDND represents over 80 economic development professionals and organizations across the state, dedicated to fostering economic growth, workforce development and business expansion. Thank you for the opportunity to testify in support of SB 2225, an essential step toward addressing the pressing housing needs in North Dakota.

The housing shortage in North Dakota has become a significant challenge, impacting families, employers, and the overall economic growth of our communities. By providing grants to political subdivisions based on population size, the bill ensures that resources are equitably distributed to address the unique needs of rural, small, and urban communities alike. One of the bill's key strengths is this targeted investment approach. The tiered allocation reflects a commitment to ensuring that no part of North Dakota is left behind in the effort to expand housing opportunities.

Another highlight of SB 2225 is its emphasis on public-private collaboration. The requirement for dollar-for-dollar matching funds from nonstate sources—equally contributed by political subdivisions, local developers, and private entities—maximizes the program's impact. This collaborative framework leverages the state resources in a way that also allows the political subdivisions the ability to make strategic investments in their communities. Private contributions, whether from local development corporations, donations, or in-kind contributions, demonstrate a shared commitment to addressing housing challenges and ensure that the funding generates broad-based support and engagement.

Additionally, this bill provides communities with the flexibility to identify and address their specific housing needs. Recognizing that the housing demands of a rural town differ from those of a metropolitan area, the program allows political subdivisions to work cooperatively to create solutions tailored to their unique circumstances. This community-driven approach ensures that the funding is utilized effectively, focusing on projects that align with local priorities and have the most immediate and meaningful impact.

Finally, SB 2225 includes mechanisms for accountability and transparency, which are essential for the responsible use of public funds. By requiring a report to legislative management and the governor, the program ensures that its progress is closely monitored. The report will provide valuable insights into the number of housing units supported, the communities benefiting from grants, and the sources of matching funds raised. This level of oversight helps build public trust and provides a foundation for refining future housing initiatives.

This legislation is critical for fostering economic growth and ensuring that all North Dakotans have access to quality housing. By reducing barriers to infrastructure development, SB 2225 will help attract and retain talent, support local businesses, and build stronger, more resilient communities.

I urge this committee to pass SB 2225 and demonstrate your commitment to addressing one of the most pressing issues facing our state today. Thank you for considering this important legislation.



Testimony  
**House Political Subdivisions Committee**  
**Senate Bill 2225**  
March 13, 2025

Chairman Longmuir and members of the House Political Subdivisions Committee. The Valley Prosperity Partnership (VPP) is a membership organization led by business executives – joined by economic development, chamber of commerce, and higher education leaders – to advance and advocate for shared strategic economic development opportunities for the Red River Valley region and for North Dakota.

The availability of housing, and particularly affordable housing, has become a limiting factor for growth in North Dakota – from our state’s smallest communities to the largest urban areas and in all sectors of the economy.

Housing shortages in small rural towns can have significant impacts on local economic development, often leading to decline. A lack of housing prevents younger generations from settling in their hometowns. Fewer new businesses are started since entrepreneurs are less likely to invest in areas where workers and customers cannot find housing. As families leave, local schools lose funding, and public services (e.g., post offices, libraries) shrink or shut down.

In North Dakota’s larger cities and areas experiencing rapid growth due to industries like energy, agriculture, healthcare and technology housing shortages have significant implications for local economic development. Businesses, schools, and healthcare facilities struggle to hire and retain workers when housing options are scarce. Restaurants, grocery stores, and local shops may close or reduce hours due to a lack of available employees.

Farms and agribusinesses rely on seasonal or full-time workers, but without affordable housing, recruiting becomes difficult.

The VPP strongly supports SB 2225, which provides funds for housing for opportunity, mobility, and empowerment program grants to political subdivisions to build infrastructure necessary to support affordable, market rate housing. Importantly, this is truly a public private partnership in that the department of commerce may spend the funds appropriated in this bill only to the extent matching funds have been secured from nonstate sources on a dollar-for-dollar basis.

Thank you for your consideration.

## Valley Prosperity Partnership Steering Committee

Chris Wolf, North Valley Market  
President, Alerus Financial\*

Mike McLean, Principal  
JLG Architects Vice Co-Chair\*

Shannon Roers Jones  
Roers Construction &  
Development  
Vice Co-Chair\*

Andrew Armacost, President  
University of North Dakota

Paige E. Bjornson, Northern  
Region President. Dacotah Bank

Steve Burian, President & CEO  
Burian & Associates

Dan Conrad, President & CEO  
Blue Cross Blue Shield North Dakota

David Cook, President  
North Dakota State University

Tim Curoe, CEO  
RD Offutt Company

Mylo Einarson, President & CEO  
Nodak Electric Cooperative

Chad Flanagan, Partner  
Eide Bailly

Rod Flanigan, President  
North Dakota State College of Science

Todd Forkel, CEO  
Altru Health System

Shannon Full, President/CEO  
Fargo Moorhead West Fargo  
Chamber of Commerce\*

Shawn Gaddie, Director of  
Infrastructure Management Services,  
AE2S

Kevin Hanson, President &  
CEO Gate City Bank

Brian Johnson, CEO, Choice Bank, Co-  
Chair Valley Prosperity Partnership\*

Tiffany Lawrence, CEO & President  
Sanford Fargo

Keith Lund, President & CEO  
Grand Forks Region EDC\*

William C. Marcil, Sr. Chairman Forum  
Communications Company

Paul Matthy, CEO  
Cass County Electric Cooperative

Pat McAdaragh, President & CEO  
Midco

Jeff Melgaard, Vice President  
Construction Engineers

Joe Raso, President & CEO  
Greater Fargo Moorhead EDC\*

Jason Seger, President  
Border States Electric

Barry Wilfahrt, President & CEO  
The Chamber Grand Forks/East Grand  
Forks\*

Delore Zimmerman, Executive Director\*

\* Member Executive Committee





March 12, 2025

Senate Bill 2225 Testimony: **In Favor**  
 Hon. Terry Wanzek, Chairman  
 House Political Subdivisions

Chairman Longmuir 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.

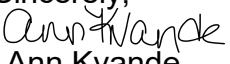
While hundreds of shovel-ready lots are available, there is a distinct lack of building activity due to a low number of builders, contractors, and subcontractors. This, coupled with the high cost of materials and labor due to the current state of the economy, there is a dire need to spur homebuilding 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

# North Dakota Association of Builders

*The North Dakota Association of Builders represents the professional building industry through legislation, information and education.*



**March 13, 2025**

## **Testimony in Support of SB 2225**

Political Subdivisions Committee

Chairman Donald W. Longmuir

Chairman Longmuir and Members of the House Political Subdivisions Committee,

My name is Jeff Sattler with Sattler Homes in Bismarck. I'm a current board member and past President of the North Dakota Association of Builders (NDAB). The NDAB represents the professional building industry through legislation, information and education with 1,400 members statewide. We are also chartered with the National Association of Home Builders (NAHB).

On behalf of NDAB, I submit this testimony in **support** of Senate Bill 2225. The bill is aimed at addressing the housing infrastructure needs of North Dakota communities through the Housing for Opportunity, Mobility, and Empowerment (HOME) Grant Program.

Access to quality and affordable housing is a foundational element of economic growth and community stability. This bill's \$50 million appropriation is a significant step toward ensuring that North Dakota's communities have the necessary resources to meet their housing challenges. By allocating funding across various community sizes, this program acknowledges that housing needs differ based on location, ensuring that small towns, mid-sized, and large cities alike can benefit equitably.

The requirement for a match from political subdivisions, local developers, and private entities promotes public-private partnerships that will maximize the impact of these investments. By leveraging local resources, we can expand our capacity to build quality housing. Additionally, the provision allowing communities to identify their own housing priorities ensures that the program remains flexible and responsive to local needs.

As builders, we recognize the urgent demand for workforce housing, particularly in growing areas where affordability has become a barrier. This program will provide support for infrastructure development, enabling us to construct homes that working families, seniors, and young professionals can afford. Furthermore, the emergency designation of this bill underscores the immediate need for action, and we strongly support its expedited implementation to prevent delays in addressing our housing shortages.

In conclusion, the North Dakota Association of Builders urges the committee to **support** Senate Bill 2225. Thank you for your consideration, and we look forward to working together to build a stronger, more resilient housing market for our state.

# North Dakota Association of Builders

*The North Dakota Association of Builders represents the professional building industry through legislation, information and education.*

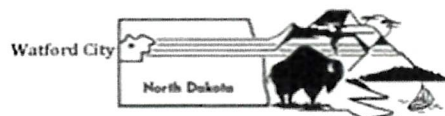


Respectfully submitted,

Jeff Sattler, *Sattler Homes, Inc.*

Past President & Board Member, *North Dakota Association of Builders*

[jeff@bismarckbuilder.com](mailto:jeff@bismarckbuilder.com)



TO: House Political Subs  
 FROM: City of Watford City, Community & Business Development  
 DATE: March 13, 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 Longmuir, Vice Chairman Fegley and members of the House Political Subs Committee:**

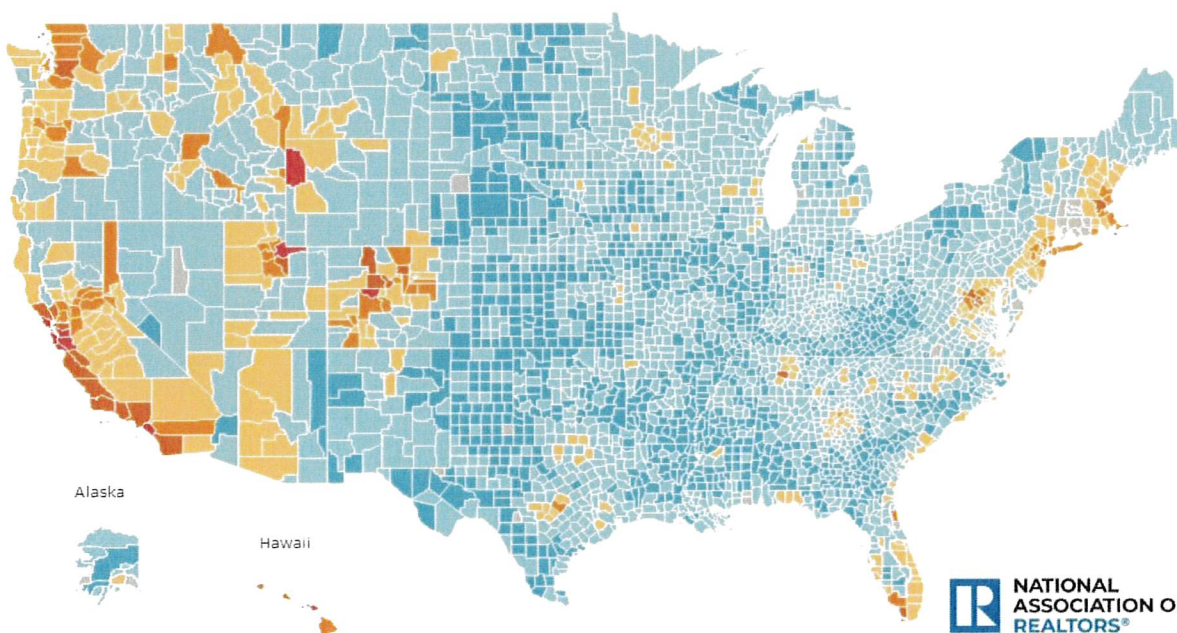
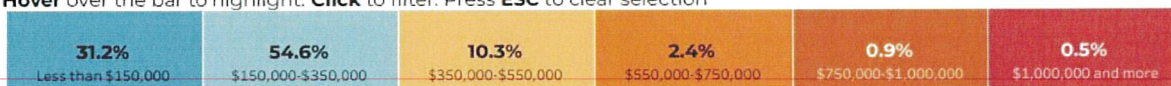
Thank you for the opportunity to stand in support of SB 2225 today. My name is Vawnita Best, Community & Business Development Director for the City of Watford City. On any given month in North Dakota, McKenzie County produces between 35-45% of North Dakota Sweet Crude – the oil that is responsible for generating over 50% of North Dakota's tax collections. Watford City is the county seat of McKenzie County where 50% of the county's population lives.

I am providing you with an infographic from the National Association of Realtors for the following purpose:

## County Median Home Prices

### Q3 2024

Hover over the bar to highlight. Click to filter. Press **ESC** to clear selection



In the United States, on a county-by-county basis, 10.3% of US counties experience AVERAGE housing sales between \$ 350,000 and \$ 550,000. 85% of US counties experience AVERAGE housing sales UNDER \$ 350,000. Specifically in McKenzie County, our 2025 average sold price was \$466,000 in January and \$430,000 in February. When you look at the lone TAN county in all of North Dakota, South Dakota and eastern Montana (see McKenzie County as a tan colored island in a sea of blue), we are among the 15% most expensive counties in the United States to purchase a home. That lone TAN county generates 1 in every 6 tax dollars that funds the state of North Dakota's budget - to fund things such as property tax relief, public education, Fargo floor protection, Prairie Dog funding for all non-oil and gas producing counties and cities, and many other things we enjoy as North Dakotans.

AND, the businesses that generate these tax dollars NEED affordable housing for their employees and their contractors. We communicate closely with our top employers in McKenzie to ensure our community development initiatives are in line with their BR&E needs, which are primarily workforce needs. Our largest, disclosed employers from JSND's 2023 LMI annual report are:

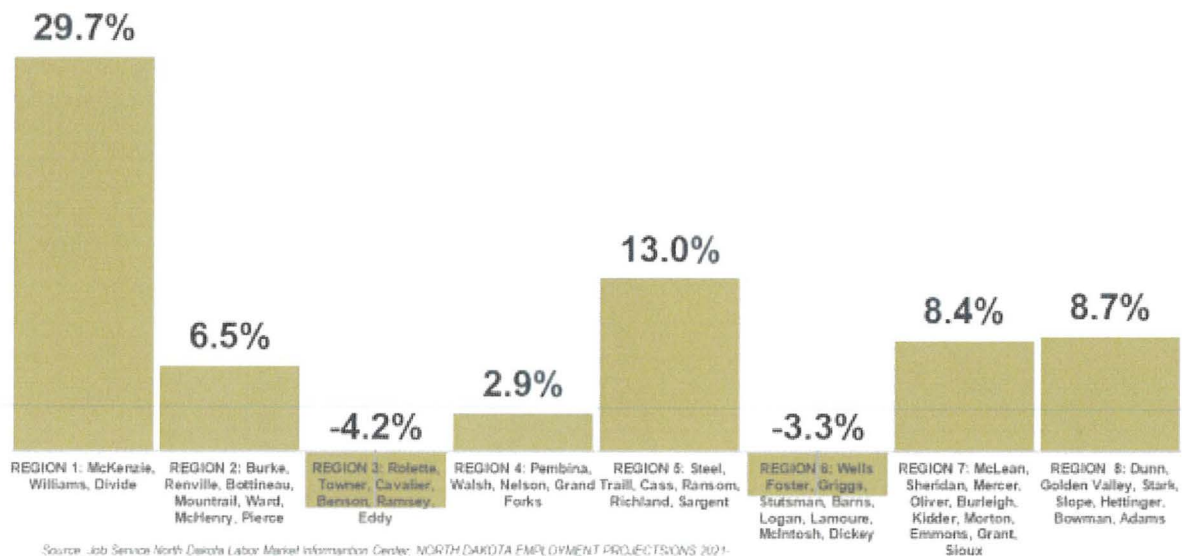
- McKenzie Co Public School District, McKenzie Health
- ONEOK Inc.
- Jones Contractors
- McKenzie County
- Kinder Morgan
- Delta Constructors
- Energy Transfer
- Enerplus
- Panther Pressure Testers
- Tiger Well Service
- Chord Energy
- Cash Wise Foods
- Baker Energy Services
- Conoco Phillips
- City of Watford City

I am excited to stand in support of 2225 today - to create the H.O.M.E. program and to provide \$20 M in match grant funds for communities of 5,001 – 20,000 individuals to generate rooftops and create affordable housing for working North Dakota families. Since 2010, when Watford City was a town of 1,744 people to today, and over 7,500 people (calculated by our waste water treatment plant), we have been severely short on rooftops and listed sale inventory. Over and over again, the businesses listed above and many other McKenzie County businesses have identified affordable housing as the primary obstacle to workforce attraction, retention and ultimately business expansion. This program will provide an opportunity to make a difference for these businesses and the needs of their workforce.

To further support the need for \$20M for communities of 5,001 – 20,000, the below referenced infographic shows the projected workforce growth in Region 1 (Divide, Williams and McKenzie Counties) of over 10,500 people by 2031. **One in every three jobs created in North Dakota through 2031 is expected to be in McKenzie, Williams and Divide counties.** A projected workforce without realistic affordable housing solutions at this point in time.



## Employment projection change from 2021 to 2031, by ND Region



Employment for North Dakota Region 1 which includes the counties of McKenzie, Williams, and Divide is projected to increase from 35,641 in 2021 to 46,212 in 2031 which is a 29.7% increase. Employment for North Dakota is projected to increase from 456,703 in 2021 to 499,750 in 2031, a 9.4% increase. Region 1's projected growth rate is the highest in the state of North Dakota. See more in [this report](#) from the Labor Market Information Center of Job Service North Dakota.

In addition to supporting 2225 the City of Watford City also respectfully requests an amendment to the bill:

### SECTION 1, SUBSECTION 4 – ADD a maximum grant award for a community with 5,001 and 20,000 of \$ 3,333,000:

- "The maximum grant award for a community with more than 20,000 individuals is \$1,500,000.
- **The maximum grant award for a community with 5,001 to 20,000 individuals** (*Jamestown, Minot AFB, Wahpeton, Devils Lake, Watford City, Valley City*) **is \$3,333,000.**"

If the H.O.M.E. program was available to support \$3.3M in residential infrastructure funding to buy down lot prices in Watford City and incentivized the creation of 150-200 rooftops, that would help our businesses lower their self-identified primary barrier to attracting workforce to McKenzie County and retaining them there.

Chairman Longmuir, Vice-Chairman Fegley and members of House Political Subs Committee, THANK YOU for the opportunity to stand in support of 2225 and to offer our suggested amendment to SECTION 1, SUBSECTION 4. I am happy to stand for any questions.

Sincerely,

Vawnita Best, Community & Business Development Director, City of Watford City | [vbest@nd.gov](mailto:vbest@nd.gov) | (701) 580-1862



Senate Bill 2225 Testimony: In Favor  
Hon. Donald Longmuir, Chairman  
House Political Subdivisions

March 13, 2025

Chairman Longmuir and Committee Members,

My name is Anna Nelson, Executive Director of the City of Williston Economic Development Department. As is the case across the state, workforce development has become a priority for our department, which includes addressing childcare and housing challenges that have proven a hindrance to workforce and economic growth.

As a participant in former Governor Doug Burgum's roundtable in Williston as part of his North Dakota Housing Initiative, I am grateful to see that the HOME Housing Infrastructure Grant program addresses some of the challenges and desires expressed during that discussion, and I want to express my support of SB2225.

Being the largest community in the region, Williston serves as a hub for businesses, activities, and housing for individuals and businesses in a radius of up to 120 miles. Looking ahead to the next five years, the Williston area will see substantial growth with several proposed projects:

- Williston Square construction, including:
  - Highway 2 re-direct project
  - Sloulin Elementary School
  - Black Diamond Estates
  - Retail/food and beverage projects
- Cerilon gas-to-liquids plant
- Basin Electric generation stations
- Proposed data centers

These are projected to bring in more than 3,000 temporary workers during construction and another more than 500 employees to fill permanent jobs. This does not even take into account current business expansions or any other projects in the area. With our rental units at about 98% occupancy, low housing inventory, and families that are ready to transition, we know that we will need to build a substantial number of rooftops to be able to meet demand.

After assessing our current housing situation, fellow department heads and I have determined that, while we have a good number of shovel-ready lots available, conversations with local builders have informed us that high materials and labor costs as well as a lack of subcontractors have limited their ability to build, especially to scale. These challenges have illustrated the need to support homebuilding activity in some





capacity, and we are pleased to see the potential assistance that could come from SB2225 to ensure we can have the infrastructure in place to support the much-needed additional rooftops.

I would be remiss if I did not extend my sincere thanks to the legislative body for considering multiple approaches to address the urgent need to increase housing availability and affordability across the state. North Dakota is increasingly becoming a state in which people want to invest and live, and it is prudent that we ensure that we can welcome new businesses and residents, offering them a place to call home here in our great state.

I respectfully encourage a Do Pass recommendation for SB2225.

Thank you for your efforts and I invite you to please reach out should you have any questions or need additional information from us here in Williston.

Sincerely,

A handwritten signature in black ink, appearing to read "Anna Nelson".

Anna Nelson

Executive Director

[annan@ci.williston.nd.us](mailto:annan@ci.williston.nd.us)

(c) 701-651-8265



**GREATER NORTH DAKOTA CHAMBER**  
**SB 2225**  
**House Political Subdivisions Committee**  
**Chair Donald Longmuir**  
**March 12, 2025**

Mr. Chairman and members of the Committee, my name is Andrea Pfennig, and I am the Vice President of Government Affairs for the Greater North Dakota Chamber. GNDC is North Dakota's largest statewide business advocacy organization, with membership represented by small and large businesses, local chambers, and trade and industry associations across the state. We stand in **support** of Senate Bill 2225.

In our 2024 ND Economics and Employer Survey of our membership, 70% of respondents indicated they were having trouble hiring employees. Labor availability has been identified as the top business concern facing companies in North Dakota. When we asked specifically about housing in our survey, 43% indicated that it was a barrier.



We know from conversations with our members that when housing is a barrier, it can be very significant. Businesses that are poised for growth question whether they can grow in their existing community or if they will have to expand out of state. Because of this, we support innovative solutions to help solve the housing shortage in the state.

We appreciate that SB 2225 provides flexibility for communities to tailor funding to meet their specific needs and urge you to SUPPORT SB 2225. Thank you for your consideration.





**Senate Bill 2225 Testimony: In Favor – DO PASS**  
**March 13, 2025 | 10 am | House Political Subdivisions Committee**

Chairman Longmuir and Committee Members,

My name is Lindsey Harriman, and I am the Community Engagement Coordinator for Williams County. I am a member of the Vision West ND Housing Committee, which has been cultivating resources over the past year or so for building affordable housing. Additionally, one of our County Commissioners, Steve Kemp, was a member of former Governor Burgum's North Dakota Housing Initiative Advisory Committee and we were both participants in the Initiative's Housing Round Table Discussion in Williston last summer.

I am writing today **in favor of SB 2225** as this bill addresses a critical element for increasing the inventory of much needed affordable housing through infrastructure funding. We appreciate that the bill is constructed in a way that leverages local entities to determine the pressing housing needs and cooperatively create solutions.

Williams County, and its communities, have been on a housing rollercoaster since the onset of the most recent oil boom in the early 2010s. In response to the boom, builders flocked to the area to quickly put up housing, including workforce housing. As the oil and gas industry fluctuated, some housing units remained unoccupied for a few years, but in 2025, we are now at a point again where rental units are exceeding 90% occupancy and there is a very limited inventory of single-family homes, let alone any type of housing that can be considered "affordable." Over the next decade, we expect our population to continue to grow at a strong pace as the energy industry continues to innovate and new industrial projects, such as the Cerilon gas-to-liquids plant and the Basin Electric natural gas power generation station, come online.

The common theme in our local housing discussions is the need for not only new infrastructure, but also for upgraded or improved infrastructure to support the current population. Williams County has been working to do our part, through funding for improvements to not just our county roads but also providing supplemental funding to townships for their road improvements and to the Northwest Rural Water District for a new water line. **However, funding-intensive needs continue to exist, such as for new water lines, upgraded water lines, new and improved rural sewer systems, and roads for community access – all to support the increase in affordable housing inventory.**

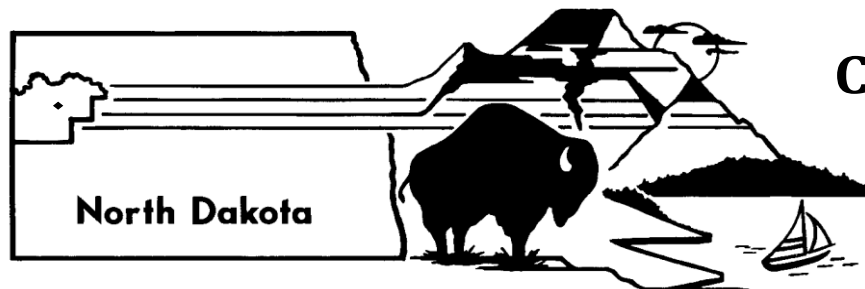
Williams County encourages a **DO PASS for SB 2225**. Thank you for your consideration of this important piece of legislation that aims to invest in infrastructure for much-needed affordable housing.

Respectfully submitted,

Lindsey Harriman  
Williams County Community Engagement Coordinator

**Lindsey Harriman | Community Engagement Coordinator**

PO Box 2047 | 206 E. Broadway | Williston, ND 58802-2047 | Office 701.577.4547 | Cell 701.609.1160 | lindseyh@co.williams.nd.us



## City of Watford City

213 2<sup>nd</sup> St. NE / PO Box 494

Watford City, ND 58854

Ph. 701-444-2533

Fax 701-444-3004

*Celebrating 100 Years - 2014*

cityofwatfordcity.com

March 11, 2025

Jake Walters  
City Planner  
The City of Watford City  
213 2<sup>nd</sup> St NE  
PO Box 494  
Watford City, ND 58854

House Political Subs Committee  
North Dakota Legislative Assembly  
State Capitol  
Bismarck, ND

RE: Letter of Support for Senate Bill 2225

Chairman Longmuir, Vice Chairman Fegley, and Members of the House Political Subs Committee,

I write to you today in strong support of Senate Bill 2225 and its vital role in ensuring that communities across North Dakota have the necessary resources to address their unique housing needs. As a City Planner in western North Dakota, I have seen firsthand the challenges our communities face in attracting and retaining a workforce due to the lack of affordable, permanent housing options. The provisions outlined in SB 2225 are a crucial step toward alleviating these burdens and fostering sustainable economic growth across our state.

In his testimony for this Bill, Governor Kelly Armstrong aptly described the pressing need for housing solutions, emphasizing that "housing is a major obstacle in our efforts to attract and retain a workforce." The \$50 million appropriated in this bill for the Housing for Opportunity, Mobility, and Empowerment (HOME) program represents a bold and necessary investment, leveraging public-private partnerships to generate \$150 million in housing solutions statewide. What makes this initiative particularly effective is its commitment to local decision-making—each community determines the type of housing most needed and partners accordingly to deliver results.

The City of Watford City has repeatedly highlighted how vital programs such as SB2225 are for areas impacted by rapid workforce expansion. McKenzie County, for example, generates an estimated 35-45% of North Dakota Sweet Crude, contributing significantly to state revenues. Yet, the region struggles with some of the highest housing costs in the state, making workforce attraction and, more importantly, retention increasingly difficult.

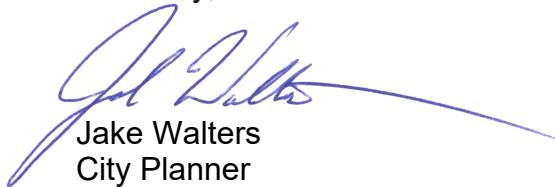
To maximize the impact of SB 2225, I respectfully recommend the following amendment:

**Include Grant Caps for Mid-Sized Communities** – I recommend establishing grant award caps specifically for communities with populations between 5,001 and 20,000. This would give eligible communities sufficient opportunity to apply for funding and allow them adequate time to identify the most effective use of resources based on their local needs. Communities such as Watford City, Jamestown, Minot AFB, Wahpeton, Devils Lake, and Valley City would particularly benefit from this adjustment, enabling them to better address housing shortages and meet increasing workforce demands.

North Dakota's long-term economic success is directly tied to the availability of quality, affordable housing. Senate Bill 2225 is a critical step in addressing this challenge, and with the recommended amendment, it can provide even greater flexibility and impact for communities such as ours.

Thank you for your consideration and your leadership in advancing housing solutions for North Dakota. I appreciate the opportunity to express my support for SB 2225.

Sincerely,



Jake Walters  
City Planner  
City of Watford City  
o. 701-444-8402  
jwalters@nd.gov



### Letter of Support – SB 2225

Thursday, March 13, 2025

Chairman Longmuir and members of the House Political Subdivisions Committee,

For the record, my name is Cale Dunwoody, and I have the distinct pleasure of serving as the Vice President of Public Policy for the Fargo Moorhead West Fargo Chamber of Commerce (FMWF Chamber). On behalf of our over 1,700 members, I respectfully offer testimony in support of Senate Bill 2225.

At the FMWF Chamber, our mission is to protect and promote business, inspire individuals, cultivate communities, and influence action. Housing continues to be a significant challenge for communities across the state. These communities lack a stock of income-aligned and diversified housing – directly impacting their ability to attract and retain workers and their families.

We are extremely grateful for the leadership of Governor Armstrong, Senator Bekkedahl, and Commissioner Schilken in their development and support of key workforce initiatives, such as the Housing for Opportunity, Mobility, and Empowerment Grant Program (H.O.M.E). Through this community-based solution, political subdivisions across North Dakota will be able to enhance their efforts to further attract and retain individuals to address their communities' workforce needs.

Since 2010, the FMWF region's population has grown nearly 18 percent; however, our members continue to express concerns centered around the availability of high-quality, skilled workers and a strong workforce pipeline. North Dakota's Labor Force Participation rate trends well above the national average at 68.9% (the national average is 62.8%) and our unemployment rates are amongst the lowest in the nation at 2.4%. This suggests that most individuals who are able and willing to work are already employed – we simply do not have enough workers to fill open positions. The H.O.M.E grant program is a pivotal workforce tool that makes strategic investments to help lower the cost of infrastructure and incentivize the production of additional housing units, directly addressing our state's workforce challenges.

A recent housing study indicated that the FMWF region will need at least 16,400 additional units in the next 10 years, with at least 11,800 units needing to be built in Fargo, West Fargo, and Horace. Our region has experienced steady increases in housing costs, largely due to rising mortgage rates and construction costs – increasing the minimum income required to purchase a home. For example, in 2022 the minimum income required to purchase the average home (approx. average home value - \$274,000) was \$81,000 (approx. median household income is \$71,000). Additionally, in 2022, new construction homes were sold or appraised on average at \$425,000 and less than 30% of the region's residents can afford homes at these prices.

As North Dakota continues to grow, we must make strategic public-private investments to address housing shortages and affordability in urban and rural communities. This grant program ensures North Dakota's communities have additional resources to develop diverse, affordable, long-term housing solutions that best meet the needs of their individual community. State investments, like this, coupled with local public and private programmatic and financial support, are fundamental to directly addressing our state's housing challenges - ensuring the continued growth and prosperity of our state.

As the Legislative Assembly considers vital workforce and housing initiatives, we encourage strategic investments in key programs, like the H.O.M.E grant program. This community-based solutions recognizes the unique challenge of different communities and provides necessary resources to address our growing population and vibrant economy. We respectfully urge this committee to give this bill a DO PASS recommendation.

Thank you for your attention to this matter and your commitment to North Dakota.

Sincerely,

Cale Dunwoody  
Vice President of Public Policy  
Fargo Moorhead West Fargo Chamber of Commerce



Testimony in Support of  
**Senate Bill No. 2225**  
**House Political Subdivisions Committee**  
March 13, 2025

TESTIMONY OF

**Chris Schilken, Commissioner, North Dakota Department of Commerce**

Chairman Longmuir and members of the House Political Subdivisions committee, my name is Chris Schilken, Commissioner for the North Dakota Department of Commerce. As Gov. Armstrong stated in his testimony, Commerce will administer the \$50 million HOME program, designed to address housing needs by reducing infrastructure development costs for affordable, market-rate housing. The program runs from the effective date of the authorizing legislation to June 30, 2027, and is a one-time funding item. I will walk through the program implementation components.

1. Grant Distribution: Commerce will provide grants to political subdivisions, empowering communities to identify their most pressing housing needs and develop collaborative solutions with local economic development corporations. Funding will be allocated as follows:
  - \$10 million for communities with populations under 5,000.
  - \$20 million for communities with populations between 5,001 and 20,000.
  - \$15 million for communities with populations exceeding 20,000 (with a maximum grant award of \$1.5 million).
  - \$5 million for rural metropolitan areas within 20 miles of a city limits with over 20,000 residents.
2. Matching Funds Requirement: A dollar-for-dollar match from non-state sources is required for all grants. This match must be derived from:
  - Funds provided by the political subdivision and local developers.
  - Private funds from within the applying community (including local development corporations, donations, or in-kind contributions).



3. Flexibility and Contingency: If funds remain uncommitted or unexpended by December 31, 2026, Commerce may award them to viable projects regardless of community size or location.
4. Reporting and Oversight: Commerce will provide a comprehensive program status report to the Legislative Management and the Governor by June 30, 2026. This report will detail expenditures, the number of housing units supported, grant applications received, and matching funds secured from various sources.

This structured approach ensures responsible allocation of funds, fosters local collaboration, and promotes the development of much-needed affordable housing across North Dakota.



**NORTH DAKOTA  
PLANNING ASSOCIATION**  
Serving North Dakota since 1973

**NDPA Board**

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Maegin Elshaug – At Large  
David Sweeney – At Large*

March 13, 2025  
Committee Hearing: **SB2225**  
House Political Subdivisions

Chairman Longmuir and Committee Members,

The North Dakota Planning Association respectfully requests a PASS recommendation on Senate Bill 2225.

Our organization and its members are encouraged by the legislature's recognition of the housing issue and its widespread pressures; from workforce, materials, financing and everything in between. Our economic growth is dampened by our housing shortages, and based on data presented through the Housing Initiative committee, we feel North Dakota has significant potential to be an 'affordable' place for folks to live, if we can increase and better meet housing demands.

NDPA will occasionally receive requests from our more remote, smaller communities seeking planning professional advice as community planning is often not in the budget for them. We understand those financial limitations often carry through into other sectors for those communities and as such, we are concerned that our smaller localities will struggle to meet the 1 for 1 funding match the current bill proposes. We'd hope to see that requirement lessened for those under 1,000 in population, to see more localities be able to participate in this much needed opportunity.

Passage of SB2225 is a step in the right direction of collaboration between state agencies and political subdivisions to meet this critical need and we look forward to seeing the tangible results this funding opportunity would provide.

Thank you,

North Dakota Planning Association Board  
Rachel Laqua, President

March 13, 2025

To: North Dakota House Political Subdivisions Committee  
 From: Ellen Huber, NDAREC Rural Development Director  
 RE: **Support of Senate Bill 2225**

Chairman Longmuir and members of the House Political Subdivisions Committee,

On behalf of the North Dakota Association of Rural Electric Cooperatives (NDAREC) and its members, I express support for Senate Bill (SB) 2225. The proposed legislation would appropriate funding to the N.D. Department of Commerce for a housing program.

NDAREC President Angela Carlson of Regent served on the North Dakota Housing Initiative Advisory Committee convened in 2024 by former Governor Burgum to develop a comprehensive housing strategy. One of the committee's key recommendations is to provide flexible grant funds to local governments to support housing development.

Housing is a critical issue affecting North Dakota's ability to attract and retain workers. SB 2225 would fund grants to political subdivisions to lower infrastructure costs for affordable, market-rate housing. We also encourage allowing credit for past community investments in housing infrastructure to reduce special assessments and make lot prices more affordable.

Senate Bill 2225 also includes in it a provision for slum and blight removal, making infill lots available for redevelopment. This is a program piloted with the North Dakota Department of Commerce in the 2023 biennium. Many small towns can benefit, whether it's removing a dilapidated structure from a property that came back to the city or county for lack of property tax payment, or repurposing for housing properties that previously served the community in some other fashion.

While we support the bill's overall concept, we encourage allocating a larger share of funds to communities under 5,000 people. The bill currently designates 20% of funds for small towns, with 80% directed to the state's 14 largest cities. Larger cities already have greater access to developers and contractors, benefiting from economies of scale. Smaller communities face higher costs to attract builders, including mobilization expenses and financing gaps due to appraisal shortfalls.

Aging population trends further underscore the need for targeted rural investment. Seniors are staying in their homes longer, limiting the availability of housing for younger families. Ben Winchester of the University of Minnesota Extension, known for his work on re-writing the rural narrative, highlights the importance of “move-over” housing—independent, low-maintenance housing that allows seniors to transition out of larger homes, freeing up workforce housing. He notes, “When you provide move-over housing to your older population, you create opportunities for them to move out of their four-bedroom homes, helping to fill labor shortages.” However, many retirees cannot take on another mortgage and need affordable alternatives.

Investing in infrastructure for twin homes or similar developments in small towns can provide these housing options, ultimately freeing up existing homes. Additionally, funding for slum and blight redevelopment allows communities to repurpose lots where infrastructure is already in place, maximizing prior public investments.

NDAREC urges a “Do Pass” recommendation on SB 2225.



March 13, 2025

House Political Subdivisions

Rep. Donald Longmuir, Chair

For the record, my name is Kory Peterson. I am appearing before you today on behalf of the North Dakota League of Cities, in support of SB 2225. Prior to working with the North Dakota League of Cities, I was the Mayor of Horace for 8 years, from June 2016 to July 2024.

The League of Cities is supportive of measures to help with the housing crisis within the state. This bill will provide the ability of municipalities receiving matching monies to help facilitate housing developments within their jurisdiction.

For many cities within the state, the further they are away from a larger metropolitan area, the harder it is for them to compete for building resources. This would include getting engineering, contractor, and developer support into these areas.

This funding opportunity would give those cities looking to create a housing development some additional financial resources to be able to compete for these resources. With additional housing in municipalities, this will positively impact their quality of life and economic situation.

A concern for the smaller cities (under 500) competing for this additional funding for housing, they may have a difficult time coming up with a 1 to 1 match on funding. Because of this threshold, they may feel disenfranchised with this approach and won't even try this avenue for funding because of the lack of a match.

The League appreciates the efforts of lawmakers to help create more housing opportunities in the state and recommends a Do Pass on this bill.

Thank you.

Kory Peterson



## STENEHJEM DEVELOPMENT

TO: House Political Subs  
FROM: Stenehjem Development, L.L.P.  
DATE: March 13, 2025  
RE: SUPPORT of SB2225

*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 Longmuir, Vice Chairman Fegley and members of the House Political Subs Committee:**

Thank you for the opportunity to provide comments for the support of SB2225. My name is Dave Pankow and I represent Stenehjem Development, L.L.P. ("Stenehjem Development"). Stenehjem Development is a Watford City based company that has completed multiple large scale commercial and residential developments. Since 2012, Stenehjem Development has worked closely with Watford City leaders on the visionary layout of the city to accommodate the rapid growth Watford City has incurred.

The challenge of developing affordable housing is exponentially difficult in Watford City due to the very limited number of trades that live in Watford City. From the development of every lot to the construction of every home, the additional costs of pay for hotels and travel costs is one of the leading causes of extremely high-priced homes within Watford City. These additional costs also cause extended construction periods. A house that normally would take six months to complete in Bismarck or Minot, takes 12 months to complete in Watford City. The extended construction periods lead to increased carrying costs. All of these factors ultimately increase the cost of construction, which increases the necessary listing prices of the homes.

This bill will help to reduce the cost of individual homes and help to alleviate some of the risk that individual builders face by having high-priced homes sit on the market for extended periods of time. This bill will reduce the price of those homes so that they are more affordable to a larger group of buyers. The faster these affordable homes sell, the more confident the builders will feel about the market, and in turn more houses will hopefully be built.

Due to the extreme issues of affordable house in the Watford City area, Stenehjem Development not only supports 2225, to create and fund the H.O.M.E. program, but we also highly support the following amendments to the bill:

SECTION 1, SUBSECTION 3 – ADD a maximum grant award for a community with 5,001 and 20,000 of \$3,333,000:

- "The maximum grant award for a community with more than 20,000 individuals is \$1,500,000. The maximum grant award for a community with 5,001 to 20,000 individuals (Jamestown, Minot AFB, Wahpeton, Devils Lake, Watford City, Valley City) is \$3,333,000."

If the H.O.M.E. program was able to support the \$3.3 million in residential infrastructure to buy down lot prices in Watford City and incentivize the creation of 150-200 rooftops, that would help the community in attracting trades to move to Watford City. As more trades move to the City it will help the city to grow out of the high cost of construction.

March 13, 2025

Page 2

Chairman Longmuir, Vice-Chairman Fegley and members of the House Political Subs Committee, thank you for the opportunity to stand in support of 2225 and to offer the following amendment:

- “The maximum grant award for a community with more than 20,000 individuals is \$1,500,000. The maximum grant award for a community with 5,001 to 20,000 individuals (Jamestown, Minot AFB, Wahpeton, Devils Lake, Watford City, Valley City) is \$3,333,000.”

Sincerely,



Dave Pankow

Stenehjem Development, L.L.P.



25.1186.02001  
Title.  
Fiscal No. 1

Prepared by the Legislative Council  
staff for Senator Bekkedahl

March 11, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO  
FIRST ENGROSSMENT**

**ENGROSSED SENATE BILL NO. 2225**

Introduced by

Senators Bekkedahl, Meyer, Wanzek

Representatives Nathe, Nelson, O'Brien

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

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. APPROPRIATION - DEPARTMENT OF COMMERCE - STRATEGIC**  
6 **INVESTMENT AND IMPROVEMENTS FUND - HOUSING FOR OPPORTUNITY, MOBILITY,**  
7 **AND EMPOWERMENT GRANT PROGRAM - MATCHING FUNDS REQUIREMENT -**  
8 **LEGISLATIVE MANAGEMENT REPORT - ONE-TIME FUNDING.**

- 9 1. There is appropriated out of any moneys in the strategic investment and  
10 improvements fund in the state treasury, not otherwise appropriated, the sum of  
11 \$50,000,000, or so much of the sum as may be necessary, to the department of  
12 commerce for the purpose of providing housing for opportunity, mobility, and  
13 empowerment program grants to political subdivisions to build infrastructure necessary  
14 to support affordable, market rate housing for the period beginning with the effective  
15 date of this Act, and ending June 30, 2027. This funding is considered a one-time  
16 funding item.
- 17 2. The department of commerce shall use funding appropriated in this section to provide  
18 grants to political subdivisions to assist communities address housing needs by  
19 lowering the cost of infrastructure development and for slum and blight removal. The  
20 department shall allow a community to identify the type of housing most needed and

- 1 cooperatively create solutions to address the housing need through a political  
2 subdivision or economic development corporation. The department shall establish  
3 guidelines for providing grants under the program.
- 4 3. The department of commerce shall allocate funding appropriated in this section as  
5 follows:
- 6 a. \$10,000,000 for communities with a population of fewer than 5,000 individuals;  
7 b. \$20,000,000 for communities with a population of 5,001 to 20,000 individuals;  
8 c. \$15,000,000 for communities with a population of more than 20,000 individuals;  
9 and  
10 d. \$5,000,000 for rural metropolitan areas located within 20 miles of the city limits of  
11 a community of more than 20,000 individuals.
- 12 4. The maximum grant award for a community with more than 20,000 individuals is  
13 \$1,500,000.
- 14 5. If all funding appropriated in this section is not committed or expended by  
15 December 31, 2026, the department of commerce may award any remaining funds to  
16 viable projects regardless of community size or location.
- 17 6. The department of commerce may spend the funds appropriated in this section only to  
18 the extent matching funds have been secured from nonstate sources on a  
19 dollar-for-dollar basis. The matching funds must be derived from funds provided by a  
20 political subdivision and local developers and private funds from within the community  
21 applying for grant funding. The private funds from within the community may be from a  
22 local development corporation, donations, or in-kind contributions.
- 23 7. A grant under this section may be awarded for the purchase or acquisition of land with  
24 infrastructure developed on it after December 31, 2014.
- 25 8. The department of commerce shall provide a report to the legislative management and  
26 the governor by June 30, 2026, regarding the status of the program, including  
27 expenditures to date, the number of housing units supported, communities applying for  
28 grants, and matching funds raised by political subdivisions, local developers, and  
29 communities.

30 **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.

**STATEMENT OF PURPOSE OF AMENDMENT:****Senate Bill No. 2225 - Department of Commerce - House Action**

	Base Budget	Senate Version	House Changes	House Version
HOME program grants		\$50,000,000		\$50,000,000
Total all funds	\$0	\$50,000,000	\$0	\$50,000,000
Less estimated income	0	50,000,000	0	50,000,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

**Senate Bill No. 2225 - Other Changes - House Action**

This amendment adds a subsection to section 1 to provide grants under the program may be awarded for the purchase or acquisition of land with infrastructure developed on it after December 31, 2014.



Senate Bill 2225 – Support  
March 13, 2025  
House Political Subdivisions  
Janelle Moos, AARP ND [jmoos@aarp.org](mailto:jmoos@aarp.org)

Chairman Longmuir and members of the House Political Subdivisions Committee,

My name is Janelle Moos, Associate State Director of Advocacy with AARP North Dakota. AARP is a nonpartisan, nonprofit, nationwide organization with nearly 38 million members. Approximately, 82,000 of those members live in North Dakota.

Surveys by AARP show that most Americans, including older North Dakotas, prefer to live in walkable neighborhoods that offer a mix of housing and transportation options and are close to jobs, schools, shopping, entertainment, and green spaces. Missing Middle Housing can meet these needs. “Missing Middle Housing” describes a set of residential building types that exist in the middle of the continuum between detached single-family houses and large apartment buildings. The word “middle” as used in the term “Missing Middle Housing” principally refers to the mid-sized housing types that exist between single family homes and large (often high-rise) apartment or condominium buildings. However, “middle” also relates to the home type’s level of affordability, given that this home type uses land more efficiently, designs small yet spacious residences, employs lower-cost-but-still-quality construction methods and reduces the reliance on automobile owners.

With a growing aging population, construction of a variety of housing options will become more important. Currently, we have thousands of older adults who are “house rich but cash poor.” Some would like to sell their home and buy something more affordable or accessible

in their community, but in most cases, that type of housing does not exist. Older adults will also become more reliant on caregivers as they age. Unpaid family caregivers are the backbone of our long-term care system. Missing middle housing can help family members live with, or near, one another to support their loved one while still having their own space or residence. The option will also help older adults have the care they need rather than being forced to spend down their assets to near poverty level to qualify for Medicaid.

Missing Middle homes typically look like and are the size of a single-family dwelling. But inside, the house contains multiple homes. Among the Missing Middle home type's other characteristics and qualities:

- The buildings fit seamlessly into neighborhoods, either because similar housing types already exist in the community or because the homes are designed and constructed to preserve or complement the streetscape's appearance and character.
- The house-sized, multiunit structures can provide a neighborhood or community with a wider range of housing options, at various price points.
- The housing types fit within — and help to generate — walkable, place-based neighborhoods with community amenities that become an extension of people's homes and serve as shared spaces where neighbors can safely get out and about and gather.

AARP ND has been working with many local communities including Bismarck, Mandan, Minnott, West Fargo and Fargo along with state elected leaders to pursue much-needed changes to remove barriers that prevent the creation of missing middle housing including as a member of former Governor Burgum's Housing Initiative Advisory Committee. We believe SB 2225 is a step in the right direction that would support communities and neighborhoods that includes missing middle housing and is well-positioned to respond to the housing supply, affordability, smart land use, income, equity, and empowerment, and therefore urge you to support the bill.

Thank you.

**Zachary Broadwell**

**Executive Director, Rugby Job Development Authority**

**SB 2225**

### **The Housing Crisis in Rugby:**

Rugby, like many rural communities in North Dakota, faces a significant housing shortage, which is hindering population growth, economic strength, and local business success.

1. **Personal Experience:** In 2024, I moved to Rugby with my wife and two young children. Despite wanting to rent a home in Rugby, we found no available rental properties. As a result, I commuted 3.5 hours each way for three months until a rental became available. This highlights how a lack of housing nearly prevented a young, college-educated family from moving to Rugby.
2. **Local Hospital Challenges:** Our brand-new hospital, despite its excellent reputation and facilities, still faces struggles to recruit staff. One of the leading struggles to recruit staff is the lack of housing. Even with a great work environment, potential employees have been forced to decline offers because they have no place to live.
3. **Manufacturing Plant Issues:** Our local plant, which produces a high-demand product, does not meet the full demand of their product due to workforce struggles. Again, the largest struggle to satisfy their workforce needs is housing. The company loses millions of dollars in potential sales because potential workers can't find housing.

### **Efforts to Address the Issue:**

- 
1. Our first attempt was to build and sell twin homes. However, it quickly became clear that with a budget of \$500,000, the JDA couldn't fund the project alone. We realized we would need a non-profit organization to help finance and manage the development. We explored state programs for subsidies, but even with those, the construction costs—after accounting for subsidies and developer fees—still exceeded what the market could support. In short, building homes for sale wasn't financially feasible due to the low housing prices in Rugby.
  2. My next step was to focus on rental housing, using available subsidy options. I calculated that with subsidies, market rents could cover 60% of the construction costs at a low interest rate. Essentially, if someone contributed 40% in cash and financed the remaining 60%, renters would pay off the loan. This model showed a projected return on investment of about 9% annually, factoring in loan repayment and expected appreciation over the next 20 years. When I presented this plan to private investors, their response

was consistent: the return wasn't enough to justify managing tenants without monthly cash flow before the property was sold. This led to our third key lesson: we needed investors who didn't require immediate cash flow.

3. Armed with this knowledge, we reached out to various non-profit developers, and after much effort, we connected with one who agreed to partner with us. We are now hoping to move forward with the development of 8 row homes, that can house workforce-level employees who will support local businesses like our hospital and manufacturing plant. Finding a partner who is willing to develop in Rugby is a great first step, the project is still dependent the financial feasibility of construction and development. Subsidy will be necessary to make this project help solve our housing crisis.

### **What Can Help:**

To make housing projects viable in Rugby, subsidies are essential—especially flexible ones that address infrastructure costs like dirt work, concrete, and utility hookups. Unlike traditional infrastructure funding that focuses on roads and main lines, these types of funds would directly lower construction costs, making housing developments more feasible. Additionally, this funding would support local businesses and strengthen the community economy.

In conclusion, addressing Rugby's housing crisis requires substantial, flexible subsidy funding for infrastructure, ensuring that future projects can thrive and support the growth of our community.



**Senate Bill 2225**  
**House Political Subdivisions Committee**  
**Rep. Donald Longmuir, Chair**  
**Thursday, March 13, 2025, 10:00 AM**  
**327B, State Capitol**

Good afternoon, Chairman Longmuir and members of the Political Subdivisions Committee. I am Kelly Armstrong, and I have the honor of serving as North Dakota's 34<sup>th</sup> governor. During my campaign, as I visited with thousands of constituents from both urban and rural areas of our state, it was clear housing is a major obstacle in our efforts to attract and retain a workforce.

Our budget includes nearly \$105 million to address housing availability and affordability. Today, we are focusing on the \$50 million for a new Department of Commerce solution to address the housing needs through a public-private partnership structure called Housing for Opportunity, Mobility and Empowerment, or HOME. By using local and private sector matches, this will create a \$150 million investment in housing solutions across North Dakota.

What is different about the HOME fund is it recognizes each local community has unique needs to fit their housing shortage. Some need single family homes, others need apartments or duplexes. Communities looking for homeless shelter solutions also could access these funds.

This plan is straightforward and easy to understand and implement. A community decides the type of housing they need and which contractor they want to build the project. The community, state and developer each put up 1/3 of the cost for the infrastructure. Then, the contractor builds the project.

In coordination with the Bank of North Dakota, we are working on a policy change to go hand-in-hand with this by streamlining financing for housing that costs more to build than it appraises at when finished. The bank program will have no budget impact but will allow us to deploy the money we are requesting to address a pressing need.

We believe the HOME fund changes the status quo – it is not a one-size-fits-all program. This is a solution that will empower local communities to make decisions that best fit their needs. Mr. Chairman and members of the committee, thank you for allowing me to address you today. I ask for a do pass on Senate Bill 2225. I would be happy to answer any questions.

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Political Subdivisions Committee Room JW327B, State Capitol

SB 2225  
3/27/2025

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.

10:17 a.m. Chairman Longmuir opened the hearing.

Members Present: Chairman Longmuir, Vice-Chairman Fegley, Representatives Bolinske, Hager, Hatlestad, Heilman, Klemin, Motschenbacher, Ostlie, Warrey

Members Absent: Vice-Chairman Jonas, Representatives Davis, Toman

### Discussion Topics:

- Limitations on grants awarded to communities
- Allocation of funding for the housing program
- Tribal inclusion within the program

10:44 a.m. Representative Ostlie moved to adopt the Amendment proposed in testimony #44305, and strike "and/" from the third to final line of the amendment.

10:45 a.m. Representative Fegley seconded the motion.

Representatives	Vote
Representative Donald W. Longmuir	Y
Representative Clayton Fegley	Y
Representative Jim Jonas	A
Representative Macy Bolinske	Y
Representative Jayme Davis	A
Representative LaurieBeth Hager	Y
Representative Patrick R. Hatlestad	Y
Representative Matthew Heilman	Y
Representative Lawrence R. Klemin	Y
Representative Mike Motschenbacher	Y
Representative Mitch Ostlie	Y
Representative Nathan Toman	A
Representative Jonathan Warrey	Y

10:46 a.m. Motion passed 10-0-3

### Additional written testimony:

Christopher Schilken, North Dakota Commerce Commissioner, submitted neutral testimony #44305.

House Political Subdivisions Committee

SB 2225

March 27, 2025

Page 2

10:50 a.m. Chairman Longmuir closed the hearing.

*Wyatt Armstrong, Committee Clerk*

**Suggested language for adjustments to SB 2225**

2. The department of commerce shall use funding appropriated in this section to provide grants to political subdivisions to assist communities address housing needs by

lowering the cost of infrastructure development and for slum and blight removal **and mediation**. The

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department shall allow a community to identify the type of housing most needed and cooperatively create solutions to address the housing need through a political

subdivision, **tribal** or economic development corporation. The department shall establish guidelines for providing grants under the program.

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3. The department of commerce shall allocate funding appropriated in this section as follows:

a. \$10,000,000 for communities with a population of fewer than 5,000 individuals;

b. \$20,000,000 for communities with a population of 5,001 to 20,000 individuals;

c. \$15,000,000 for communities with a population of more than 20,000 individuals;

and

d. \$5,000,000 for rural metropolitan areas located within 20 miles of the city limits of a community of more than 20,000 individuals.

4. The maximum grant award for a community with more than 20,000 individuals is \$1,500,000.

5. If all funding appropriated in this section is not committed or expended by December 31, 2026, the department of commerce may award any remaining funds to viable projects regardless of community size or location.

6. The department of commerce may spend **up to one-third of project costs the of the** funds appropriated in this section only to

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the extent **two-thirds** matching funds have been secured from nonstate sources **on a**

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**dollar-for-dollar basis**. The **matching** funds must be derived from funds provided by a

political subdivision, **tribe and/or** local developers and private funds from within the community

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applying for grant funding. The private funds from within the community may be from a local development corporation, donations, or in-kind contributions.

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Political Subdivisions Committee Room JW327B, State Capitol

SB 2225  
3/27/2025

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.

2:29 a.m. Chairman Longmuir opened the hearing.

Members Present: Chairman Longmuir, Vice-Chairman Fegley, Representatives Bolinske, Hager, Hatlestad, Heilman, Klemin, Motschenbacher, Ostlie, Warrey

Members Absent: Vice-Chairman Jonas, Representatives Davis, Toman

### Discussion Topics:

- North Dakota infrastructure costs
- Application to slum and blighted areas
- Relative cost for building a house

2:33 p.m. Christopher Schilken, North Dakota Commerce Commissioner, answered committee questions.

2:48 p.m. Representative Ostlie moved to adopt Amendment LC:25.1186.02001, testimony #41278 (testimony #41278 was proposed during the March 13, 2025, 10:00 a.m. meeting)

2:49 p.m. Representative Hatlestad seconded the motion.

2:56 p.m. Christopher Schilken, North Dakota Commerce Commissioner, answered committee questions.

Representatives	Vote
Representative Donald W. Longmuir	Y
Representative Clayton Fegley	Y
Representative Jim Jonas	A
Representative Macy Bolinske	N
Representative Jayme Davis	A
Representative LaurieBeth Hager	N
Representative Patrick R. Hatlestad	Y
Representative Matthew Heilman	N
Representative Lawrence R. Klemin	N
Representative Mike Motschenbacher	N
Representative Mitch Ostlie	Y
Representative Nathan Toman	A
Representative Jonathan Warrey	Y

2:58 p.m. Motion failed 5-5-3

2:58 p.m. Representative Klemin moved a Do Pass as Amended and rerefer to Appropriations (The bill was previously Amended during the March 27, 2025, 10:17 a.m. meeting)

2:58 p.m. Representative Motschenbacher seconded the motion.

<b>Representatives</b>	<b>Vote</b>
Representative Donald W. Longmuir	Y
Representative Clayton Fegley	Y
Representative Jim Jonas	A
Representative Macy Bolinske	Y
Representative Jayme Davis	A
Representative LaurieBeth Hager	Y
Representative Patrick R. Hatlestad	Y
Representative Matthew Heilman	Y
Representative Lawrence R. Klemin	Y
Representative Mike Motschenbacher	Y
Representative Mitch Ostlie	Y
Representative Nathan Toman	A
Representative Jonathan Warrey	Y

2:59 p.m. Motion passed 10-0-3

2:59 p.m. Representative Ostlie will carry the bill.

**Additional written testimony:**

Jacy Schafer, Deputy Chief of Staff for the North Dakota Office of the Governor, submitted testimony in favor #44326

2:59 p.m. Chairman Longmuir closed the hearing.

*Wyatt Armstrong, Committee Clerk*

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO  
FIRST ENGROSSMENT**

VG 3/27/25  
1 of 2

**ENGROSSED SENATE BILL NO. 2225**

Introduced by

Senators Bekkedahl, Meyer, Wanzek

Representatives Nathe, Nelson, O'Brien

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

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. APPROPRIATION - DEPARTMENT OF COMMERCE - STRATEGIC**  
6 **INVESTMENT AND IMPROVEMENTS FUND - HOUSING FOR OPPORTUNITY, MOBILITY,**  
7 **AND EMPOWERMENT GRANT PROGRAM - MATCHING FUNDS REQUIREMENT -**  
8 **LEGISLATIVE MANAGEMENT REPORT - ONE-TIME FUNDING.**

- 9 1. There is appropriated out of any moneys in the strategic investment and  
10 improvements fund in the state treasury, not otherwise appropriated, the sum of  
11 \$50,000,000, or so much of the sum as may be necessary, to the department of  
12 commerce for the purpose of providing housing for opportunity, mobility, and  
13 empowerment program grants to political subdivisions to build infrastructure necessary  
14 to support affordable, market rate housing for the period beginning with the effective  
15 date of this Act, and ending June 30, 2027. This funding is considered a one-time  
16 funding item.
- 17 2. The department of commerce shall use funding appropriated in this section to provide  
18 grants to political subdivisions to assist communities address housing needs by  
19 lowering the cost of infrastructure development and for slum and blight removal, and  
20 mediation. The department shall allow a community to ~~identity~~ identify the type of



- 1 housing most needed and cooperatively create solutions to address the housing need  
2 through a political subdivision, tribal entity, or economic development corporation. The  
3 department shall establish guidelines for providing grants under the program.
- 4 3. The department of commerce shall allocate funding appropriated in this section as  
5 follows:
- 6 a. \$10,000,000 for communities with a population of fewer than 5,000 individuals;  
7 b. \$20,000,000 for communities with a population of 5,001 to 20,000 individuals;  
8 c. \$15,000,000 for communities with a population of more than 20,000 individuals;  
9 and  
10 d. \$5,000,000 for rural metropolitan areas located within 20 miles of the city limits of  
11 a community of more than 20,000 individuals.
- 12 4. The maximum grant award for a community with more than 20,000 individuals is  
13 \$1,500,000.
- 14 5. If all funding appropriated in this section is not committed or expended by  
15 December 31, 2026, the department of commerce may award any remaining funds to  
16 viable projects regardless of community size or location.
- 17 6. The department of commerce may spend up to one-third of total project costs from the  
18 funds appropriated in this section only to the extent two-thirds matching funds have  
19 been secured from nonstate sources ~~on a dollar-for-dollar basis~~. The ~~matching~~ funds  
20 must be derived from funds provided by a political subdivision ~~and~~, tribal entity, or local  
21 developers and private funds from within the community applying for grant funding.  
22 The private funds from within the community may be from a local development  
23 corporation, donations, or in-kind contributions.
- 24 7. The department of commerce shall provide a report to the legislative management and  
25 the governor by June 30, 2026, regarding the status of the program, including  
26 expenditures to date, the number of housing units supported, communities applying for  
27 grants, and matching funds raised by political subdivisions, local developers, and  
28 communities.

29 **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.

**REPORT OF STANDING COMMITTEE  
ENGROSSED SB 2225**

**Political Subdivisions Committee (Rep. Longmuir, Chairman)** recommends **AMENDMENTS** ([25.1186.02002](#)) and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (10 YEAS, 0 NAYS, 3 ABSENT OR EXCUSED AND NOT VOTING). SB 2225 was placed on the Sixth order on the calendar.

Good morning, Chair Longmuir and committee members,

Regarding the committee's question on the why behind the retroactive application period in the Governors housing initiative. In visiting with communities across the state, specifically for this example Williston or Watford City they have many lots ready to be developed for housing projects, but these lots are still at a very high price due to the infrastructure cost. The retroactive application would allow this program to be used to lower the cost of existing lots to pay down a third of the infrastructure cost. This will allow for new projects to be built on the existing lots at a lower price point for the end consumer.

Commissioner Schilken will be in committee this afternoon and would be happy to answer any further questions on this program.

Please, let us know of any other questions you may have on SB2225.

Best,

Jacy

**2025 HOUSE APPROPRIATIONS**

**SB 2225**

# 2025 HOUSE STANDING COMMITTEE MINUTES

## **Appropriations Committee** Roughrider Room, State Capitol

SB 2225  
4/7/2025

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.

10:10 a.m. Chairman Vigesaa opened the meeting.

Members present: Chairman Vigesaa, Representatives Anderson, Berg, Bosch, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Monson, Murphy, Nathe, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner

Members absent: Vice Chairman Kempenich, Representatives: Mitskog, J. Nelson

### **Discussion Topics:**

- Rural Area Housing
- Senior Living

10:10 a.m. Representative Longmuir introduced the bill.

10:13 a.m. Chris Schilken, Commissioner, ND Department of Commerce answered questions.

### **Additional written testimony:**

Vawnita Best, Director, Community and Business Development, City of Watford City submitted In Favor testimony #44718.

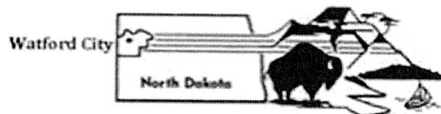
Dr. Steven Holen, Superintendent of Schools, McKenzie County Public School District #1 submitted In Favor testimony #44719.

Peter Edis, Chief Executive Officer, McKenzie Health submitted In Favor testimony #44720.

Daniel Stenberg, Director, McKenzie Economic Development submitted Neutral testimony #44742.

10:35 a.m. Chairman Vigesaa closed the meeting.

*Krystal Eberle, Committee Clerk*



TO: House Appropriations  
 FROM: City of Watford City  
 DATE: April 7, 2025  
 RE: **SUPPORT of SB 2225 and to provide for a suggested amendment**

Dear Chairman Vigesaa, Vice-Chairman Kempenich and members of the House Appropriations:

My name is Vawnita Best, Community & Business Development Director for the City of Watford City. Thank you for the opportunity to submit written testimony, to stand in support of SB 2225, and to REQUEST your consideration for an amendment:

1. On page 2, after line 26:
  - a. Add Section 1.8 – The department of commerce shall consider qualifying existing residential lots provided that they:
    - i. Meet all HOME program requirements for residential infrastructure, and
    - ii. HOME grant funding (with a 1:2 match) is allocated  
**ONLY AFTER** a certificate of occupancy is issued for a newly constructed home on a HOME program accepted lot.

By allowing the lookback, this program has the potential to incentivize builders to build on lots where streets, sidewalks, curb, gutter, and sewer already exist.

In Watford City's situation, if the \$13,000 to \$19,000 in state grant funding IS ENOUGH incentive to spur vertical construction, North Dakota gets a new rooftop. If the \$13,000 to \$19,000 ISN'T ENOUGH of an incentive to create a new rooftop, the state isn't obligated to provide the grant funds.

I encourage the committee not to lose focus of the goal of ROOFTOP CREATION across North Dakota and also to remember the need for housing across the entire state.

Again, Chairman Vigesaa, Vice-Chairman Kempenich and members of House Appropriations, thank you for the opportunity to stand in support of SB 2225 and to suggest an amendment that will:

1. Provide for and accelerate rooftop creation in North Dakota
2. Provide opportunity for all communities in North Dakota in need of housing infrastructure to utilize the proposed HOME grant program

Sincerely,

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke, is positioned below the word "Sincerely,".

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

[vbest@nd.gov](mailto:vbest@nd.gov) | (701) 580-1862

# McKenzie County Public School District No. 1

---

House Appropriations Committee Members

April 1<sup>st</sup>, 2025

**Re: SUPPORT for SB 2225 and request providing an amendment for a lookback on qualifying infrastructure**

I am writing to express my strong support for SB 2225 and the 'look back amendment' (referred to in House Political Subs as the Bekkedahl amendment), allowing the North Dakota Department of Commerce to consider a look back on existing infrastructure for the HOME program and to allow them to provide grant funds that spur rooftop creation on credited single family residential infrastructure.

As the Superintendent of Schools for the McKenzie County Public School District #1, we have over 350 employees and recruitment in an era of teacher and employee shortages, amidst continued student enrollment growth, is critical and relies heavily on housing availability and infrastructure. The school district conducts a comprehensive demographic/enrollment study each year through RSP & Associates to assist with enrollment planning as it relates to school district infrastructure and capacity. The study has highlighted, in the last several years, the issue related to affordable, single-family housing and the shortage of available options in our County. It is clear the lack of affordable, single-family options in McKenzie County will reduce or restrict future student enrollment growth correlated to our regional workforce and the capacity to attract and retain a quality workforce in our community.

The ability to attract a high-quality workforce, as a political subdivision supported by local property tax, is challenging when the average price per single-family home is substantially higher in our area compared to other areas of the state and/or region. The ability to attract and retain professional staff is limited if the prospect of an affordable single-family home is low due to the shortage of supply and the high demand in our area. Business development and recruitment also is limited by rooftop development in our area, which is also a factor in employee recruitment and retention for the younger generation workforce prospect.

Local efforts have taken place to assist with the costs of construction involving single-family housing with only limited results. It is essential for the state, in supporting a workforce for its largest industry, to provide opportunities to address the cost discrepancies involving single family housing construction. The returns on this investment will be substantial in terms of sustainable communities and workforce to allow for continued and expanded economic prosperity in our state. Future generations of North Dakota residents need the housing infrastructure in place to provide continued prosperity and stability, especially in western North Dakota.

Passing the lookback amendment to 2225 would be a significant step toward addressing these challenges. By supporting initiatives that expand access to affordable housing, we can create an environment that attracts and retains permanent education professionals. Education is often considered one of the most critical factors for families moving into a community, it is important to ensure housing infrastructure is in place to support our educational efforts and to help recruit the next level of workforce to our communities and region.

I urge you to recommend a DO PASS for 2225, support the lookback amendment and provide the full appropriation to help create single family rooftops in western North Dakota, making it possible for our families and workforce to live and thrive in the communities they serve. Thank you for your time and consideration.

Sincerely,

*Steven Holen*

Dr. Steven Holen  
Superintendent of Schools – McKenzie County Public School District #1





Members of the House Appropriations

March 31, 2025

**Re: SUPPORT for 2225 and request providing an amendment for a lookback on qualifying infrastructure**

Dear Chairman Vigesaa, Vice-Chairman Kempenich, members of the House Appropriations,

I am writing to express my strong support for 2225 and the 'look back amendment' (referred to in House Political Subs as the Bekkedahl amendment), allowing the North Dakota Department of Commerce to consider a look back on existing infrastructure for the HOME program and to allow them to provide grant funds that spur rooftop creation on credited single family residential infrastructure.

As the Chief Executive Officer of McKenzie Health, I oversee a hospital and healthcare system that employs and contracts nearly 450 healthcare workers, ranging from front office staff and administrative assistants to nurses and highly skilled medical specialists.

One of the most pressing challenges we face in McKenzie County is the severe shortage of affordable housing. With the average sale price of a single-family home exceeding \$450,000, homeownership is out of reach for many of our dedicated healthcare workers. Even our professional staff find it difficult to justify settling in the area when they can get significantly more value for their dollar elsewhere in the state or across the country. Injecting some grant funds into the single-family housing equation will help close that value gap.

This housing crisis has had a profound impact on McKenzie Health. Due to the lack of available and affordable housing, we have been forced to rely heavily on agency staff, often paying two times (or more) the cost of a permanent employee. This not only increases our operational expenses but also presents challenges in maintaining continuity of care for our patients. The high cost of doing business in our region, exacerbated by this forced reliance on temporary staffing, places undue strain on our hospital's financial sustainability.

Passing the lookback amendment to 2225 would be a significant step toward addressing these challenges. By supporting initiatives that expand access to affordable housing, we can create an environment that attracts and retains permanent healthcare professionals. This, in turn, will improve the quality of care for our community, the northwest region of North Dakota and ensure the long-term viability of healthcare services to our region.

I urge you to recommend a DO PASS for 2225, support the lookback amendment and to provide the full appropriation to help create single family rooftops in western North Dakota, making it possible for our healthcare workers to live and thrive in the communities they serve. Thank you for your time and consideration.

Sincerely,

*Peter D. Edis*

Peter D. Edis, MS, FACHE  
Chief Executive Officer

McKenzie Health |  
Address: 709 4<sup>th</sup> Ave. |  
Phone: 701-84



health.com  
ND 58854  
-842-6248

# McKENZIE COUNTY

## ★ ECONOMIC DEVELOPMENT ★

April 4, 2025

Chairman Vigesaa, Vice Chairman Kempenich, and Members of the House Appropriations Committee:

Thank you for your work and for the opportunity to provide input on SB2225. Please consider amending the bill to include a lookback provision for communities that have already invested in shovel-ready lots and make the funding award contingent on actual housing construction. To ensure that a variety of situations can still be accounted for, caps could be put in place for the amount of funding a community can utilize.

Many communities across North Dakota—including in McKenzie County—already have shovel-ready lots that remain undeveloped. **If this program only encourages the creation of more shovel-ready lots, we risk investing in infrastructure without seeing new homes built. This would fall short of the program's intent and the state's need for additional housing inventory.**

Infrastructure is important, but it's only one piece of the puzzle. To truly meet our state's housing needs, we must ensure this program leads to new homes.

Also, on page 1 line 20, I believe there needs to be a typo corrected from *mediation* to *remediation*.

Thank you for your consideration.

Daniel Stenberg  
McKenzie Co Economic Development, Director  
701-444-8856

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee Roughrider Room, State Capitol

SB 2225  
4/16/2025

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.

8:32 a.m. Chairman Vigesaa called the meeting to order.

Members present: Chairman Vigesaa, Vice Chairman Kempenich, Representatives Berg, Bosch, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner

Representative: Anderson

### Discussion Topics:

- Committee Action

8:33 a.m. Chairman Vigesaa introduced amendment LC #25.1186.02005, #45014.

8:40 a.m. Levi Kinnischtzke, Senior Fiscal Analyst, Fiscal Division of ND Legislative Council answered questions.

8:51 a.m. Chris Schilken, Commissioner, ND Department of Commerce answered questions.

8:58 a.m. Representative Murphy moved Amendment LC #25.1186.02005.

8:58 a.m. Representative Nathe seconded the motion.

8:58 a.m. Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	AB
Representative Mike Berg	Y
Representative Glenn Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y

Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

8:58 a.m. Motion passed 22-0-1.

8:59 a.m. Representative Murphy moved Do Pass as Amended.

8:59 a.m. Representative O'Brien seconded the motion.

8:59 a.m. Roll Call Vote

<b>Representatives</b>	<b>Vote</b>
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	AB
Representative Mike Berg	Y
Representative Glenn Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

8:59 a.m. Motion passed 22-0-1.

8:59 a.m. Representative Murphy will carry the bill.

9:01 a.m. Chairman Vigesaa closed the meeting.

*Krystal Eberle, Committee Clerk*

April 15, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO  
FIRST ENGROSSMENT**

VC 4/16/25  
1 of 3

**ENGROSSED SENATE BILL NO. 2225**

Introduced by

Senators Bekkedahl, Meyer, Wanzek

Representatives Nathe, Nelson, O'Brien

*In place of the amendments (25.1186.02002) adopted by the House, Engrossed Senate Bill No. 2225 is amended by amendment (25.1186.02005) as follows:*

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

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. APPROPRIATION - DEPARTMENT OF COMMERCE - STRATEGIC**  
6 **INVESTMENT AND IMPROVEMENTS FUND - HOUSING FOR OPPORTUNITY, MOBILITY,**  
7 **AND EMPOWERMENT GRANT PROGRAM - MATCHING FUNDS REQUIREMENT -**  
8 **LEGISLATIVE MANAGEMENT REPORT - ONE-TIME FUNDING.**

- 9 1. There is appropriated out of any moneys in the strategic investment and  
10 improvements fund in the state treasury, not otherwise appropriated, the sum of  
11 ~~\$50,000,000~~ \$30,000,000, or so much of the sum as may be necessary, to the  
12 department of commerce for the purpose of providing housing for opportunity, mobility,  
13 and empowerment program grants to political subdivisions to build infrastructure  
14 necessary to support affordable, market rate housing for the period beginning with the  
15 effective date of this Act, and ending June 30, 2027. This funding is considered a  
16 one-time funding item.
- 17 2. The department of commerce shall use funding appropriated in this section to provide  
18 grants to political subdivisions to assist communities address housing needs by  
19 lowering the cost of infrastructure development and for slum and blight removal and



mediation. The department shall allow a community to ~~identity~~identify the type of housing most needed and cooperatively create solutions to address the housing need through a political subdivision, tribal entity, or economic development corporation. The department shall establish guidelines for providing grants under the program. The department may provide funding for a project that includes existing residential lots only after a certificate of occupancy has been issued for a newly constructed home on one of the existing lots.

3. The department of commerce shall allocate funding appropriated in this section as follows:

- a. ~~\$10,000,000~~\$6,000,000 for communities with a population of fewer than 5,000 individuals;
- b. ~~\$20,000,000~~\$12,000,000 for communities with a population of 5,001 to 20,000 individuals;
- c. ~~\$15,000,000~~\$9,000,000 for communities with a population of more than 20,000 individuals; and
- d. ~~\$5,000,000~~\$3,000,000 for rural metropolitan areas located within 20 miles of the city limits of a community of more than 20,000 individuals.

4. The maximum grant award for a community with more than 20,000 individuals is ~~\$1,500,000~~\$1,000,000.

5. If all funding appropriated in this section is not committed or expended by December 31, 2026, the department of commerce may award any remaining funds to viable projects regardless of community size or location.

6. The department of commerce may spend up to one-third of total project costs from the funds appropriated in this section only to the extent two-thirds matching funds have been secured from nonstate sources ~~on a dollar for dollar basis~~. The ~~matching~~ funds must be derived from funds provided by a political subdivision ~~and~~, tribal entity, or local developers and private funds from within the community applying for grant funding. The private funds from within the community may be from a local development corporation, donations, or in-kind contributions.

7. The department of commerce shall provide a report to the legislative management and the governor by June 30, 2026, regarding the status of the program, including

1 expenditures to date, the number of housing units supported, communities applying for  
2 grants, and matching funds raised by political subdivisions, local developers, and  
3 communities.

4 **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.



**REPORT OF STANDING COMMITTEE  
ENGROSSED AND AMENDED SB 2225**

**Appropriations Committee (Rep. Vigesaa, Chairman)** recommends **AMENDMENTS** ([25.1186.02005](#)) and when so amended, recommends **DO PASS** (22 YEAS, 0 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). Engrossed SB 2225, as amended, was placed on the Sixth order on the calendar.

25.1186.02005  
Title.  
Fiscal No. 2

Prepared by the Legislative Council  
staff for Representative Vigesaa

April 15, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## **PROPOSED AMENDMENTS TO FIRST ENGROSSMENT**

### **ENGROSSED SENATE BILL NO. 2225**

Introduced by

Senators Bekkedahl, Meyer, Wanzek

Representatives Nathe, Nelson, O'Brien

*In place of the amendments (25.1186.02002) adopted by the House, Engrossed Senate Bill No. 2225 is amended by amendment (25.1186.02005) as follows:*

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

#### **4 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

#### **5 SECTION 1. APPROPRIATION - DEPARTMENT OF COMMERCE - STRATEGIC** **6 INVESTMENT AND IMPROVEMENTS FUND - HOUSING FOR OPPORTUNITY, MOBILITY,** **7 AND EMPOWERMENT GRANT PROGRAM - MATCHING FUNDS REQUIREMENT -** **8 LEGISLATIVE MANAGEMENT REPORT - ONE-TIME FUNDING.**

- 9 1. There is appropriated out of any moneys in the strategic investment and
- 10 improvements fund in the state treasury, not otherwise appropriated, the sum of
- 11 ~~\$50,000,000~~ \$30,000,000, or so much of the sum as may be necessary, to the
- 12 department of commerce for the purpose of providing housing for opportunity, mobility,
- 13 and empowerment program grants to political subdivisions to build infrastructure
- 14 necessary to support affordable, market rate housing for the period beginning with the
- 15 effective date of this Act, and ending June 30, 2027. This funding is considered a
- 16 one-time funding item.
- 17 2. The department of commerce shall use funding appropriated in this section to provide
- 18 grants to political subdivisions to assist communities address housing needs by
- 19 lowering the cost of infrastructure development and for slum and blight removal, and

1           mediation. The department shall allow a community to ~~identity~~identify the type of  
2           housing most needed and cooperatively create solutions to address the housing need  
3           through a political subdivision, tribal entity, or economic development corporation. The  
4           department shall establish guidelines for providing grants under the program. The  
5           department may provide funding for a project that includes existing residential lots only  
6           after a certificate of occupancy has been issued for a newly constructed home on one  
7           of the existing lots.

8           3. The department of commerce shall allocate funding appropriated in this section as  
9           follows:

10          a. ~~\$10,000,000~~\$6,000,000 for communities with a population of fewer than 5,000  
11             individuals;

12          b. ~~\$20,000,000~~\$12,000,000 for communities with a population of 5,001 to 20,000  
13             individuals;

14          c. ~~\$15,000,000~~\$9,000,000 for communities with a population of more than 20,000  
15             individuals; and

16          d. ~~\$5,000,000~~\$3,000,000 for rural metropolitan areas located within 20 miles of the  
17             city limits of a community of more than 20,000 individuals.

18          4. The maximum grant award for a community with more than 20,000 individuals is  
19             ~~\$1,500,000~~\$1,000,000.

20          5. If all funding appropriated in this section is not committed or expended by  
21             December 31, 2026, the department of commerce may award any remaining funds to  
22             viable projects regardless of community size or location.

23          6. The department of commerce may spend up to one-third of total project costs from the  
24             funds appropriated in this section only to the extent two-thirds matching funds have  
25             been secured from nonstate sources ~~on a dollar-for-dollar basis~~. The ~~matching~~ funds  
26             must be derived from funds provided by a political subdivision ~~and~~ tribal entity, or local  
27             developers and private funds from within the community applying for grant funding.  
28             The private funds from within the community may be from a local development  
29             corporation, donations, or in-kind contributions.

30          7. The department of commerce shall provide a report to the legislative management and  
31             the governor by June 30, 2026, regarding the status of the program, including

1               expenditures to date, the number of housing units supported, communities applying for  
2               grants, and matching funds raised by political subdivisions, local developers, and  
3               communities.

4               **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.

**STATEMENT OF PURPOSE OF AMENDMENT:****Senate Bill No. 2225 - Department of Commerce - House Action**

	<b>Base Budget</b>	<b>Senate Version</b>	<b>House Changes</b>	<b>House Version</b>
HOME program grants		\$50,000,000	(\$20,000,000)	\$30,000,000
Total all funds	\$0	\$50,000,000	(\$20,000,000)	\$30,000,000
Less estimated income	0	50,000,000	(20,000,000)	30,000,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

**Department 601 - Department of Commerce - Detail of House Changes**

	<b>Reduces One- Time Funding for Grants<sup>1</sup></b>	<b>Total House Changes</b>
HOME program grants	(\$20,000,000)	(\$20,000,000)
Total all funds	(\$20,000,000)	(\$20,000,000)
Less estimated income	(20,000,000)	(20,000,000)
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> One-time funding of \$20 million from the strategic investment and improvements fund (SIIF) is reduced to provide a total of \$30 million for housing for opportunity, mobility, and empowerment program grants to political subdivisions. The Senate provided \$50 million from SIIF for the program.

**Senate Bill No. 2225 - Other Changes - House Action**

The amendment also allows the department to provide funding for a project that includes existing residential lots, adjusts allocations, and requires \$2 of matching funds for every \$1 provided from the state.

**2025 CONFERENCE COMMITTEE**

**SB 2225**

# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division Red River Room, State Capitol

SB 2225  
4/28/2025  
Conference Committee

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.

4:01 p.m. Chairman Sickler opened the meeting.

Members present: Chairman Sickler, Senator Dwyer, Senator Wanzek, Representative Louser, Representative Anderson, and Representative Motschenbacher.

### **Discussion Topics:**

- Slum and Blight Removal
- Housing Shortage Challenges
- South Dakota Appropriation and Results Comparison
- Program Success
- Community Investments

4:02 p.m. Representative Louser explained the House changes.

4:05 p.m. Senator Dwyer proposed options for new changes.

4:09 p.m. Chris Schilken, Commerce Commissioner, answered committee questions.

4:20 p.m. Representative Louser explained the slum and blight investment.

4:24 p.m. Chairman Sickler closed the meeting.

*Elizabeth Reiten for Carol Thompson, Committee Clerk*



# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division Red River Room, State Capitol

SB 2225  
4/29/2025  
Conference Committee  
11:30 a.m.

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.

11:34 a.m. Chairman Sickler opened the meeting.

Members present: Chairman Sickler, Senator Dwyer, Senator Wanzek, Representative Louser, Representative Anderson, and Representative Motschenbacher.

### **Discussion Topics:**

- Match Requirements
- Increased Population Criteria
- Slum and Blight Removal Program

11:35 a.m. Chairman Sickler introduced amendment 25.1186.02006 and submitted testimony #45303.

11:36 a.m. Senator Dwyer discussed the rural catalyst program and the match requirements.

11:37 a.m. Representative Louser continued discussing match requirements.

11:39 a.m. Senator Wanzek discussed increasing the population criteria.

11:41 a.m. Representative Louser continued the discussion on increasing the population criteria.

11:45 p.m. Chairman Sickler closed the meeting.

*Elizabeth Reiten for Carol Thompson, Committee Clerk*

25.1186.02006  
Title.  
Fiscal No. 1

Prepared by the Legislative Council  
staff for Conference Committee

April 29, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

### ENGROSSED SENATE BILL NO. 2225

Introduced by

Senators Bekkedahl, Meyer, Wanzek

Representatives Nathe, Nelson, O'Brien

*In place of amendment (25.1186.02002) adopted by the House, Engrossed Senate Bill No. 2225 is amended by amendment (25.1186.02006) as follows:*

1 A BILL for an Act to provide an appropriation to the department of commerce for a ~~housing for~~  
2 ~~opportunity, mobility, and empowerment~~community property improvement grant program; to  
3 provide for a legislative management report; and to declare an emergency.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. APPROPRIATION - DEPARTMENT OF COMMERCE - STRATEGIC**  
6 **INVESTMENT AND IMPROVEMENTS FUND - ~~HOUSING FOR OPPORTUNITY, MOBILITY,~~**  
7 **~~AND EMPOWERMENT~~COMMUNITY PROPERTY IMPROVEMENT GRANT PROGRAM -**  
8 **MATCHING FUNDS REQUIREMENT - LEGISLATIVE MANAGEMENT REPORT - ONE-TIME**  
9 **FUNDING.**

10 1. There is appropriated out of any moneys in the strategic investment and  
11 improvements fund in the state treasury, not otherwise appropriated, the sum of  
12 ~~\$50,000,000~~\$5,000,000, or so much of the sum as may be necessary, to the  
13 department of commerce for the purpose of providing ~~housing for opportunity, mobility,~~  
14 ~~and empowerment program~~community property improvement grants to political  
15 subdivisions ~~to build infrastructure necessary to support affordable, market rate~~  
16 ~~housing for slum and blight removal and remediation~~ for the period beginning with the  
17 effective date of this Act, and ending June 30, 2027. This funding is considered a  
18 one-time funding item.

2. The department of commerce shall use funding appropriated in this section to provide grants to political subdivisions to assist communities address housing needs ~~by lowering the cost of infrastructure development and for~~ through slum and blight removal and remediation. The department shall allow a community to ~~identity~~ identify the type of housing most needed and cooperatively create solutions to address the housing need through a political subdivision, tribal entity, or economic development corporation. The department shall establish guidelines for providing grants under the program.

3. The department of commerce shall allocate funding appropriated in this section ~~as follows:~~

~~a. \$10,000,000~~ \$6,000,000 ~~for~~ to communities with a population of fewer than 5,000 1,500 individuals;

~~b. \$20,000,000 for communities with a population of 5,001 to 20,000 individuals;~~

~~c. \$15,000,000 for communities with a population of more than 20,000 individuals;~~  
and

~~d. \$5,000,000~~ \$3,000,000 ~~for rural metropolitan areas located within 20 miles of the city limits of a community of more than 20,000 individuals.~~

~~4. The maximum grant award for a community with more than 20,000 individuals is \$1,500,000.~~

~~5.~~ If all funding appropriated in this section is not committed or expended by December 31, 2026, the department of commerce may award any remaining funds to viable projects regardless of community size or location.

~~6-5.~~ The department of commerce may spend up to one-third of total project costs from the funds appropriated in this section only to the extent two-thirds matching funds have been secured from nonstate sources ~~on a dollar for dollar basis~~. The matching funds must be derived from funds provided by a political subdivision ~~and~~ tribal entity, or local developers and private funds from within the community applying for grant funding. The private funds from within the community may be from a local development corporation, donations, or in-kind contributions.

~~7-6.~~ The department of commerce shall provide a report to the legislative management and the governor by June 30, 2026, regarding the status of the program, including

Sixty-ninth  
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- 1 expenditures to date, the number of housing units supported, communities applying for
- 2 grants, and matching funds raised by political subdivisions, local developers, and
- 3 communities.

- 4 **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.



**STATEMENT OF PURPOSE OF AMENDMENT:****Senate Bill No. 2225 - Department of Commerce - Conference Committee Action**

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
HOME program grants		\$50,000,000	(\$50,000,000)		\$30,000,000	(\$30,000,000)
Community property improvement grants			5,000,000	\$5,000,000		5,000,000
Total all funds	\$0	\$50,000,000	(\$45,000,000)	\$5,000,000	\$30,000,000	(\$25,000,000)
Less estimated income	0	50,000,000	(45,000,000)	5,000,000	30,000,000	(25,000,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Department 601 - Department of Commerce - Detail of Conference Committee Changes**

	Removes Funding for HOME Grants <sup>1</sup>	Adds Funding for Community Property Improvement Grants <sup>2</sup>	Total Conference Committee Changes
HOME program grants	(\$50,000,000)		(\$50,000,000)
Community property improvement grants		\$5,000,000	5,000,000
Total all funds	(\$50,000,000)	\$5,000,000	(\$45,000,000)
Less estimated income	(50,000,000)	5,000,000	(45,000,000)
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

<sup>1</sup> One-time funding of \$50 million from the strategic investment and improvements fund (SIIF) for housing for opportunity, mobility, and empowerment program grants to political subdivisions is removed. The Senate provided \$50 million from SIIF for the program. The House provided \$30 million from SIIF for the program.

<sup>2</sup> One-time funding of \$5 million is added from SIIF to provide community property improvement grants to political subdivisions for slum and blight removal and remediation. The Senate and House did not provide funding for this program prior to the conference committee amendment.

**Senate Bill No. 2225 - Other Changes - Conference Committee Action**

The amendment also requires \$2 of matching funds for every \$1 provided from the state.

# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division Red River Room, State Capitol

SB 2225  
4/29/2025  
Conference Committee  
3:00 p.m.

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.

2:59 p.m. Chairman Sickler opened the meeting.

Members present: Chairman Sickler, Senator Dwyer, Senator Wanzek, Representative Louser, Representative Anderson, and Representative Motschenbacher.

### **Discussion Topics:**

- Appropriation Reduction
- Slum and Blight Program

2:59 p.m. Chairman Sickler introduced amendment LC 25.1186.02007 and submitted testimony #45311.

3:00 p.m. Senator Dwyer moved amendment LC 25.1186.02007.

3:00 p.m. Representative Louser seconded the motion.

Roll Call Vote: Motion Passed 5-1-0.

3:04 p.m. Senator Dwyer moved in place of House amendments LC 25.1186.02005 adopted by the House; the bill is amended by the conference committee amendments LC 25.1186.02007.

3:04 p.m. Representative Louser seconded the motion.

Roll Call Vote: Motion Passed 6-0-0.

Senator Sickler will carry the bill for the Senate.

Representative Louser will carry the bill for the House.

3:07 p.m. Chairman Sickler closed the meeting.

*Elizabeth Reiten for Carol Thompson, Committee Clerk*

April 29, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

vc 4/29/25  
1 of 4

## PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

### ENGROSSED SENATE BILL NO. 2225

Introduced by

Senators Bekkedahl, Meyer, Wanzek

Representatives Nathe, Nelson, O'Brien

*In place of amendment (25.1186.02005) adopted by the House, Engrossed Senate Bill No. 2225 is amended by amendment (25.1186.02007) as follows:*

- 1 A BILL for an Act to provide an appropriation to the department of commerce for a ~~housing for~~  
2 ~~opportunity, mobility, and empowerment~~community property improvement grant program; to  
3 provide for a legislative management report; and to declare an emergency.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. APPROPRIATION - DEPARTMENT OF COMMERCE - STRATEGIC**  
6 **INVESTMENT AND IMPROVEMENTS FUND - ~~HOUSING FOR OPPORTUNITY, MOBILITY,~~**  
7 **~~AND EMPOWERMENT~~COMMUNITY PROPERTY IMPROVEMENT GRANT PROGRAM -**  
8 **MATCHING FUNDS REQUIREMENT - LEGISLATIVE MANAGEMENT REPORT - ONE-TIME**  
9 **FUNDING.**

- 10 1. There is appropriated out of any moneys in the strategic investment and  
11 improvements fund in the state treasury, not otherwise appropriated, the sum of  
12 ~~\$50,000,000~~\$5,000,000, or so much of the sum as may be necessary, to the  
13 department of commerce for the purpose of providing ~~housing for opportunity, mobility,~~  
14 ~~and empowerment program~~community property improvement grants to political  
15 subdivisions ~~to build infrastructure necessary to support affordable, market rate~~  
16 ~~housing~~for slum and blight removal and remediation for the period beginning with the  
17 effective date of this Act, and ending June 30, 2027. This ~~funding~~appropriation is  
18 considered a one-time funding item.



2. The department of commerce shall use funding appropriated in this section to provide grants to political subdivisions to assist communities and address housing needs ~~by lowering the cost of infrastructure development and for~~ through slum and blight removal and remediation. The department shall allow a community to ~~identity~~ identify the type of housing most needed and cooperatively create solutions to address the housing need through a political subdivision, tribal entity, or economic development corporation. The department shall establish guidelines for providing grants under the program.

3. The department of commerce shall allocate funding appropriated in this section ~~as follows:~~

~~a. \$10,000,000~~ \$6,000,000 ~~for~~ to communities with a population of fewer than ~~5,000~~ 4,500 individuals;

~~b. \$20,000,000 for communities with a population of 5,001 to 20,000 individuals;~~

~~c. \$15,000,000 for communities with a population of more than 20,000 individuals;~~  
~~and~~

~~d. \$5,000,000~~ \$3,000,000 ~~for rural metropolitan areas located within 20 miles of the city limits of a community of more than 20,000 individuals.~~

~~4. The maximum grant award for a community with more than 20,000 individuals is \$1,500,000.~~

~~5.~~ If all funding appropriated in this section is not committed or expended by December 31, 2026, the department of commerce may award any remaining funds to viable projects regardless of community size or location.

~~6.5.~~ The department of commerce may spend the funds appropriated in this section only to the extent matching funds have been secured from nonstate sources on a dollar-for-dollar basis. The matching funds must be derived from funds provided by a political subdivision ~~and~~ tribal entity, or local developers and private funds from within the community applying for grant funding. The private funds from within the community may be from a local development corporation, donations, or in-kind contributions.

~~7.6.~~ The department of commerce shall provide a report to the legislative management and the governor by June 30, 2026, regarding the status of the program, including expenditures to date, the number of housing units supported, communities applying for

1 grants, and matching funds raised by political subdivisions, local developers, and  
2 communities.

3 **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.

4 of 4

**STATEMENT OF PURPOSE OF AMENDMENT:****Senate Bill No. 2225 - Department of Commerce - Conference Committee Action**

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
HOME program grants		\$50,000,000	(\$50,000,000)		\$30,000,000	(\$30,000,000)
Community property improvement grants			5,000,000	\$5,000,000		5,000,000
Total all funds	\$0	\$50,000,000	(\$45,000,000)	\$5,000,000	\$30,000,000	(\$25,000,000)
Less estimated income	0	50,000,000	(45,000,000)	5,000,000	30,000,000	(25,000,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Department 601 - Department of Commerce - Detail of Conference Committee Changes**

	Removes Funding for HOME Grants <sup>1</sup>	Adds Funding for Community Property Improvement Grants <sup>2</sup>	Total Conference Committee Changes
HOME program grants	(\$50,000,000)		(\$50,000,000)
Community property improvement grants		\$5,000,000	5,000,000
Total all funds	(\$50,000,000)	\$5,000,000	(\$45,000,000)
Less estimated income	(50,000,000)	5,000,000	(45,000,000)
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

<sup>1</sup> One-time funding of \$50 million from the strategic investment and improvements fund (SIIF) for housing for opportunity, mobility, and empowerment (HOME) program grants to political subdivisions is removed. The Senate provided \$50 million from SIIF for the program. The House provided \$30 million from SIIF for the program.

<sup>2</sup> One-time funding of \$5 million is added from SIIF to provide community property improvement grants to political subdivisions for slum and blight removal and remediation. The Senate and House did not provide funding for this program prior to the conference committee amendment.

**Senate Bill No. 2225 - Other Changes - Conference Committee Action**

The amendment also requires \$1 of matching funds for every \$1 provided from the state.

## SB 2225 042925 1504 PM Roll Call Vote

### Amendment

**SB 2225**

**Date Submitted:** April 29, 2025, 3:04 p.m.

**Action:** Passed

**Amendment LC #:** 25.1186.02007

**Description of Amendment:** adopt amendment 25.1186.02007

**Motioned By:** Dwyer, Michael

**Seconded By:** Louser, Scott

**Emergency Clause:** None

**Vote Results:** 5 - 1 - 0

Sen. Sickler, Jonathan	Yea
Sen. Dwyer, Michael	Yea
Sen. Wanzek, Terry M.	Nay
Rep. Louser, Scott	Yea
Rep. Anderson, Bert	Yea
Rep. Motschenbacher, Mike	Yea

# SB 2225 042925 1507 PM Roll Call Vote

## Final Recommendation

### SB 2225

**Date Submitted:** April 29, 2025, 3:07 p.m.

**Recommendation:** In Place Of

**Amendment LC #:** 25.1186.02007

**Engrossed LC #:** N/A

**Description:**

**Motioned By:** Dwyer, Michael

**Seconded By:** Louser, Scott

**House Carrier:** Louser, Scott

**Senate Carrier:** Sickler, Jonathan

**Emergency Clause:** None

**Vote Results:** 6 - 0 - 0

Sen. Sickler, Jonathan	Yea
Sen. Dwyer, Michael	Yea
Sen. Wanzek, Terry M.	Yea
Rep. Louser, Scott	Yea
Rep. Anderson, Bert	Yea
Rep. Motschenbacher, Mike	Yea

**REPORT OF CONFERENCE COMMITTEE  
ENGROSSED SB 2225**

Your conference committee (Sens. Sickler, Dwyer, Wanzek and Reps. Louser, B. Anderson, Motschenbacher) recommends that in place of amendment [25.1186.02005](#) adopted by the House, Engrossed SB 2225 is amended by amendment [25.1186.02007](#).

Engrossed SB 2225 was placed on the Seventh order of business on the calendar.



25.1186.02007

Title.

Fiscal No. 2

Prepared by the Legislative Council  
staff for Conference Committee

April 29, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota**PROPOSED AMENDMENTS TO  
FIRST ENGROSSMENT****ENGROSSED SENATE BILL NO. 2225**

Introduced by

Senators Bekkedahl, Meyer, Wanzek

Representatives Nathe, Nelson, O'Brien

*In place of amendment (25.1186.02002) adopted by the House, Engrossed Senate Bill  
No. 2225 is amended by amendment (25.1186.02007) as follows:*

- 1 A BILL for an Act to provide an appropriation to the department of commerce for a ~~housing for~~  
 2 ~~opportunity, mobility, and empowerment~~community property improvement grant program; to  
 3 provide for a legislative management report; and to declare an emergency.

**4 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. APPROPRIATION - DEPARTMENT OF COMMERCE - STRATEGIC**  
 6 **INVESTMENT AND IMPROVEMENTS FUND - ~~HOUSING FOR OPPORTUNITY, MOBILITY,~~**  
 7 **~~AND EMPOWERMENT~~COMMUNITY PROPERTY IMPROVEMENT GRANT PROGRAM -**  
 8 **MATCHING FUNDS REQUIREMENT - LEGISLATIVE MANAGEMENT REPORT - ONE-TIME**  
 9 **FUNDING.**

- 10 1. There is appropriated out of any moneys in the strategic investment and  
 11 improvements fund in the state treasury, not otherwise appropriated, the sum of  
 12 ~~\$50,000,000~~\$5,000,000, or so much of the sum as may be necessary, to the  
 13 department of commerce for the purpose of providing ~~housing for opportunity, mobility,~~  
 14 ~~and empowerment program~~community property improvement grants to political  
 15 subdivisions ~~to build infrastructure necessary to support affordable, market rate~~  
 16 ~~housing for slum and blight removal and remediation~~ for the period beginning with the  
 17 effective date of this Act, and ending June 30, 2027. This funding is considered a  
 18 one-time funding item.



2. The department of commerce shall use funding appropriated in this section to provide grants to political subdivisions to assist communities address housing needs ~~by lowering the cost of infrastructure development and for~~ through slum and blight removal and remediation. The department shall allow a community to ~~identity~~ identify the type of housing most needed and cooperatively create solutions to address the housing need through a political subdivision, tribal entity, or economic development corporation. The department shall establish guidelines for providing grants under the program.

3. The department of commerce shall allocate funding appropriated in this section ~~as follows:~~

- ~~a. \$10,000,000~~ \$6,000,000 for to communities with a population of fewer than 5,000 4,500 individuals;
- ~~b. \$20,000,000 for communities with a population of 5,001 to 20,000 individuals;~~
- ~~c. \$15,000,000 for communities with a population of more than 20,000 individuals;~~  
and
- ~~d. \$5,000,000~~ \$3,000,000 for rural metropolitan areas located within 20 miles of the city limits of a community of more than 20,000 individuals.

4. ~~The maximum grant award for a community with more than 20,000 individuals is \$1,500,000.~~

~~5.~~ If all funding appropriated in this section is not committed or expended by December 31, 2026, the department of commerce may award any remaining funds to viable projects regardless of community size or location.

6.5. The department of commerce may spend the funds appropriated in this section only to the extent matching funds have been secured from nonstate sources on a dollar-for-dollar basis. The matching funds must be derived from funds provided by a political subdivision ~~and~~ tribal entity, or local developers and private funds from within the community applying for grant funding. The private funds from within the community may be from a local development corporation, donations, or in-kind contributions.

7.6. The department of commerce shall provide a report to the legislative management and the governor by June 30, 2026, regarding the status of the program, including expenditures to date, the number of housing units supported, communities applying for

- 1 grants, and matching funds raised by political subdivisions, local developers, and
- 2 communities.

3 **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.

**STATEMENT OF PURPOSE OF AMENDMENT:****Senate Bill No. 2225 - Department of Commerce - Conference Committee Action**

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
HOME program grants		\$50,000,000	(\$50,000,000)		\$30,000,000	(\$30,000,000)
Community property improvement grants			5,000,000	\$5,000,000		5,000,000
Total all funds	\$0	\$50,000,000	(\$45,000,000)	\$5,000,000	\$30,000,000	(\$25,000,000)
Less estimated income	0	50,000,000	(45,000,000)	5,000,000	30,000,000	(25,000,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Department 601 - Department of Commerce - Detail of Conference Committee Changes**

	Removes Funding for HOME Grants <sup>1</sup>	Adds Funding for Community Property Improvement Grants <sup>2</sup>	Total Conference Committee Changes
HOME program grants	(\$50,000,000)		(\$50,000,000)
Community property improvement grants		\$5,000,000	5,000,000
Total all funds	(\$50,000,000)	\$5,000,000	(\$45,000,000)
Less estimated income	(50,000,000)	5,000,000	(45,000,000)
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

<sup>1</sup> One-time funding of \$50 million from the strategic investment and improvements fund (SIIF) for housing for opportunity, mobility, and empowerment (HOME) program grants to political subdivisions is removed. The Senate provided \$50 million from SIIF for the program. The House provided \$30 million from SIIF for the program.

<sup>2</sup> One-time funding of \$5 million is added from SIIF to provide community property improvement grants to political subdivisions for slum and blight removal and remediation. The Senate and House did not provide funding for this program prior to the conference committee amendment.

**Senate Bill No. 2225 - Other Changes - Conference Committee Action**

The amendment also requires \$1 of matching funds for every \$1 provided from the state.

# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division Red River Room, State Capitol

SB 2225  
5/2/2025  
Conference Committee

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.

6:59 p.m. Chairman Sickler opened the meeting.

Members present: Chairman Sickler, Senator Dwyer, Senator Wanzek, Representative Louser, Representative Anderson, and Representative Motschenbacher.

### **Discussion Topics:**

- New Program Success
- Housing Priority
- Appropriation Amount
- Language Clarification
- Matching Requirements
- Population Funding Amounts

6:59 p.m. Senator Sicker introduced amendment LC 25.1186.02008 testimony #45381.

7:03 p.m. Representative Louser discussed legislative priorities and funding sources.

7:05 p.m. Chairman Sickler discussed factors that affect housing costs.

7:08 p.m. Representative Louser discussed changing the appropriation amount to \$25 million.

7:09 p.m. Senator Dwyer discussed the slum and blight removal and remediation amount.

7:10 p.m. Representative Louser discussed inflation and language clarification for the slum and blight removal and remediation grants.

7:14 p.m. Chairman Sickler recessed the meeting.

7:21 p.m. Chairman Sickler reconvened the meeting.

7:21 p.m. Representative Motschenbacher proposed new House changes.

7:29 p.m. Chairman Sickler recessed the meeting.

7:48 p.m. Chairman Sickler reconvened the meeting.

7:48 p.m. Senator Wanzek moved to amend by removing the slum and blight and changing the population dollar amounts.

7:48 p.m. Senator Dwyer seconded the motion.

Roll Call Vote: Motion Failed 3-3-0.

7:51 p.m. Representative Louser moved in place of House amendments LC 25.1186.02005 adopted by the House; the bill is amended by the conference committee amendments LC 25.1186.02009.

7:52 p.m. Representative Anderson seconded the motion.

Roll Call Vote: Motion Passed 5-1-0.

Chairman Sickler and Representative Louser will carry the bill.

**Additional Written Testimony:**

Levi Kinnischtzke, Legislative Council, submitted testimony as neutral #45381.

7:54 p.m. Chairman Sickler closed the meeting.

*Elizabeth Reiten for Carol Thompson, Committee Clerk*



May 2, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO  
FIRST ENGROSSMENT**

**ENGROSSED SENATE BILL NO. 2225**

Introduced by

Senators Bekkedahl, Meyer, Wanzek

Representatives Nathe, Nelson, O'Brien

*In place of amendment (25.1186.02005) adopted by the House, Engrossed Senate Bill No. 2225 is amended by amendment (25.1186.02009) as follows:*

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

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. APPROPRIATION - DEPARTMENT OF COMMERCE - STRATEGIC**  
6 **INVESTMENT AND IMPROVEMENTS FUND - HOUSING FOR OPPORTUNITY, MOBILITY,**  
7 **AND EMPOWERMENT GRANT PROGRAM - MATCHING FUNDS REQUIREMENT -**  
8 **LEGISLATIVE MANAGEMENT REPORT - ONE-TIME FUNDING.**

- 9 1. There is appropriated out of any moneys in the strategic investment and  
10 improvements fund in the state treasury, not otherwise appropriated, the sum of  
11 ~~\$50,000,000~~ \$25,000,000, or so much of the sum as may be necessary, to the  
12 department of commerce for the purpose of providing housing for opportunity, mobility,  
13 and empowerment program grants to political subdivisions to build infrastructure  
14 necessary to support affordable, market rate housing for the period beginning with the  
15 effective date of this Act, and ending June 30, 2027. This ~~funding~~ appropriation is  
16 considered a one-time funding item.
- 17 2. The department of commerce shall use funding appropriated in this section to provide  
18 grants to political subdivisions to assist communities and address housing needs by  
19 lowering the cost of infrastructure development and for slum and blight removal and

remediation. The department shall allow a community to ~~identity~~identify the type of housing most needed and cooperatively create solutions to address the housing need through a political subdivision, tribal entity, or economic development corporation. The department shall establish guidelines for providing grants under the program. The department may provide funding for a project that includes existing residential lots only after a certificate of occupancy has been issued for a newly constructed home on one of the existing lots.

3. The department of commerce shall allocate funding appropriated in this section as follows:

- a. ~~\$10,000,000~~\$7,000,000 for communities with a population of fewer than 5,000 individuals;
- b. ~~\$20,000,000~~\$10,500,000 for communities with a population of 5,001 to 20,000 individuals;
- c. ~~\$15,000,000~~\$6,000,000 for communities with a population of more than 20,000 individuals; and
- d. ~~\$5,000,000~~\$1,500,000 for rural metropolitan areas located within 20 miles of the city limits of a community of more than 20,000 individuals.

4. The maximum grant award for a community with more than 20,000 individuals is ~~\$1,500,000~~\$1,000,000.

5. If all funding appropriated in this section is not committed or expended by December 31, 2026, the department of commerce may award any remaining funds to viable projects regardless of community size or location.

6. The department of commerce may spend up to one-third of the total project costs from the funds appropriated in this section only to the extent two-thirds matching funds have been secured from nonstate sources ~~on a dollar-for-dollar basis~~. The matching funds must be derived from funds provided by a political subdivision ~~and~~, tribal entity, or local developers and private funds from within the community applying for grant funding. The private funds from within the community may be from a local development corporation, donations, or in-kind contributions.

7. The department of commerce shall provide a report to the legislative management and the governor by June 30, 2026, regarding the status of the program, including



- 1 expenditures to date, the number of housing units supported, communities applying for
- 2 grants, and matching funds raised by political subdivisions, local developers, and
- 3 communities.

- 4 **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.

Yofy

**STATEMENT OF PURPOSE OF AMENDMENT:****Senate Bill No. 2225 - Department of Commerce - Conference Committee Action**

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
HOME program grants		\$50,000,000	(\$25,000,000)	\$25,000,000	\$30,000,000	(\$5,000,000)
Total all funds	\$0	\$50,000,000	(\$25,000,000)	\$25,000,000	\$30,000,000	(\$5,000,000)
Less estimated income	0	50,000,000	(25,000,000)	25,000,000	30,000,000	(5,000,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Department 601 - Department of Commerce - Detail of Conference Committee Changes**

	Reduces Funding for HOME Grants <sup>1</sup>	Total Conference Committee Changes
HOME program grants	(\$25,000,000)	(\$25,000,000)
Total all funds	(\$25,000,000)	(\$25,000,000)
Less estimated income	(25,000,000)	(25,000,000)
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> One-time funding of \$25 million is reduced from the strategic investment and improvements fund (SIIF) for housing for opportunity, mobility, and empowerment (HOME) program grants to political subdivisions to provide a total of \$25 million from SIIF. The Senate provided \$50 million from SIIF for the program. The House provided \$30 million from SIIF for the program.

**Senate Bill No. 2225 - Other Changes - Conference Committee Action**

The amendment also:

- Allows the Department of Commerce to provide funding for a project that includes existing residential lots, the same as provided by the House. The Senate did not include this provision.
- Requires two-thirds matching funds from nonstate sources to match one-third of total project costs provided by the state, the same as provided by the House. The Senate required matching funds on a dollar-for-dollar basis.

## SB 2225 050225 1951 PM Roll Call Vote

### Amendment

**SB 2225**

**Date Submitted:** May 2, 2025, 7:51 p.m.

**Action:** Failed

**Amendment LC #:** Pending LC #

**Motioned By:** Wanzek, Terry M.

**Seconded By:** Dwyer, Michael

**Emergency Clause:** None

**Vote Results:** 3 - 3 - 0

**Description:** Senate changes with removal of slum and blight and new population dollar amounts

Sen. Sickler, Jonathan	Yea
Sen. Dwyer, Michael	Yea
Sen. Wanzek, Terry M.	Yea
Rep. Louser, Scott	Nay
Rep. Anderson, Bert	Nay
Rep. Motschenbacher, Mike	Nay

## SB 2225 050225 1956 PM Roll Call Vote

### Final Recommendation

**SB 2225**

**Date Submitted:** May 2, 2025, 7:56 p.m.

**Recommendation:** In Place Of

**Amendment LC #:** 25.1186.02009

**Engrossed LC #:** N/A

**Motioned By:** Louser, Scott

**Seconded By:** Anderson, Bert

**House Carrier:** Louser, Scott

**Senate Carrier:** Sickler, Jonathan

**Emergency Clause:** None

**Vote Results:** 5 - 1 - 0

**Description:** \$25 million

Sen. Sickler, Jonathan	Yea
Sen. Dwyer, Michael	Nay
Sen. Wanzek, Terry M.	Yea
Rep. Louser, Scott	Yea
Rep. Anderson, Bert	Yea
Rep. Motschenbacher, Mike	Yea

**REPORT OF CONFERENCE COMMITTEE  
ENGROSSED SB 2225**

Your conference committee (Sens. Sickler, Dwyer, Wanzek and Reps. Louser, B. Anderson, Motschenbacher) recommends that in place of amendment [25.1186.02005](#) adopted by the House, Engrossed SB 2225 is amended by amendment [25.1186.02009](#).

Engrossed SB 2225 was placed on the Seventh order of business on the calendar.

5-2-25

25.1186.02008  
Title.  
Fiscal No. 3

Prepared by the Legislative Council  
staff for Conference Committee

May 2, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## **PROPOSED AMENDMENTS TO FIRST ENGROSSMENT**

### **ENGROSSED SENATE BILL NO. 2225**

Introduced by

Senators Bekkedahl, Meyer, Wanzek

Representatives Nathe, Nelson, O'Brien

*In place of amendment (25.1186.02005) adopted by the House, Engrossed Senate Bill No. 2225 is amended by amendment (25.1186.02008) as follows:*

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

#### **4 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

#### **5 SECTION 1. APPROPRIATION - DEPARTMENT OF COMMERCE - STRATEGIC** **6 INVESTMENT AND IMPROVEMENTS FUND - HOUSING FOR OPPORTUNITY, MOBILITY,** **7 AND EMPOWERMENT GRANT PROGRAM - MATCHING FUNDS REQUIREMENT -** **8 LEGISLATIVE MANAGEMENT REPORT - ONE-TIME FUNDING.**

- 9 1. There is appropriated out of any moneys in the strategic investment and
- 10 improvements fund in the state treasury, not otherwise appropriated, the sum of
- 11 ~~\$50,000,000~~ \$20,000,000, or so much of the sum as may be necessary, to the
- 12 department of commerce for the purpose of providing housing for opportunity, mobility,
- 13 and empowerment program grants to political subdivisions to build infrastructure
- 14 necessary to support affordable, market rate housing for the period beginning with the
- 15 effective date of this Act, and ending June 30, 2027. Of the total appropriated in this
- 16 section, \$3,000,000 is available only for the purpose of providing grants to political
- 17 subdivisions for slum and blight removal and remediation. This ~~funding~~ appropriation is
- 18 considered a one-time funding item.



- 1        2. The department of commerce shall use funding appropriated in this section to provide  
2        grants to political subdivisions to assist communities and address housing needs by  
3        lowering the cost of infrastructure development and for slum and blight removal and  
4        remediation. The department shall allow a community to ~~identity~~identify the type of  
5        housing most needed and cooperatively create solutions to address the housing need  
6        through a political subdivision, tribal entity, or economic development corporation. The  
7        department shall establish guidelines for providing grants under the program. The  
8        department may provide funding for a project that includes existing residential lots only  
9        after a certificate of occupancy has been issued for a newly constructed home on one  
10       of the existing lots.
- 11       3. The department of commerce shall allocate funding appropriated in this section as  
12       follows:
  - 13       a. ~~\$10,000,000~~\$4,000,000 for communities with a population of fewer than 5,000  
14       individuals;
  - 15       b. ~~\$20,000,000~~\$8,000,000 for communities with a population of 5,001 to 20,000  
16       individuals;
  - 17       c. ~~\$15,000,000~~\$6,000,000 for communities with a population of more than 20,000  
18       individuals; and
  - 19       d. ~~\$5,000,000~~\$2,000,000 for rural metropolitan areas located within 20 miles of the  
20       city limits of a community of more than 20,000 individuals.
- 21       4. The maximum grant award for a community with more than 20,000 individuals is  
22       ~~\$1,500,000~~\$1,000,000.
- 23       5. If all funding appropriated in this section is not committed or expended by  
24       December 31, 2026, the department of commerce may award any remaining funds to  
25       viable projects regardless of community size or location.
- 26       6. The department of commerce may spend up to one-third of the total project costs from  
27       the funds appropriated in this section only to the extent two-thirds matching funds  
28       have been secured from nonstate sources ~~on a dollar-for-dollar basis~~. The matching  
29       funds must be derived from funds provided by a political subdivision ~~and~~, tribal entity,  
30       or local developers and private funds from within the community applying for grant



- 1 funding. The private funds from within the community may be from a local
- 2 development corporation, donations, or in-kind contributions.
- 3 7. The department of commerce shall provide a report to the legislative management and
- 4 the governor by June 30, 2026, regarding the status of the program, including
- 5 expenditures to date, the number of housing units supported, communities applying for
- 6 grants, and matching funds raised by political subdivisions, local developers, and
- 7 communities.

8 **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.

**STATEMENT OF PURPOSE OF AMENDMENT:****Senate Bill No. 2225 - Department of Commerce - Conference Committee Action**

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
HOME program grants		\$50,000,000	(\$30,000,000)	\$20,000,000	\$30,000,000	(\$10,000,000)
Total all funds	\$0	\$50,000,000	(\$30,000,000)	\$20,000,000	\$30,000,000	(\$10,000,000)
Less estimated income	0	50,000,000	(30,000,000)	20,000,000	30,000,000	(10,000,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Department 601 - Department of Commerce - Detail of Conference Committee Changes**

	Reduces Funding for HOME Grants <sup>1</sup>	Total Conference Committee Changes
HOME program grants	(\$30,000,000)	(\$30,000,000)
Total all funds	(\$30,000,000)	(\$30,000,000)
Less estimated income	(30,000,000)	(30,000,000)
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> One-time funding of \$30 million is reduced from the strategic investment and improvements fund (SIIF) for housing for opportunity, mobility, and empowerment (HOME) program grants to political subdivisions to provide a total of \$20 million from SIIF. The Senate provided \$50 million from SIIF for the program. The House provided \$30 million from SIIF for the program.

**Senate Bill No. 2225 - Other Changes - Conference Committee Action**

The amendment also:

- Provides of the total \$20 million appropriated from SIIF for the HOME grant program, \$3 million must be used for slum and blight removal and remediation. The Senate and House included slum and blight removal and remediation prior to the conference committee amendment, but without a specific amount designated.
- Allows the Department of Commerce to provide funding for a project that includes existing residential lots, the same as provided by the House. The Senate did not include this provision.
- Requires two-thirds matching funds from nonstate sources to match one-third of total project costs provided by the state, the same as provided by the House. The Senate required matching funds on a dollar-for-dollar basis.