

Testimony in Support of SB 2127

Senate Appropriations

Chairman: Senator Ray Holmberg

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Chairman Holmberg and members of the Senate Appropriations 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 2127 and the requested \$50,000,000 appropriation to fund the Housing Incentive Fund (HIF).

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

- It is a great tool for Community and Economic Development (BSI numbers to-date = 555 HIF Homes created, Year 1 Impacts = \$40.5M in local income and 838 local jobs, annually recurring Impacts = \$12.2M in local income and supports 211 local jobs) (BSI numbers from the last biennium \$7.5M HIF allocation = 139 HIF Homes will be created, Year 1 Impacts = \$10.15M in local income and 210 local jobs, annually recurring Impacts = \$3M in local income and supports 53 local jobs)
- It strengthens local North Dakota communities as the lack of affordable housing can hold back local, regional, and state economies
- 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 \$7.48 in long-term affordable housing assets serving Bismarck, Burlington, Fargo, Minot, and West Fargo) Note: for every \$1 of HIF awarded to an affordable housing project developed by BSI, it will produce \$10.98 in long-term affordable housing assets.
- 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
- 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.)

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

- 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 Extremely-Low-Income households (ELI). Note and 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) Also, if you produced 300 ELI affordable units per year, it would take you 43 plus-years to meet the current need.
- 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 households income (i.e. this is affordable housing). Average age of the senior ELI household = 72.

In closing, I respectfully request your support for SB 2127 and the \$50M appropriation to the Housing Incentive Fund. Let's move the needle.

Thank you for your time and consideration.