

Testimony in Support of SB 2014
Appropriations – Government Operations Division
Chairman: Representative Don Vigesaa
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Chairman Vigesaa and members of the Committee, my name is Dan Madler, I live in ND District 27 and I am the CEO of Beyond Shelter, Inc. (BSI), a mission driven North Dakota nonprofit developer of affordable housing. I would like to express my support for Senate Bill 2014 and urge this committee to increase the current \$15,000,000 appropriation to fund the Housing Incentive Fund (HIF) to \$50,000,000.

Let's move the needle and Invest in things that work, and the Housing Incentive Fund works:

- **\$40.5M** in local income and **838** local jobs during construction and once placed-in-operations, the annually recurring Impacts = **\$12.2M** in local income and supports **211** local jobs. **Note:** these are BSI numbers to-date = 555 HIF Homes
- Numbers for Minot = **\$15.4M** in local income and **319** local jobs during construction and once placed-in-operations, the annually recurring Impacts = **\$4.6M** in local income and supports **80** local jobs. **Note:** 211 HIF Homes in Minot, ND
- Numbers for West Fargo = **\$8.4M** in local income and **174** local jobs during construction and once placed-in-operations, the annually recurring Impacts = **\$2.53M** in local income and supports **44** local jobs. **Note:** 115 HIF Homes in West Fargo, ND
- Numbers for Bismarck = **\$2.9M** in local income and **60** local jobs during construction and once placed-in-operations, the annually recurring Impacts = **\$880K** in local income and supports **15** local jobs. **Note:** 40 HIF Homes in Bismarck, ND
- It provides a positive return on investment (for example, for every **\$1** of HIF investment that BSI has been awarded to produce the 555 HIF Homes, BSI has been able to develop **\$7.32** in long-term affordable housing assets serving Bismarck, Burlington, Fargo, Minot, and West Fargo) **Note:** for every **\$1** of HIF awarded to BSI from the \$7.5M of HIF appropriated in 2019, BSI has been able to develop **\$9.69** in long-term affordable housing assets that will serve the communities of Minot and West Fargo
- **Conclusion** – HIF is a great tool for Community and Economic Development

- HIF strengthens local North Dakota communities as the lack of affordable housing can hold back local, regional, and state economies
- It supports an increase in the availability of affordable housing options within North Dakota communities, which is essential to attracting, retaining, and developing a diverse, productive workforce and which allows North Dakota communities to be competitive and **“fire on all cylinders”**
- Investing in Affordable Housing is foundational as it is connected to other outcomes (i.e., health, education, employment, childcare, transportation, wealth creation, public safety – these are all inter-related and without Housing, nothing else works. Housing Matters.) **HIF works**

The data and evidence are clear, the need for HIF is absolute:

- **43 plus-years** to meet the current need. This is how long it would take if 300 Extremely-Low-Income (ELI) affordable units were produced per year. This data is from the recently released NDHFA report “The Current State of Housing in North Dakota.” Per page 13, it is estimated that there is a **shortage of 13,000 affordable rental units** for ELI households. **Note:** an ELI household is one that earns 30% of the Area Median Income or less (i.e., in Fargo, where I live, a 1-person HH would be ELI if they earn \$9.00 an hour or less or \$18,780 per year or less). **The need for HIF is absolute**
- Beyond Shelter’s average 2020 vacancy rate was 4.80% among 786 affordable homes serving families and seniors in the communities of Burlington, Dickinson, Minot, and Fargo.
- Beyond Shelter’s average 2020 vacancy rate was 2.21% among 407 affordable homes serving seniors in the communities of Dickinson, Minot, and Fargo.

Snapshot of who is served by an investment in the Housing Incentive Fund:

- BSI affordable senior homes in Fargo currently total 286. With 69% or 193 of the homes serving seniors who are ELI (Average income for a senior ELI household = \$17,500 per year or about \$8.41 per hour). The average rent paid = \$423 per month which includes all utilities paid except for electricity, which totals about 29% of the senior ELI household’s income (i.e., this is affordable housing). Average age of the senior ELI household = 72.

In closing, I request your support for SB 2014 and respectfully request that this committee increase the current \$15M appropriation to fund the Housing Incentive Fund to \$50M. Let’s move the needle.

Thank you for your time and consideration.