

2009 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1259

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1259

House Government and Veterans Affairs Committee

Check here for Conference Committee

Hearing Date: 01/23/09

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Committee Clerk Signature

Lori Engelson

Minutes:

We'll open the hearing on HB 1259. The clerk will read the title.

Chairman Grande: Representative Kaiser.

Rep. Keiser: Let me give you the gist of some background on 1259 not specifically but more on the issue. As many of you have had perhaps the misfortune of recognizing up to this point,

I do believe very firmly that the legislature, being the policy making branch of our state government is responsible to us considering policies that affect the citizens of the state of North Dakota. Historically, on Industry, Business and Labor Committee the issue of housing, and specifically affordable housing has been on our agenda for many sessions. It does not leave our agenda. It comes to us primarily in the form of workforce relationships. How can we possible construct housing in rural areas of the state when in fact banks won't make the loan. Construction of the house is \$120,000. That's what it costs to build, but we know that the resale market isn't very strong in the rural area. So the banks are going to loan \$80,000 because that's what, based their experience and rightly so, they are going to be able to recover if that house has to be sold. So how do we take a project into rural North Dakota that's a good business concept. We've got everything lined up but they can't provide the housing for the workforce that's available within or outside our state. We all, as policy makers, love to talk

about attracting people to North Dakota and helping our economy grow. One of the hurdles we face in helping our economy grow in the rural areas specifically is affordable housing and being able to provide it. It has never been more obvious than what is occurring right now in the Williston Basin. We all are enjoying the production of oil in our state and what is associated with the revenue. The reality is for two years ago, maybe three years ago, there were people living in that basin that had jobs at the bank, had jobs that weren't that high paying in other business in the community, maybe the restaurants or whatever. They were paying maybe \$350 or \$500 a month for rent, or \$500. The surplus of oil workers out there that are making a great deal of money had displaced a lot of those people. When I talked to the banking community here they've said we keep getting asked to come out there and talk to their community leaders and try and find a strategy under which we could begin to see development out there. Build apartment complexes. Build homes for people who could qualify financially in terms of income and everything else, but they can't get the financing through the bank because the banks have got the problem that experience has taught them we have to discount them considerably to build them. Now this is one example. You might say that's an issue then for isolated pockets in the state and that's simply not true. To my amazement many of the people sitting in this audience came to me and asked me to start to address this. Some of them have made the statement the problem is even bigger in some of our larger communities. The Fargos. The Bismarcks. In terms of providing affordable housing for people. What we have tried to do with 1259, I'm going to try and walk you through it, and you're welcomed to ask me questions, but there truly are some people here who are in the field who work with this daily and can answer the technical questions much better than I can, but I'll try and answer them. What this 1259 is, it creates an affordable housing fund. It establishes a fund. The fund would be supervised by an advisory board of the Industrial Commission which currently

supervises the North Dakota housing program, and those people are here and can address any questions you may have. What would this fund be used for? It would be used for new construction, rehabilitation, acquisition of affordable multi-family or single residency homes. What would it do? How would it help in those arenas. It would provide gap assistance funding, gap funding to make that differential that the banks won't go into. Matching funds in some cases. It also would allow accessibility for improvements. It would allow single families down payment or gap assistance, but that gap assistance could not exceed the amount that would allow them to qualify using proper underwriting standards. One of the concerns that has been expressed relative to this legislation, and they are legitimate concerns, we do not want to create a new Fannie Mae or Freddie Mac. Those programs crashed and burned nationally, and we're now all paying the penalty for them. It is the wisdom of this committee that will make that determination. We have attempted to do that. The North Dakota Housing and Finance has a prolific track record managing the state program relative to housing. They have had none of the problems of Freddie Mac or Fannie Mae, and they are directly involved through the Industrial Commission in this area. It would provide rental and emergency assistance. Representative Delzer said the major difference in this bill is this isn't for individuals so much as it is targeted. The eligible recipients are local, state and tribal, community action agencies, regional planning councils, nonprofit organizations and for-profit developers of affordable housing.

Rep. Kasper: At the top of page 2, line 2, where the bill states single-family down payment or gap assistance that does not exceed the amount necessary to qualify for a loan using underwriting standards acceptable for secondary market financing. Depending upon the location of the structure, you could build a home that the actual cost, let's say \$110,000, and the day after you're done with your building, if you wanted to sell it, you might find someone

who would pay you \$75,000 for it because of the location. How do you envision your bill handling that type of a circumstance where you have maybe a reduction in value from the original cost almost immediately.

Rep. Keiser: If you would hold that question because they manage the issue currently with the North Dakota Housing and Finance. They are the managers of this. One of the things we did address in this legislation was that any monies returned during the biennium may be reused during the biennium so we're going to create this fund, and it will have a period of time that the monies won't be allocated because you have to get up and running. But should monies be allocated and should there be a return of any of those dollars, those dollars could go back into the fund and would be available for reuse by the fund during the biennium. At the end of the biennium, any monies collected that would be returned to the fund would go back to the Bank of North Dakota. You have to understand that some of these funds will be allocated on a ten- year, fifteen, twenty-year return basis where they will be payments back. That would be principle land interest etc. And so what we tried to do is this is an unusual kind of sunset in the sense that we're allowing the fund to become established. We're allowing it to enter into conventional arrangements in the long term, but at the end of this biennium those dollars that are returned during the biennium could be respend. At the end of this biennium, the sole intense purpose is any new money coming back in will be going back to the Bank of North Dakota. I do believe as a legislator, if I have some grand idea that's relative to the policy that costs money, I should be responsible for coming up with the solution, and you're going to hear testimony today that my solution isn't the preferred solution of the Bank of North Dakota because I said let's take the money from the Bank of North Dakota. What is in the bill is the Bank of North Dakota transfers to the general fund \$10,000,000 for the biennium with the limitation that the Bank cannot fall below \$175,000,000 in assets if they did hit that mark and

they transferred \$3,000,000 that's the maximum amount that could be transferred. The general fund then would fund the affordable housing fund up to the \$10,000,000, and the State Industrial Commission would have the oversight using the North Dakota State Housing Finance Agency which is their existing operation that oversees the current housing program that we have in the state of North Dakota. Of course the Bank of North Dakota does not want to be the source of money because all of us tend to run to the Bank of North Dakota. Why did I choose the Bank of North Dakota? This is a housing issue, and I could not see a fund that would be more appropriate. This isn't an oil trust fund issue. It could certainly be a general fund, but because of the nature of the animal is that it's a mortgaging and assistance thing that is a banking function and rightfully would be supported by the Bank of North Dakota. It would provide a means if money is returned to go back to the source of the funds that seemed reasonable. The other thing that I'm almost certain, you'll see an amend proposed to this legislation. 1259 does have in it an expansion of the board. One of the concerns that has been raised is that the board should not be increased. That the expansion that is proposed in 1259 is not individuals who are directly knowledgeable about the financial kinds of transactions that is involved in 1259 and as such probably may not be on the board. I would be happy to try and answer any questions. I can only say to you that at some point, we have to accept our responsibility as policy makers and determine what we are going to do with affordable housing for the state of North Dakota. And it runs the full gamut from people of no income to people that have a very limited ability to earn income all the way up to the oil workers who still like today are having trouble finding financial support or a place to live in some communities. It's a broad problem for the state.

Rep. Froseth: I have three questions. First, I don't see anything in here where you allude to it being a rural program unless that's part of the definition of the affordable housing fund.

Second, on lines 12-16 it says at least 75% of the fund must be used to benefit certain income levels and at least 50% must be used to benefit households. That's 125%. And then the third question is why include tribal government.

Rep. Keiser: To answer those questions, I would request that you allow the people here to answer those questions.

Rep. Grande: Any other questions.

Rep. Onstad: For the record, I'm Representative Ken Onstad from District 4, Parshall, sitting right in the middle of this oil development that you're hearing and the huge housing issue that is a result of that. I stand here in support of 1259. Housing is not necessarily low income to medium income. If you tack on a typical 1200 or 1300 square foot home, single garage, you're looking at \$130,000 to \$150,000. You also tack on to that costs of water and sewer. When you look at the appraisal costs versus the construction costs, you're looking at another 30% tacked on top of that. What this program creates is initial dollars to help those homes get started because once we have new home sales and that raises that, we know that that appraisal is going to be based on homes that are out there that are currently being sold. So I think it's a short term matter of two or three years that once these get created, that level will be up there. It's different than in Bismarck where the cost of appraisal is probably higher than the cost of construction. Out in my area, it's considerably less at this point. So it's crucial at that point. I would like to address one question of Representative Froseth about tribal government. They are currently building homes and they're selling those to their own enrolled members and they have to go through the home loaning process of their. They have to fund that loan. Those homes are being sold at typically \$120,000 to \$130,000. They are going out and finding their own financing. They have the same issues that you or I and everybody else has in buying those homes. I stand for any questions.

Chairman Grande: Questions for Representative Onstad?

Rep. Kasper: On page 1, lines 20, 21 and 22. It appears to me that the use of the funds is for loans, forgivable loans, grants, subsidies, guarantees, and credit enhancements. This says to me that someone is either fortunate or unfortunate enough to live in the right place in North Dakota. The state of North Dakota could be paying for part of their home. Now I live in Fargo, I'd like to be eligible for this. So where is the fairness in the state getting into paying for someone's home. I don't object to loans that are paid back but we're getting into grants and things like that. I'm concerned about the policy issue.

Rep. Onstad: What this does is help start make an investment. When that person lives in that home and pays taxes on that home, those tax evaluations go up. There's a turnaround in sales. Revenue also increases. You can compare the basis of renting versus owning and the figures will show you that that home ownership generates more wealth in that particular community. In turn that turns around and helps the entire state of North Dakota. My comment is that it's to help get things started. But I see the whole thing going away because it creates an equitable situation that is currently there between appraisal costs and costs of construction.

Rep. Kasper: So you would envision these funds more in rural North Dakota than like Fargo or Grand Forks or Bismarck? Is the bill restricted to areas of population of x or below? It appears to me this would be more in cities of 1200, 300, 800 or something like that. Is that where you envision these funds being used the most?

Rep. Onstad. Yes, I do. I see it being used more in rural areas but I also across the state see that people are unable to get the proper financing. We're not looking at \$300,00 or \$400,000 homes. We're looking at that \$150,00 starter home. I think the majority of lending will be in rural North Dakota but it's not limited.

Rep. Kasper: Thinking in terms of rural North Dakota and hoping that some day these home values will go to their original costs, what do you see that we need to have in rural North Dakota besides the homes themselves to keep rural North Dakota viable so that we might have that possibility that these home values will increase in future years.

Rep. Onstad: The growing need in rural North Dakota is health care. That's why people are basically leaving that area and they're moving to other towns. So creating a rural health network out there that would keep those older citizens that want to stay in their communities, I think is crucial. The other thing is we don't have a very good program where a community, I'll use Parshall as an example. There probably hasn't been a new home built in Parshall in 30 years. Why is there's jobs there but people elect to go where there's already a home that's a newer home and they will purchase that home. We have a lot of homes for sale in Parshall, but they're the ones that are 60 to 70 years old. It doesn't meet specs so that creates a problem. Families going into homes, don't want a story and a half home. They want to build there own. That turns around and adds the cost of development of sewer and water. I think it's real important for rural North Dakota to have access to rural health care.

Rep. Kasper: So access to rural health care is a key. Would you also agree that we need business in rural North Dakota, business and services beyond health care like a school or a grocery store. For people who want to stay in the setting in North Dakota, they need to have some type of a business community as well.

Rep. Onstad: Absolutely.

Rep. Nathe: In regards to section 1, line 21. Just so I'm clear on the guarantees. If somebody buys a home under this program and they leave and they walk away from the mortgage, does the state now own that house?

Rep. Onstad: Others will answer your question.

Sen. Mathern: My name is Tim Mathern. I'm from District 11 in Fargo, North Dakota and co-sponsor of this bill. I want to address one question. The question is why establish a fund. We could just appropriate a few dollars for this project, a few dollars for that project. We establish a fund because it's an area of ongoing activity. It's an area of ongoing need and we have professionals within the Industrial Commission and House and Finance Agency that can address those needs. They are ever changing. I handed out a list of trust that we have, some 20 trusts that are already in place in this state and if you look at them, you know we're probably going to be dealing with university all the time. We're probably going to be dealing with the veteran situation all the time. There really are funds here recognizing the fact that something is a long term issue. And that's what housing is. I think it's important that we establish this fund to create that ongoing, changing possibility to make sure everybody has housing in North Dakota.

Bill Shalob representing the Economic Development Association of North Dakota offered testimony in support of HB 1259. See attachment #1.

Rep. Kasper: You talk in your testimony about retaining people in the community and at the same time creating jobs. You emphasize jobs in other parts of your testimony. You have jobs in any community but in this case rural community. What do you need.

Bill Shalob. Are we going to need business to locate there?

Rep. Kasper: Right. In other words you need business to create jobs. We just don't have jobs unless we have businesses is what I'm getting at.

Bill Shalob: Yes. I would agree with that. I might add that I think that the feeling among the rural economic developers is that we're finally starting to in some ways at least stop or reverse the trend of the outmigration. There is some opportunity, if you look at Watford City and what has been created there. You look at the oil patch and what has been created in terms of that.

Those are creating other spinoffs and for the first time starting to create demand for people.

We see that in the job postings of Job Service. If we have a demand for people the stumbling block now becomes where do they live. So we have to solve that problem in order to get the people into the rural areas and in order to fill the jobs. The problem is not only the affordable housing but when you talk about the gap between the actual construction cost and the appraised value, that gap can only be filled if the buyer is willing to take the extra money or the gap on in terms of a down payment. The second problem is the comps. The elements that go in to evaluating a house in any community and one of the biggest values is you have the construction costs and comparable sales. If you don't have any comparable sales because nothing sells or everything sells internally or none of the houses are new because of the construction, the comparables can't come up and again that creates more of a gap in terms of the appraised value and it creates a problem. This is the starting point.

Rep. Kasper: Would you object, we don't limit this to the size of the community or the area. In other words, somebody in Bismarck could apply for this type of financing and I don't think that's the intent. Should we be limiting the size of the community or county where this bill would apply?

Bill Shalob: It is EDND's position on behalf of its rural members and the problem that exists in the rural areas. Insomuch as we would like to see that part addressed, I think that's a policy decision of this committee, whether you would extend it into the larger cities. That problem, affordable housing or whether it's a policy thing, that's something that we want to do. Our position is that we need to address the rural housing issue, the affordable housing issue in rural areas.

Rep. Kasper: If we would preclude communities larger than x from participating, that certainly would be more definitive. Right now it's wide open. I agree with what you said, but now anybody could apply.

Bill Shalob: That's correct. We feel the need is in the rural areas. The committee would make that change based on all of the testimony they're going to hear today, because I think there are some affordable housing issues in Fargo and Bismarck that you're going to hear about. That would be strictly a policy decision for the committee to make.

Chairman Grande: Anyone else who wishes to speak in favor?

Tom Alexander, Project Director for the North Dakota Medicaid Infrastructure Grant offered testimony in support of HB 1259. See attachment #2.

Chairman Grande: Anybody else in favor?

Lynn Fundingsland, Executive Director, Fargo, ND HRA offered testimony in support of HB 1259. See attachment #3. Most of Mr. Fundingsland's testimony was inaudible. See written testimony.

Chairman Grande: Next.

Michael Carbone, Executive Director of the North Dakota Coalition for Homeless Persons, Inc. offered testimony in support of HB 1259. See attachment #4.

Chairman Grande: Any questions? Thank you sir.

Bruce Murry, attorney for the North Dakota Protection and Advocacy Project offered testimony in support of 1259. See attachment #5.

Chairman Grande: Any questions? Next.

James Moench, Executive Director of the North Dakota Disabilities Advocacy Consortium offered testimony in support of HB 1259. See attachment #6.

Chairman Grande: Any questions? Next.

Veronica Zietz, Executive Director at The Arc of Bismarck, offered testimony in support of HB 1259. See attachment #7.

Chairman Grande: Any questions? Next.

Barbara Owens, North Dakota Affordable Housing Fund Alliance, offered testimony in support of HB 1259. See attachment #8.

Chairman Grande: Any questions? Next.

Doreen Riedman, North Dakota Association of Builders, offered testimony in support of HB 1259. See attachment #9 with attached proposed amendments.

Ms. Riedman offered the following testimony on behalf of **Claus Lembke, North Dakota Association of Realtors**. We the North Dakota Association of Realtors have the same concerns over the expansion of the Advisory Board.

Rep. Boehning: If we adopt the amendments, are you in favor of the bill as it is?

Doreen Riedman: Yes, we are in support of the bill with the amendments. Without the amendments, we would not be.

Rep. Amerman: The Advisory Board first of all, does the Governor appoint or how do you get on and second of all, how do you envision when you go from six to nine, I don't believe how many come from one area and how many come from another. Would you address that.

Doreen Riedman: I am not exactly sure who appoints the Advisory Board. I believe Mike Anderson, Housing Finance Agency, could give you that answer. The bill does state on line 26-30 where the make up comes from and it is spelled out in there currently that it is realtors, homeowners, home buyers.

Rep. Amerman: But how many from each.

Doreen Riedman: It is a little bit unclear but I believe it is one representative from each of those parties.

Rep. Froseth: What is the effect of the change on line 29, remove the overstrike from homeowners and buyers? Inaudible.

Doreen Riedman: That's true. That's probably one in the same. Homeowners and buyers and housing consumers. What we're basically saying is the way it works now, it's working effectively and the way it's made up now seems to work well and we don't see any change needed.

Chairman Grande: Anyone else speaking in favor of this bill?

Amy Nelson, Executive Director of the Fair Housing of the Dakotas, offered testimony in support of HB 1259. See attachment #10.

Chairman Grande: Any questions? Favor? Opposition?

Eric Hardmeyer: My name is Eric Hardmeyer, President of the Bank of North Dakota. We certainly do not oppose any of the elements of the program other than what is in section 5. As Representative Kaiser discussed with you we do oppose the \$10,000,000 coming from the Bank of North Dakota. SB 2014, which is our appropriation bill, and is in the Governor's budget, already removes \$60,000,000 from our profits. The Bank of North Dakota is a little under capitalized at about 7%. We should be closer to 8. Most banks our size are at 9. In order for us to retain that kind of capital we should be providing no more than 50% of our profits back to the general fund. We anticipate over the next biennium we will earn about \$120,000,000 so \$60,000,000 is really at our limit. We need the Bank of North Dakota to retain earnings to grow our capital. All the other elements in the bill, we work very closely with the housing sectors around the state we are in support of. It's just the funding mechanism for this bill we have an issue.

Rep. Froseth: Would you be in favor of this bill if the \$10,000,000 was part of the \$60,000,000 transfer?

Eric Hardmeyer: The \$60,000,000 is there for the legislature to appropriate if you choose to use in that manner, that would fine with us.

Rep. Amerman: Is there a mission statement for the Bank of North Dakota?

Eric Hardmeyer: Our mission statement was given to us 90 years ago and was created to promote and encourage agriculture, commerce and industry across the state. And so that remained with us for 90 years and continues to be our mission statement.

Rep. Nathe: On line 2 of section 5, it says transfer does not reduce the Bank's capital structure below \$175,000,000. Does this \$10,000,000 transfer push below that?

Eric Hardmeyer: This is conflicting language as in 2014. We had raised our capital base in that bill \$225,000,000. So at this point at the end of the year at \$227,000,000. So the \$175,000,000 would not come into play. Right now at capital of \$227,000,000. We still are undercapitalized. So \$175,000,000 is the quota established two years ago when the bank was smaller. The Bank of North Dakota has grown to a level now of about \$3,500,000,000 in assets and to carry a capitalization rate of about 8% means we are going to get much closer to \$300,000,000. So the \$175,000,000 is antiquated.

Chairman Grande: Any other questions from the committee? Anybody else in opposition to this bill. Anyone neutral to this bill.

Mike Anderson, Executive Director of the Division of the State Industrial

Commission offered neutral testimony on HB 1259. See attachment #11.

Mike Anderson: The bill is quite flexible. Housing is very complex today whether you are talking about workforce housing, whether you're talking about low income housing, whether you are talking about rental versus homeownership, whether you are talking about a value gap or affordability gap. It varies from community to community. In order to meet that need, an authorization of a program should remain as flexible as possible

so you can meet the needs that may change. In the final plan that is taken to the Industrial Commission that's where you define today how much of the fund should be focus on rural, how much should be focused on urban, how much should be focused on rental, how much should be focused on homeownership and where are you going to get priorities on how you lease that money for those various things whether it's loans, whether it's grants, whether it's soft seconds where you create an affordability period. You develop that based on where you are going to put those funds. If you're talking about de-subsidizing rental housing. That's why they are looking for soft line equity to begin with because they are unable to gather enough cash flow. It all depends on whether you are going to require a loan for that particular assistance. Again, the process of determining where the need is is there. There's a couple of areas I heard about guarantees. We're not sure how a guarantee will work on this fund. When this thing was created, loan guarantees was one of the things with credit enhancements that makes it easier. So rather than not it will work at a given time, at least we'll have the flexibility if we can find a way to use the fund to get loan guarantees. Loan guarantees, you don't spend the money. The question is how that advisory board is appointed. The Industrial Commission requests nominations from the various industries that are cited in the current century code and the Industrial Commission will select from those nominees from each of those industries that are being represented.

Chairman Grande: Questions from the committee.

Rep. Froseth: If this program passes, doesn't your agency take part in setting the administrative rules?

Mike Anderson: That is correct.

Inaudible question by Rep. Froseth.

Rep. Nathe: Getting back to the \$10,000,000, how did they come with \$10,000,000 for the fund?

Mike Anderson: Two programs that are short of funding these days are funding assistance. I think Tom mentioned on an annual basis over \$6,000,000 could accommodate a waiting list right now that exists and housing rehab loans, grants and assistance. I think that number is over \$8,000,000. Just looking at those two components of housing across the state, you are over \$10,000,000. \$10,000,000 is not going to satisfy all the housing needs.

Rep. Nathe: Could this program run for less than \$10,000,000.

Mike Anderson: We will use whatever the legislature gives us to use. Since this is not our bill, I'm going to defer that to the Alliance. We will use whatever you give us.

Chairman Grande: Any other questions from the committee. Is there anybody else who has information?

Don Forsberg: My name is Don Forsberg and I am the Executive Vice President for the community banks in North Dakota. Certainly our membership and our associations are in support of housing programs that will help the appraisal gap and evaluation issues and affordability issues that are in all of our communities and rural areas because the health of our communities result in healthier institutions as well so we certainly want to support the intent of this bill. Our concerns have already been described and we want to add to that. One would be the change in the size and the make up of the board. Inaudible. And the second thing would be the impact on the Bank of North Dakota. Many of the Bank of North Dakota programs are for the benefit of these same rural and small communities. Those all relate to their equity position. So \$10,000,000 on top of the \$60,000,000 going to the general fund would mean more money comes away from

that equity position thereby reducing monies that might be available for some of the other programs so we just want to bring that to your attention.

Rep. Kasper: If this program were to go through, a small town in North Dakota with 1000 people or less, the construction cost of a house at \$125,000, the mortgage would be \$70,000 and the bank wants \$50,000 of equity. And this fund would grant \$50,000 equity and the bank would have a \$70,000 loan, would the banks be willing to make the loan under that circumstance that that was the equity they wanted or would they still be reluctant for potential defaults on the loan.

Don Forsberg: There shouldn't be any problem with the loan because repayment of any loan depends on income. One of the issues that I mentioned is that you can only loan a finite number of homeowners that are looking for housing. If you keep everything internal because that has to come out of (inaudible), that's the amount of money you have to work with. So as you use that money to make home mortgages, and I had \$1,000,000 and each house costs \$100,000, I could help ten homeowners. If you sell those mortgages out on the secondary market, then we can help more people if they qualify for the underwriting standards that are necessary. And that's where we run into things like the appraisal gaps and other issues. When you're trying to meet those underwriting standards, it will require that the mortgage does not exceed the appraisal. If the appraisal is lower than the cost of building, then somebody has got to make up that difference.

Chairman Grande: Is there anybody else who wishes to comment to this bill. Closing the hearing on 1259.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. Committee Work One HB 1259

House Government and Veterans Affairs Committee

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Committee Clerk Signature

Melissa M. Erhardt

Minutes:

COMMITTEE WORK ONE:

CHAIRMAN GRANDE: Let's work on HB 1259. We heard a bill very similar to this in finance and tax. There is actually the same type of topic that is being dealt with in political subdivisions dealing with mobile homes. So there is a number of them that might need to be matched up a little bit. This one has a \$10 million fiscal note and there are amendments here too. The ND Builders Association amendments and there were a number of people that said that they would like to see those amendments on if the bill was going to move.

Rep. Kasper: Who drafted the amendments?

Chairman Grande: The ND Association of Builders. Mike Anderson, Dawn Forsberg, and I think Eric. Also, asking for amendments was Claus Lembke and Amy Nelson. There was a group of them that came and asked for those amendments to be put on. Page 2, starting at line 26.

Rep. Meier: I believe it was Doreen (can't understand) had mentioned on Page 2, Line 29 look at necessary (too much paper shuffle, can't understand)

Chairman Grande: Section 3 of the advisory board rules, line 26, remove the overstrike of six persons. Then remove the nine member language, all the way through 26-29 we are going to remove all the new language.

Rep. Kasper: So they want to keep the board the way it is?

Chairman Grande: That is exactly what they wanted to do. The gentleman that works with this board and handles all of this work stated that everything has worked fine, there is clear representation in all areas, and there has never been any complaints, so the change was not anything that was necessary.

Rep. Winrich: What about the change on Line 30?

Chairman Grande: Line 30 is remove the overstrike and the underlined language. Does everyone understand those amendments and what they are doing, they are taking it back to the original advisory board. The amendments are in front of us, do I have a motion?

Rep. Amerman: I make the motion.

Rep. Wolf: 2nd.

Chairman Grande: The amendments have been moved by Rep. Froseth and 2nd by Rep. Wolf. Call the roll on the amendments?

Clerk Erhardt: Total: Yes: 12, No: 0, Absent: 1.

Rep. Froseth: Move for a Do Not Pass As Amended.

Rep. Nathe: 2nd.

Chairman Grande: Motion from Rep. Froseth for Do Not Pass As Amended and Rep. Nathe 2nd.

Rep. Froseth: Providing funding, for many rather than this bill. We heard an hour and a half of philosophical testimony and no one really did address the bill itself or the direct measures of the bill. I was under the assumption this was designed for rural areas but the fellow from Fargo testified that (can't understand), and it appeared to me that rural areas won't get much benefit out of this. GAP financing is very risky financing and it includes tribal lands and I believe that tribal lands should be taken care of by the Federal Government, with income tax and their assistance. (Can't understand), assets (can't understand) million dollars and Housing Finance Agency said they would need 200 to 300 thousand dollars annually to administer the program and two more FTE's. For some reason I don't think this is a very good bill to have.

Rep. Kasper: One other area besides what Rep. Froseth discussed that is a major concern on this bill to me and that is on Line 20, Page 1. The agency shall adopt rules for the fund so as to address the unmet affordable housing needs through loans. What's happened on the national level through the incorrect policy for home ownership, is exactly what this bill could do in the future. The

loans that you are making, you are making to people who can't afford the loan and don't have the equity to buy the house. Because the bill says that half the funds have to go to the people whose medium income is one-half of our State average and that is pretty darn low. So they have the GAP loan and they can't really afford the mortgage the way it is, and now they have a loan they have to repay on top of the mortgage. The federal meltdown occurred the same way, when the Federal Government's policy said, through the Community Development Act, that the banking institutions and the institutions that granted home loans must make loans to people who could not afford it. That started in 1976 and it's taken 30 years to unravel. This bill has that same potential and I'm all for housing for people but there comes a time if you can't afford, you just can't afford. Then the State would be left holding the bag again. For that additional reason I support the Do Not Pass.

Chairman Grande: Are there any comments? Discussion? Clerk will call the roll on a Do Not Pass.

Clerk Erhardt: Called the roll. Total: Yes: 8. No: 4. Absent: 1. Rep. Schneider. Carrier: Rep. Kasper.

VR
1/30/09

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1259

Page 2, replace lines 25 through 31 with:

"54-17-07.1. Advisory board - Rules. The industrial commission shall appoint a six-member advisory board consisting of representatives of lenders, the residential real estate industry, and the mobile home and manufactured housing industry, ~~and homeowners and buyers,~~ and in consultation with ~~such~~ the board may adopt rules and regulations for the conduct of its housing finance program which may, among other matters, establish requirements for the type and purchase price of dwelling units and multifamily facilities eligible to be financed, the income limits for eligible low or moderate income persons or families, the interest rates and other terms of mortgage loans to be financed, requirements relating to federal or private mortgage insurance or guarantees, and the general terms and conditions for the issuance and security of housing revenue bonds to be issued."

Page 3, remove lines 1 through 5

Renumber accordingly

#1

Date: 1/29/09
Roll Call Vote #: _____

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1259

House Government and Veterans Affairs Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Amendment DNP as Amended

Motion Made By Rep Froseth Seconded By Rep Wolf

Representatives	Yes	No	Representatives	Yes	No
Chairman Grande	✓		Rep. Amerman	✓	
Vice Chairman Boehning	✓		Rep. Conklin	✓	
Rep. Dahl	✓		Rep. Schneider		✓
Rep. Froseth	✓		Rep. Winrich	✓	
Rep. Karls	✓		Rep. Wolf	✓	
Rep. Kasper	✓				
Rep. Meier	✓				
Rep. Nathe	✓				

Total (Yes) 12 No 0

Absent 1

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

#2

Date: 1/29/09
Roll Call Vote #: _____

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1251

House Government and Veterans Affairs Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass DNP

Motion Made By Rep Froseth Seconded By Rep Nathe

Representatives	Yes	No	Representatives	Yes	No
Chairman Grande	✓		Rep. Amerman		✓
Vice Chairman Boehning	✓		Rep. Conklin		✓
Rep. Dahl	✓		Rep. Schneider		
Rep. Froseth	✓		Rep. Winrich		✓
Rep. Karls	✓		Rep. Wolf		✓
Rep. Kasper	✓				
Rep. Meier	✓				
Rep. Nathe	✓				

Total (Yes) 8 No 4

Absent 1 Schneider

Floor Assignment REP. KASPER

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1259: Government and Veterans Affairs Committee (Rep. Grande, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (8 YEAS, 4 NAYS, 1 ABSENT AND NOT VOTING). HB 1259 was placed on the Sixth order on the calendar.

Page 2, replace lines 25 through 31 with:

"54-17-07.1. Advisory board - Rules. The industrial commission shall appoint a six-member advisory board consisting of representatives of lenders, the residential real estate industry, and the mobile home and manufactured housing industry, ~~and homeowners and buyers~~, and in consultation with ~~such~~ the board may adopt rules and regulations for the conduct of its housing finance program which may, among other matters, establish requirements for the type and purchase price of dwelling units and multifamily facilities eligible to be financed, the income limits for eligible low or moderate income persons or families, the interest rates and other terms of mortgage loans to be financed, requirements relating to federal or private mortgage insurance or guarantees, and the general terms and conditions for the issuance and security of housing revenue bonds to be issued."

Page 3, remove lines 1 through 5

Renumber accordingly

2009 TESTIMONY

HB 1259



Testimony of Bill Shalhoob
Economic Development Association of North Dakota
HB 1259
January 23, 2009

Mr. Chairman and members of the committee, my name is Bill Shalhoob. I am representing the Economic Development Association of North Dakota (EDND).

EDND is the voice of the state's economic development community and provides networking for its 80 members, which include development organizations, communities, businesses and state agencies. Our mission is to increase economic opportunities for residents of the state by supporting primary sector growth, professionalism among economic development practitioners and cooperation among development organizations. With economic growth, however, comes an increasing need to provide housing to the growing workforce. For this reason EDND has taken a position on creating housing development opportunities in our communities, especially our smaller communities. By providing affordable housing we create opportunities to sustain communities by retaining people in the community and at the same time, create jobs. Providing any kind of development in our rural communities, however, is always difficult, and this has proven especially true with housing. Therefore, we are asking that you support HB 1259.

Last session several bills were heard that attempted to address this problem. Unfortunately, all of them failed and our rural areas are still trying to address the issue. Last winter I traveled to eight meetings around the state for a tourism congress on behalf of the Tourism Alliance Partnership. Aside from the tourism issues two common themes were prevalent. The first was lack of workforce, which is being addressed through bills developed by the Workforce Congress Committee that met throughout the interim. The second was the lack of housing in general and affordable housing in particular in rural areas that are starting to see growth for the first time in years. This is echoed often and loudly by the members of EDND who are charged with growing opportunity for these areas.

The problem will persist until a program is developed that goes to the roots of the problem, namely that the appraised value of new construction is short of the construction cost and that wages in rural areas need to rise in order to make financing bankable. One will not happen without the other. In this case we believe what comes first is developing affordable housing. Residents will be able to move to rural areas. As growth occurs demand for more employees will increase and wages will increase, decreasing the gap and the development problem. We have to start with a program like this and we should start now.

EDND believes HB 1259 will aid development in North Dakota and start to address a persistent development need in our state. We urge a do pass. I would be happy to answer any questions.

Attachment #1

**Government and Veterans Affairs
Bette B. Grande, Chairmen
Fort Union Room
House Bill 1259
Tom Alexander Testimony
Friday, January 23, 2009**

Chairman Grande and members of the committee, my name is Tom Alexander. I am the Project Director for the ND Medicaid Infrastructure Grant (NDMIG) with the North Dakota Center for Person with Disabilities at Minot State University. I am here in support of HB 1259 and to give you a brief overview of the ND Affordable Housing Fund Alliance (NDAHFA) or hereafter, called the alliance.

In March of 2008 a group of concerned citizens and organizations/agencies formed the NDAHFA. The purpose of the alliance is to establish a statewide Affordable Housing Fund to assist communities with their unmet housing needs. The NDMIG provided the necessary resources to convene the alliance via conference call and/or in person meetings. The alliance gathered a great deal of data, established working committees and developed products to promote the establishment of housing fund in ND (*see attachment A for the NDAHFA fact sheet*).

HB 1259 includes the following;

- Addresses the unmet affordable housing need through loans, grants, subsidies, guarantees, and credit enhancements. These forms of assistance can be used for:
 - new construction, rehabilitation, or acquisition of affordable multifamily or single family residence;
 - gap assistance, matching funds, and accessibility improvements;

- Single-family down payment or gap assistance that does not exceed the amount necessary to qualify for a loan using underwriting standards acceptable for secondary market financing; and
 - Rental assistance, emergency assistance, or targeted supportive services designated to prevent homelessness.
- At least fifty percent of the Fund will be used to benefit households with incomes at or below fifty percent of the area median income and at least seventy-five percent of the Fund will benefit households with an annual income at or below one hundred percent of the area median income. Priority will be given to projects that benefit households at or below thirty percent of the area median income and to households with special needs.
- Eligible recipients include units of local, state, and tribal governments; local and tribal housing authorities; community action agencies; regional planning councils; and nonprofit organizations and for-profit developers of affordable housing.
- The bill also recommends that the industrial commission appoint a nine member (previous six member) advisory board and also allow the board to adopt rules and regulations for the conduct of housing finance program,
- The Affordable Housing Fund will be made available through an annual allocation plan that will developed following input from the public and housing stakeholders through a public hearings process. The final allocation plan requires approval by the Industrial Commission of North Dakota. The activities of the fund will be reported annually to the Industrial Commission and the Legislature.

- Appropriates of 10,000,000 dollars is requested to finance the affordable housing fund.

Why is affordable housing a need in North Dakota?

- It is critical for communities to develop or maintain a stable economy.
- It is necessary for businesses to recruit and retain employees.
- Without a stable home, children are unable to focus on learning.
- Fixed-income households are sacrificing basic needs in order to afford rent.
- Having a job does not guarantee the ability to afford a place to live.
- It is well documented that the funding gap for housing throughout ND,

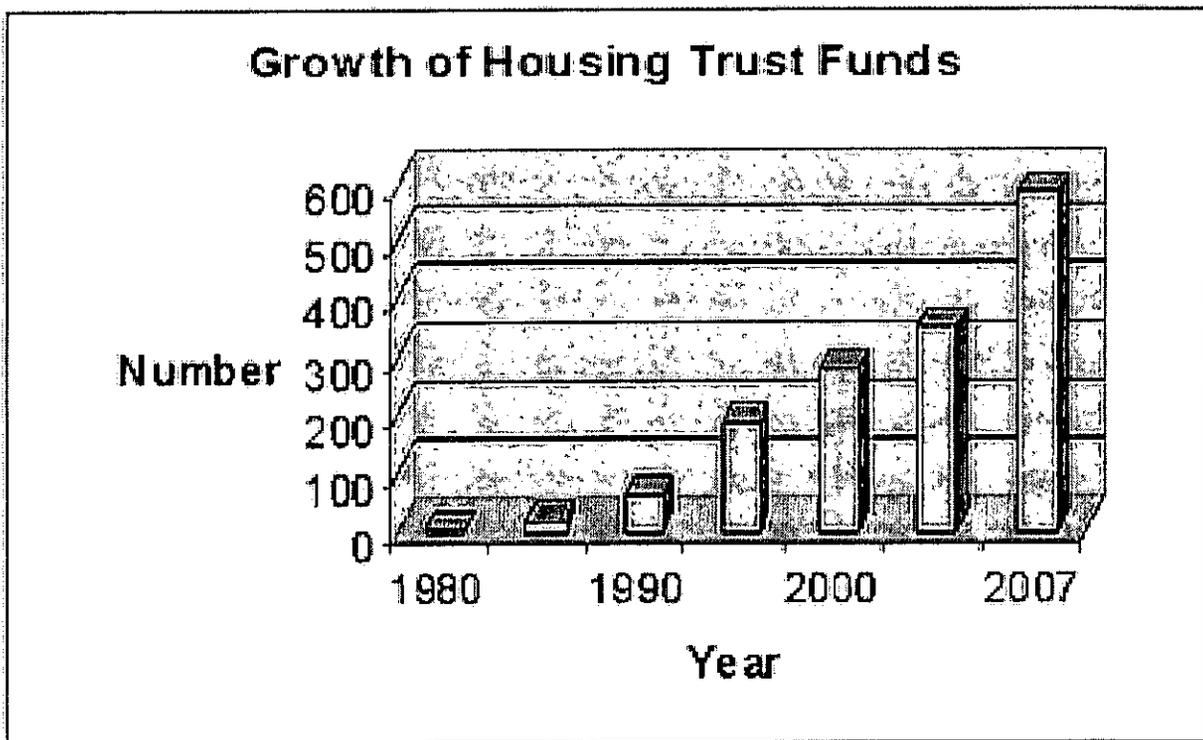
It is affecting low and fixed-income residents. From 2005 to 2007, the median home values increased at a rate of more than 20 percent while the median household income grew by only 6.6% statewide, a drastic change from a few years ago where both values increased uniformly at a rate of approximately 19%.

Currently, ND Public Housing Authorities have 2,811 individuals on a waiting list for rental assistance, which equates to a \$559,397 short fall per month and an annual short fall of over 6.7 million dollars. There are also 328 households in ND on a waiting list for Housing Rehab. The average cost per household for Housing Rehab is \$25,000 dollars, which equates to a \$8.2 million dollar total shortfall.

It is not a matter of the market being under or overvalued, or inflated home prices; it is the wider concern of affordability. What are the opportunities for someone with a minimum wage job to find housing or affordable rent of any kind? As an example, in 2007 the average cost of a home in North Dakota was \$142,000 requiring payments of \$1,067 per month. This is well about the earning power of a family making \$35,000 per year that can afford payments of \$875 per

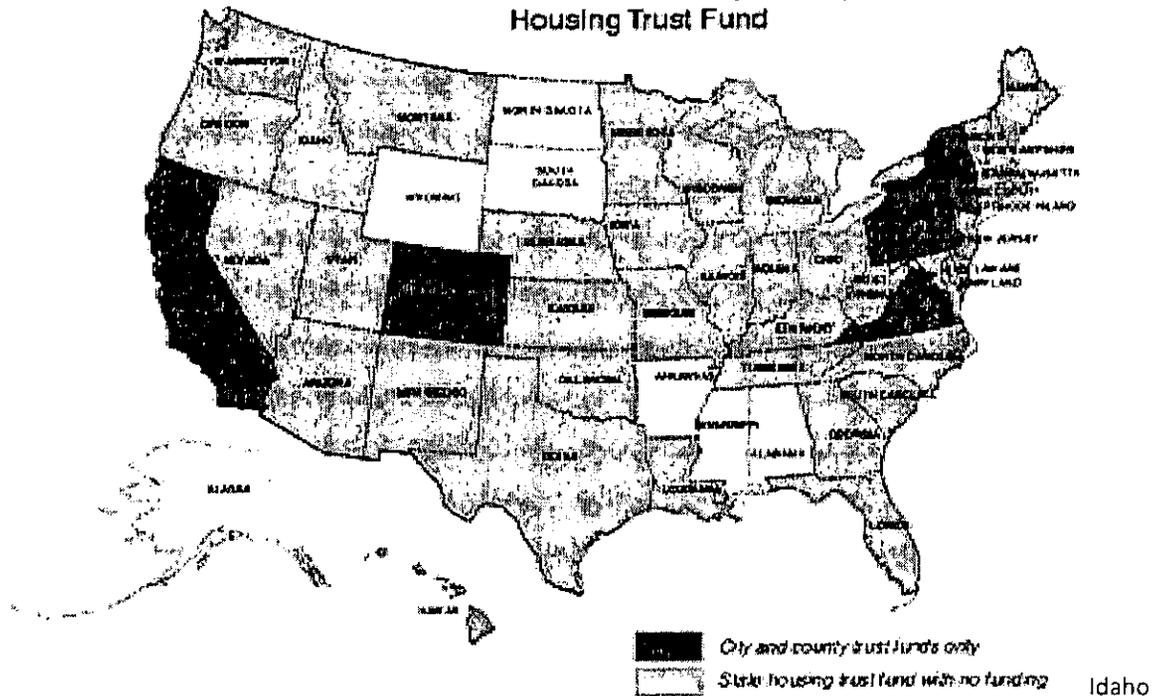
month (at 30% of income). A North Dakotan must earn a minimum of \$10.40 per hour just to afford a two-bedroom apartment with a rent of \$541 per month. The average North Dakota hourly wage is \$9.75 and the current minimum wage is \$6.55.

ND is one of only 6 states that does not have an affordable housing fund. Currently, there are over 600 such funds across the United States. The graph below indicates the growth of housing funds over the last 27 years.



(Source: www.communitychange.org)

43 States Have Some Kind of City, County or State Housing Trust Fund



(Source: www.communitychange.org)

(See attachment B for list of state housing funds)

Attachment C includes support letters and a list of supporters which promote the establishment of an Affordable Housing Fund from alliance members. Those letters were received from the following;

- Beyond Shelter, Inc.
- Burleigh County Housing Authority
- Burdick Job Corps
- City of Cooperstown
- Community Action Partnership, Region I-Williston
- Community Action Partnership, Region VIII-Dickinson
- Community Works - North Dakota
- Cooperstown/Griggs County Economic Development Corporation
- Eastern Dakota Housing Alliance
- Economic Development Association of North Dakota
- Fair Housing of the Dakotas
- Fargo Housing and Redevelopment Authority
- FM Coalition of Homeless Persons
- Grand Forks Homes, Inc. - An Equal Housing Opportunity Provider

- Independence, Inc. A Resource Center for Independent Living
- Lutheran Social Services of North Dakota
- Metro Plains Development
- Minot Housing Authority
- Minot YWCA
- Missouri Valley Coalition for Homeless People, Inc.
- Mountain Plains – National Association of Housing and Redevelopment (ND Chapter)
- Neighborhood Development Enterprises, Inc.
- ND Association for the Disabled
- North Dakota Center for Persons with Disabilities
- North Dakota Coalition of Homeless People
- North Dakota Community Action Partnership
- North Dakota Disabilities Advocacy Consortium
- North Dakota Money Follows the Person Grant Stakeholder Committee
- North Dakota Protection and Advocacy Project
- Barb Owens
- People Escaping Poverty Project
- Ray Community Housing, Inc. of Ray, ND
- Ruth Meiers Hospitality House
- The Housing Authority of the City of Grand Forks, ND - An Equal Housing Opportunity Provider
- WESTEND TERZETTO'S - An Equal Housing Opportunity Provider
- Youthworks
- YWCA Cass Clay

I would be happy to answer any questions that you may have

Thank you!



Attachment



A



North Dakota Affordable Housing Fund

Dedicated to the establishment of a statewide Affordable Housing Fund to assist communities with their unmet housing needs.



Due to current economic conditions, lack of available affordable housing, federal housing policies that have placed an increasing burden on the state, and declining resources at all levels of government adversely affect the ability of North Dakota's citizens to obtain safe, decent, and affordable housing. Financing affordable housing, especially in rural areas and smaller communities, is becoming increasingly difficult. This lack of affordable housing affects the ability of communities to maintain and develop viable and stable economies.

Why

- Businesses can't find enough employees who can afford to live near their workplace. It is difficult to recruit and retain employees when there is a shortage of affordable housing.
- Children are forced into unstable and uncertain lives. With a stable home, a child is able to focus on learning without worrying about moving during the school year.
- Seniors and persons with special needs on fixed incomes may have to sacrifice their basic needs in order to afford rent. Imagine choosing between food and a roof over your head.
- Finding a job does not guarantee a place to live at an affordable cost. The gap between what people can afford to pay for housing and the cost of housing is widening—and is a major cause of homelessness. In North Dakota, 85% of all extremely low income renter households pay more than half of their income for their homes. (Source: National Low Income Housing Coalition (NLIHC))

Who's DOING WHAT

A group of concerned citizens, public officials, housing and service providers have formed an alliance to put forward a proposal to create a North Dakota Affordable Housing Fund.

Creation of an Affordable Housing Fund would involve:

- Legislation to create the Fund and its funding source(s), and establish the priorities to be carried out by the Fund.
- Establishment of a Housing Oversight Committee to develop guidelines and procedures for specific criteria for funding of affordable housing as found in the legislation.
- Determination of an administering agency for the Fund.

A Matter-of-fact....

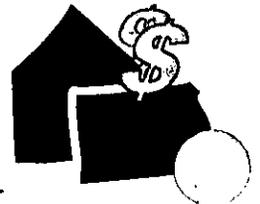
- The average 1 bedroom apartment rent in ND is \$436 per month (Source: NLIHC), however
- The average monthly ND social security benefit is \$935 per month (Source: ND State Data Center), and
- The average supplemental security income is approximately \$450 per month. (Source: Social Security Administration)
- The Fargo Housing Authority has 950 names on its waiting list; there are 1000 homeless in the summer and 600 homeless in the winter! (Source: Fargo Housing & Development Authority)
- The Bismarck Housing Authority has 750 on its waiting list for vouchers and 400 for public housing. (Source: Burleigh County Housing Authority)
- In 2007, the average cost of a home in ND was \$142,000 (Source: ND Association of Realtors), requiring payments of about \$1,067 per month (Source: ND Housing Finance Agency). This is well above the earning power of a low income family making \$35,000 per year that can afford payments of \$875 per month (at 30% of income).
- A North Dakotan must earn a minimum of \$10.40 per hour just to afford a two-bedroom apartment with a rent of \$541 per month. The average ND hourly wage is \$9.75 and the minimum wage is \$6.55. (Source: NLIHC, Out of Reach 2007-2008)

For more information contact: Tom Alexander, NDCPD/MSU or Amy Armstrong/NDCPD/MSU
800.233.1737 or 701.858.3436 800.233.1737 or 701.858.3578
tom.alexander@minotstateu.edu amy.armstrong@minotstateu.edu

December 18, 2008

North Dakota Affordable Housing Fund

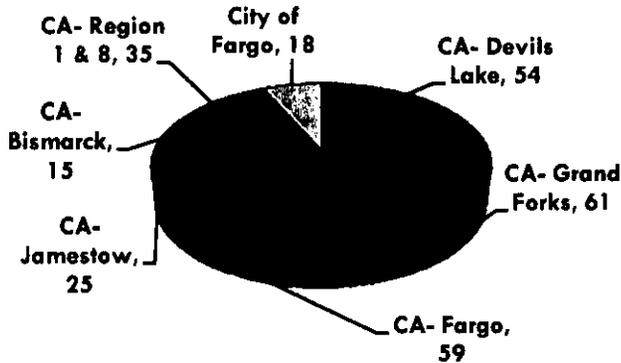
Dedicated to the establishment of a statewide Affordable Housing Fund to assist communities with their unmet housing needs.



Individuals on Waiting List for Housing Rehab using HOME Funds

Grand Total = 328

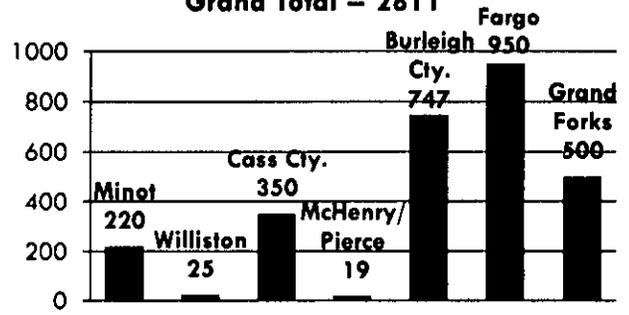
*CA = Community Action



Cass County & Stutsman County Housing Auth. - NA

Individuals on Waiting list for Public Housing Authority (PHA) Vouchers/Month

Grand Total = 2811

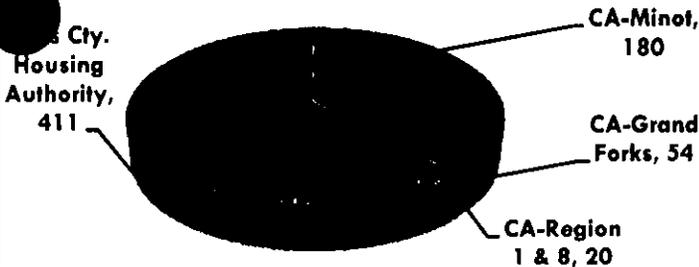


- All Public Housing Authorities (PHA) noted that the street rents far exceed the Fair Market Rate (FMR); the wait list time is anywhere from 4 months to a year; and placement rates are dropping (lack of rentals at voucher levels).
- The additional voucher funding needed per month is estimated by taking the difference between current 2 Bedroom FMR and the rent a family with 30% Adjusted Median Income (HUD definition) could pay, and multiplying by the wait list.
- Estimated total statewide cost of additional PHA vouchers needed is \$559,397/month.

Individuals on Waiting List for Security Deposits using HOME Funds

Grand Total=665

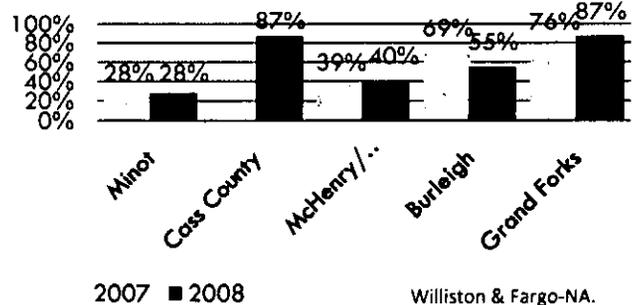
*CA = Community Action



CA- Bismarck & Devils Lake - 0
CA -Jamestown & Fargo - NA

- Average security deposit cost = \$150.00/housing unit
- Total estimated cost for security deposits of individuals on waiting list (\$150.00 x 665) = \$99,750

Public Housing Authority Voucher Utilization Rates 2007 & 2008



2007 ■ 2008

Williston & Fargo-NA
Cass County 2007-NA

Energy-impacted areas are finding it difficult for vouchers to be used due to the high demand for apartments driving up rents above the limit for voucher use.

2008 Annual Median Income (AMI) in ND	\$57,872	which can afford a monthly rent of	\$1,446
Very Low income earners are at 50% AMI or	\$28,936	which can afford a monthly rent of	\$723
Extremely Low Income earners are at 30% AMI or	\$17,361	which can afford a monthly rent of	\$434
The Estimated Median hourly Wage in ND is	\$ 9.75	which can afford a monthly rent of	\$507
The mean 2 bedroom rent across the state of ND is \$541/ month			

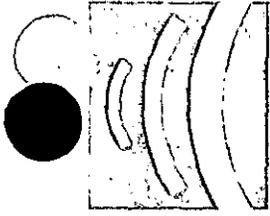
*Source: National Low Income Housing Coalition.

For more information contact: Tom Alexander, NDCPD/MSU or Amy Armstrong/NDCPD/MSU
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tom.alexander@minotstateu.edu amy.armstrong@minotstateu.edu

December 18, 2008

Attachment

B



CENTER *for*
COMMUNITY CHANGE



Housing Trust Funds in the United States 2008

State Housing Trust Funds

Arizona: Housing Trust Fund
California: Housing Trust Fund [unfunded]
Connecticut: Community Investment Act
Connecticut: Interest on Real Estate Brokers Trust Account
Connecticut: HTFund for Economic Growth and Opportunity
Delaware: Housing Development Fund
District of Columbia: Housing Production Trust Fund
Florida: William E. Sadowski Act
Georgia: Homeless Trust Fund
Hawaii: Rental Trust Fund
Idaho: Housing Trust Fund [unfunded]
Illinois: Affordable Housing Trust Fund
Illinois: Rental Housing Support Program
Indiana: Affordable Housing and Community Development Fund
Iowa: Housing Trust Fund
Kansas: Housing Trust Fund
Kentucky: Affordable Housing Trust Fund
Louisiana: Housing Trust Fund
Maine: Housing Opportunities for Maine
Maryland: Affordable Housing Trust
Massachusetts: Affordable Housing Trust Fund
Massachusetts: Community Preservation Act
Michigan: Housing and Community Development Fund
Minnesota: Housing Trust Fund
Missouri: Housing Trust Fund
Montana: Revolving Loan Account for Housing
Nebraska: Affordable Housing Trust Fund

Nebraska: Homeless Assistance Trust Fund
Nevada: Account for Low Income Housing
Nevada: Assistance for Low-Income Owners of Mobile Homes
New Hampshire: Affordable Housing Trust Fund
New Jersey: Balanced Housing Program
New Jersey: Special Needs Housing Trust Fund
New Mexico: Housing Trust Fund
Ohio: Housing Trust Fund
Oklahoma: Housing Trust Fund
Oregon: Housing Development Grant Program
Oregon: Low Income Rental Housing Fund
Rhode Island: Housing and Conservation Trust [unfunded]
South Carolina: Housing Trust Fund
Tennessee: Housing Trust Fund
Texas: Housing Trust Fund
Utah: Olene Walker Housing Trust Fund
Vermont: Housing and Conservation Trust
Washington: State Housing Trust Fund
Washington: 2060 Program: 39 counties
Washington: Homeless Trust Fund: 39 counties
West Virginia: Affordable Housing Trust Fund
Wisconsin: Interest Bearing Real Estate Trust Account

State Enabling Local Housing Trust Funds

Indiana: Affordable Housing and Community Development Act
Massachusetts: Community Preservation Act: 133 communities
New Jersey COAH: 250 communities
Pennsylvania Act 137: 51 counties
South Carolina:
Washington: 2060 Program: 39 counties
Washington: Homeless Trust Fund: 39 counties

City Housing Trust Funds

Arizona

Tucson: Housing Trust Fund

California

Anaheim: Housing Trust Fund
Berkeley: Housing Trust Fund
Citrus Heights: Affordable Housing Trust Fund
Cupertino: Affordable Housing Fund
Elk Grove: Affordable Housing Fund
Livermore: Housing Trust Fund
Long Beach: Housing Trust Fund
Los Angeles: Affordable Housing Trust Fund
Mammoth Lakes: Housing Trust Fund
Menlo Park: Below Market Rate Housing Program
Oakland: Affordable Housing Trust Fund

Oxnard: Affordable Rental Housing Trust Fund
Palo Alto: Affordable Housing Fund
Pasadena: Housing Trust Fund
Petaluma: Housing Fund
San Diego: Housing Trust Fund
San Francisco: Affordable Housing Funds
San Jose: Housing Trust Fund
Santa Cruz: Affordable Housing Trust Fund
Santa Monica: Citywide Housing Trust Fund
Santa Rosa: Housing Trust
West Hollywood: Affordable Housing Trust Fund

Colorado

Boulder: Community Housing Assistance Program
Longmont: Affordable Housing Fund

Illinois

Chicago: Low Income Housing Trust Fund
Evanston: Housing Trust Fund
Highland Park: Affordable Housing Trust Fund

Indiana

Bloomington: Housing Trust Fund
Indianapolis: Housing Trust Fund
Evansville: Housing Trust Fund

Iowa

Oskaloosa: Housing Trust Fund
Sioux City: Housing Trust Fund
Southwest Iowa: Housing Trust Fund

Kansas

Lawrence: Housing Trust Fund

Kentucky

Louisville: Affordable Housing Trust Fund

Massachusetts

Boston: Neighborhood Housing Trust
Boston AFSCME Council93: Housing Trust Fund
Cambridge: Affordable Housing Trust

Michigan

Ann Arbor: Housing Trust Fund

Minnesota

Duluth: Housing Investment Fund
Minneapolis: Affordable Housing Trust Fund
St. Paul: Neighborhood STAR Program

Missouri

St. Louis: Affordable Housing Trust Fund

New Mexico

Albuquerque: Workforce Housing Trust
Santa Fe: Community Housing Trust

New York

New York City: Battery Park City Housing Trust Fund

North Carolina

Asheville: Housing Trust Fund

Charlotte: Housing Trust Fund
Oregon
Bend: Housing Trust Fund
Portland: Housing Investment Fund
Pennsylvania
Philadelphia: Housing Trust Fund
South Carolina
Charleston: Lowcountry Housing Trust
Tennessee
Knoxville: Affordable Housing Trust Fund
Texas
Austin: Housing Trust Fund
San Antonio: Housing Trust
Utah
Salt Lake City: Housing Trust Fund
Vermont
Burlington: Housing Trust Fund
Montpelier: Revolving Loan Fund
Virginia
Alexandria: Housing Opportunities Fund/Housing Trust Fund
Manassas: Housing Trust Fund
Washington
Bainbridge Island: Housing Trust Fund
Seattle: Housing Levy Program
Wisconsin
Madison: Affordable Housing Fund
Milwaukee: Housing Trust Fund

County Housing Trust Funds

Arizona
Pima County, Arizona: Housing Trust Fund
California
Alameda County: Affordable Housing Trust Fund
Marin County: Housing Trust Fund
Napa County: Affordable Housing Fund
Sacramento City and County: Housing Trust Funds
San Luis Obispo County: Housing Trust Fund
San Mateo County: Housing Endowment and Regional Trust
Santa Barbara County: Housing Trust Fund
Santa Clara County: Housing Trust of Santa Clara County
Sonoma County: County Fund for Housing
Colorado
Aspen/Pitkin County: Housing, Day Care Fund
Telluride/San Miguel County: Housing Trust Funds
Florida
Dade County: Homeless Trust Fund
Iowa
Dallas County: Local Housing Trust Fund

Dickenson County: Lakes County Community Trust
Johnson County: Housing Trust Fund
Polk County: Housing Trust Fund
Scott County: Housing Council
Southwest COG: Housing Trust Fund

Maryland

Howard County: Community Renewal Fund
Montgomery County: Housing Initiative Fund

Michigan

Kalamazoo City and County: Local Housing Assistance Fund

Minnesota

Ramsey County: Housing Endowment Fund

Missouri

St. Louis County: Housing Resources Commission

New York

Albany County: Housing Trust Fund

Ohio

Columbus/Franklin County: The Affordable Housing Trust
Montgomery County: Housing Trust
Toledo/Lucas County: Housing Fund

Pennsylvania Act 137: 51 counties

Virginia

Arlington County: Affordable Housing Investment Fund
Fairfax County: Flexibility Fund
Fairfax County: Housing Trust Fund

Washington

HB 2060: 39 counties
Homeless Trust Fund: 39 counties
East King County: ARCH Housing Trust Fund
King County: Housing Opportunity Fund

Attachment

C

North Dakota Affordable Housing Fund

Dedicated to the establishment of a statewide Affordable Housing Fund to assist communities with their unmet housing needs.



The ND Housing Fund Alliance Members who endorse the North Dakota Affordable Housing Fund

Beyond Shelter, Inc.
Burleigh County Housing Authority
Burdick Job Corps
City of Cooperstown
Community Action Partnership, Region I-Williston
Community Action Partnership, Region VIII-Dickinson
CommunityWorks - North Dakota
Cooperstown-Griggs County Economic Development Authority
Eastern Dakota Housing Alliance
Economic Development Association of North Dakota
Fair Housing of the Dakotas
Fargo Housing and Redevelopment Authority
FM Coalition of Homeless Persons
Grand Forks Homes, Inc. - An Equal Housing Opportunity Provider
Independence, Inc. A Resource Center for Independent Living
Lutheran Social Services of North Dakota
MetroPlains Development
Minot Housing Authority
Missouri Valley Coalition for Homeless People, Inc.
Mountain Plains – National Association of Housing and Redevelopment, ND Chapter
Neighborhood Development Enterprises, Inc.
North Dakota Association for the Disabled (NDAD)
North Dakota Center for Persons with Disabilities
North Dakota Coalition of Homeless People
North Dakota Community Action Partnership
North Dakota Disabilities Advocacy Consortium
North Dakota Money Follows the Person Grant Stakeholder Committee
North Dakota Protection and Advocacy Project
Barb Owens
People Escaping Poverty Project
Ray Community Housing, Inc. of Ray, ND
The Housing Authority of the City of Grand Forks, ND - An Equal Housing Opportunity Provider
WESTEND TERZETTO'S - An Equal Housing Opportunity Provider
YWCA Cass Clay Emergency Shelter

For more information contact: Tom Alexander, NDCPD/MSU or Amy Armstrong/NDCPD/MSU
800.233.1737 or 701.858.3436 800.233.1737 or 701.858.3578
tom.alexander@minotstateu.edu amy.armstrong@minotstateu.edu

January 21, 2009



FM Coalition for Homeless Persons
PO Box 862
Moorhead, MN 56560
701-364-2697
directorfmchp@gmail.com

January 12, 2009

Tom Alexander
NDCPD/MSU
500 University Avenue West
Minot, ND 58701

Dear Mr. Alexander:

The Fargo-Moorhead Coalition for Homeless Persons is comprised of several local service providers and community members who are passionate about ending homelessness in our community. The Coalition's mission is to increase access to services for people facing homelessness and provide homeless awareness, education, and advocacy in the FM area.

The problem of long-term homelessness is best solved by first providing a safe, secure, and reliable place of residence. Only then can the other issues that are related to homelessness be adequately addressed.

In today's economic climate, more and more families and individuals are experiencing difficulty remaining housed in a permanent setting. It is imperative that the Legislature assist these people in obtaining and maintaining the necessary housing.

For the aforementioned reasons, the FM Coalition for Homeless Persons supports legislation that would establish an Affordable Housing Fund.

All the best,

Rebekah Krueger
Executive Director
FM Coalition for Homeless Persons



Helping People. Changing Lives.

December 23, 2008

Tom Alexander
NDMIG Project Director
500 University Ave West
Minot, ND 58707

REGION VIII

DICKINSON, ND

CASE MANAGEMENT/
FAMILY DEVELOPMENT
227-0131

EMERGENCY/CRISIS
SERVICES
227-0131

FAMILY PLANNING
227-0131

HEAD START/EARLY
CHILDHOOD CENTER
227-3010
877-546-9420

HOUSING/HOME
REHABILITATION
227-0131

PIERRE ROSE CENTER
227-0135

SAFE COMMUNITIES
227-0131

WEATHERIZATION
227-0131

REGION I

WILLISTON, ND

CASE MANAGEMENT/
FAMILY DEVELOPMENT
572-8191

EMERGENCY/CRISIS
SERVICES
572-8191

HOUSING/HOME
REHABILITATION
1-800-359-2243

SAFE COMMUNITIES
572-8191

WEATHERIZATION
774-3328

Community Action Partnership was organized as a nonprofit agency as a result of the Economic Opportunity Act of 1964 to formally conduct the "War on Poverty". CAP was incorporated in North Dakota in 1976. In 1974 Congress passed the Community Services Act which is an independent federal agency that is responsible for providing funding grants and overseeing the activities of Community Action Agencies. For over 30 years, the mission of the agency has been: "Community Action Partnership enhances the quality of life in our communities throughout western North Dakota through education, resources and services".

The Adult Homeless Shelter is one of the major programs of Client Services. Community Action can provide 1 to 5 weeks of shelter to transients, those individuals that have lost their jobs and run out of resources, persons who have been evicted from rental housing, separated from spouse and must leave the home, individuals recently released from jail or treatment programs, etc. The primary goal is stabilization and self sufficiency. In partnership with the shelter program, CAP also attempts to assist in temporary housing for individuals when the shelter is full, which is only three rooms.

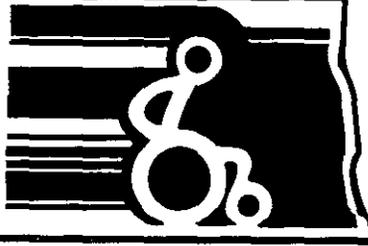
Affordable housing continues to be a problem. Rent has been increasing, the waiting list is longer for singles compared to mothers with children, and affordable housing for single individuals is difficult. Therefore, Community Action Partnership strongly supports the North Dakota Affordable Housing Alliance Taskforce in its efforts to promote state legislation on this topic.

Sincerely,

Michelle Orton
Client Services Director



**North Dakota
Association for the
Disabled, Inc.**



2660 SOUTH COLUMBIA RD
GRAND FORKS, ND 58201
(701) 775-5577
1-800-532-NDAD (6323)
www.ndad.org

January 14, 2009

Tom Alexander
NDCPD/MSU
500 University Ave. W.
Minot, ND 58707

Dear Mr. Alexander,

The North Dakota Association for the Disabled, Inc. (NDAD) extends its support to the North Dakota Affordable Housing Alliance Taskforce in its efforts to obtain state legislation to establish an Affordable Housing Fund.

NDAD is a charitable, non-profit organization whose purpose is to provide assistance to the mentally and physically disadvantaged within North Dakota, many of whom are not eligible for services from other agencies. Our mission is to enhance the quality of lives of individuals facing health challenges.

In addition to many unique services, NDAD administers a Supportive Housing Program, funded through the Department of Housing and Urban Development. NDAD leases three permanent housing units to individuals who are homeless and dually diagnosed or diagnosed with a chronic substance abuse disorder. The NDAD Supportive Housing Program provides housing assistance and supportive services to the individuals enrolled in the program who in the past have been unable to sustain permanent housing due to their disability. NDAD also provides short term Crisis Residential services to promote stabilization for persons with a serious mental illness and/or chemical dependency issues who live independently but are experiencing relapse symptoms that require short term housing and support services. The individual is able to stay in a safe, supportive environment where basic needs are met. Both programs typically run at full capacity with a waiting list.

NDAD recognizes the lack of available, affordable housing, in both urban and rural areas of North Dakota and is pleased to endorse the North Dakota Affordable Housing Fund.

Sincerely,

Ron Gibbens, President/CEO
NDAD

"A CHARITABLE NON-PROFIT ORGANIZATION"

BOARD OF DIRECTORS

Ronald Gibbens
President

Mark Lysne
Vice-President

Wendell Grondahl
Secretary/Treasurer

Teresa Larsen
Director

Mike Berg
Director

Bob Mongeon
Director

Anne Putbrese
Director



January 14, 2009

Tom Alexander
NDCPD/MSU
500 University Ave W
Minot, ND 58701

The ND Community Action Partnership is a non-profit agency that represents the seven Community Action Agencies (CAA's) throughout ND. The Community Action Agencies serve all 53 counties throughout ND. CAAs are nonprofit private organizations established under the Economic Opportunity Act of 1964 to fight America's War on Poverty. Community Action Agencies help people to help themselves in achieving self-sufficiency. A wide variety of programs are offered throughout ND including: HeadStart, Weatherization, Self Sufficiency Case Management, Senior Supplemental Commodities, Volunteer Income Tax Assistance.

Community Action Agencies often assist clients in finding affordable housing, however this is often difficult. In most regions throughout ND there is not sufficient affordable housing available to address the need. In addition we see many of our clients in need of other services due to the inflated rent amounts they are paying. Typically rent should be no more than thirty percent of a household income and because of the lack of affordable housing, we see people living in housing well beyond that of what they can afford.

ND Community Action Partnership recognizes the need for additional support for affordable housing and supports the creation of a statewide affordable housing fund.

Sincerely,

Ann Pollert
NDCAP, Executive Director

3233 South University Drive • Fargo, ND 58104 • 701-232-2452 • www.ndcaa@sendcaa.org

Community Action
Partnership
202 E. Villard
Dickinson, ND 58601
701-227-0131

Community Action
Partnership -
Minot Region
2020 8th Ave SE
Minot, ND 58701
701-839-7221

Dakota Prairie
Community Action
223 4th St
PO Box 698
Devils Lake, ND 58301
701-662-6500

Red River Valley
Community Action
1013 N. 5th St
Grand Forks, ND 58203
701-746-5431

South Eastern ND
Community Action
3233 S. University Dr
Fargo, ND 58104
701-232-2452

Community Action
Program Region VI
PO Box 507
Jamestown, ND 58402
701-252-1821

Community Action
Program Region V
2015 Lee Avenue
Bismarck, ND 58501
701-258-2240



3233 S University Drive, Fargo, ND 58104
Phone: 701-364-2833 Fax: 815-642-0846

January 9, 2009

Tom Alexander, Project Director
North Dakota Center for Persons with Disabilities
Memorial Hall
Minot State University
500 University Ave West
Minot, ND 58707

Dear Tom and Members of the ND Affordable Housing Fund Alliance Task Force:

On behalf of the staff and Board of Directors of Eastern Dakota Housing Alliance (EDHA) we are in support of your efforts to legislatively promote a designated fund for the provision of affordable housing in the State of North Dakota.

As a regional Community Housing Development Organization, non-profit affordable housing developer, we have witnessed an ongoing need for safe, decent, accessible housing alternatives that will accommodate incomes at or below median levels. Both small developments in low wage rural areas and units in higher-cost urban centers are needed. The per capita income well below national averages with increasing housing costs creates cost burdens for North Dakota families.

Financial and technical assistance resources are minimal. Our recent partnership affordable housing projects involve many diverse entities and funding sources. Costs to create affordable housing units are comparable in rural and urban areas, the economies of scale to match the population need and location may differ. Having another dedicated source of financial assistance will benefit not only families directly, but also enhance our communities.

We support the effort for state legislation and will continue our own efforts in the development of affordable housing in Eastern North Dakota.

Sincerely,

A handwritten signature in black ink, appearing to read "Grace Backman". The signature is fluid and cursive, written over the printed name.

Grace Backman
Executive Director



"Fostering the development and preservation of affordable housing in eastern North Dakota."



January 8, 2009

Tom Alexander
NDCPD/MSU
500 University Ave W.
Minot, North Dakota 58701

The Minot Housing Authority recognizes the need for additional support for affordable housing in our community and the entire state.

In the past few years, it has become increasingly difficult to provide affordable housing in North Dakota. This is due in part to the lower wages and lower rents which makes it harder to cash flow rentals. There is an unmet need in North Dakota for affordable senior housing, for special needs housing, for supportive housing, affordable family housing and workforce housing. The general need for this type of housing has outpaced the availability.

Currently available resources fall short of the need in our community. The Minot Housing Authority is in full support of the establishment of a state affordable housing fund. This fund potentially will be a very useful tool to help fill the gap in developing more affordable housing through out the state.

On behalf of the Board of Commissioners of the Minot Housing Authority, please accept this letter of support for the creation of a state affordable housing fund.

Sincerely,

Tom Pearson
Executive Director

Missouri Valley Coalition for Homeless People, Inc.

Located at Ruth Meiers Hospitality House

1800 East Broadway Ave

PO BOX 3115

Bismarck, ND 58501

T: 701-222-2108

F: 701-222-4101

E: missourivalleycoalition@rmhh.org

Tom Alexander
NDCPD/MSU
500 University Ave W.
Minot, ND 58701

January 12, 2009

Dear Tom:

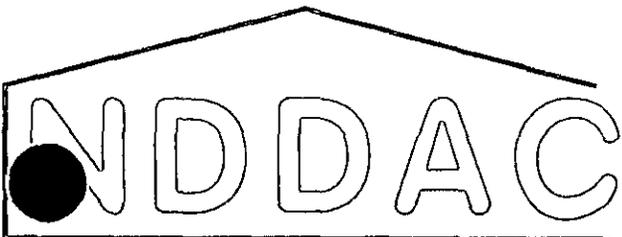
The Missouri Valley Coalition for Homeless People, Inc was incorporated in the State of North Dakota in 1997 and exists to advocate, coordinate and optimize services for homeless persons in the Missouri Valley. The MVCHP membership incorporates housing and support-service providers, city and state agencies/ institutions, as well as faith-based groups and academics. Our mission: "to help ensure that housing and other basic human needs are within everyone's reach in an affordable and dignified manner".

The disparity between lower-income households and affordable adequate accommodation is growing, while the current resources available to rectify this disparity are decreasing. The MVCHP recognizes the need of additional support for affordable housing in the Missouri Valley, including Bismarck and Mandan, and throughout the state, respectively. The MVCHP strongly supports the North Dakota Affordable Housing Fund Alliance in its efforts to promote state legislation on this issue.

Sincerely,



Tina Grumbo
Executive Director
Missouri Valley Coalition for Homeless People, Inc



**NORTH
DAKOTA
DISABILITIES
ADVOCACY
CONSORTIUM**

January 12, 2009 .

Tom Alexander
Project Director
NDCPD/MSU
500 University Ave. West
Minot, ND 58707

Dear Tom:

The North Dakota Disabilities Advocacy Consortium (NDDAC) strongly supports the establishment of an Affordable Housing Fund in North Dakota.

The Consortium is comprised of 23 advocacy organizations from across the state. Our purpose is to identify and advocate for systemic changes that benefit people with disabilities in North Dakota. NDDAC has long believed that four major issues need to be addressed before true systemic changes can be made for people with disabilities. Those issues are lack of adequate employment opportunities, affordable/available housing, transportation, and medical services.

The gaps in affordable housing in both rural and urban areas in North Dakota have long been known, but workable solutions have been hard to identify and implement. The proposed legislation to establish and fund an affordable housing fund in the 2009 Legislative Session is both workable and timely. We support it.

NDDAC stands ready to work with the North Dakota Affordable Housing Alliance Steering Committee in reviewing any proposed legislation and providing any required assistance to get this proposal adopted by the legislature and implemented within our state.

Sincerely,

James M. Moench
Executive Director

400 E. Broadway
Suite 402
Bismarck, ND
58501-4071

Phone:
701-223-0347
Toll Free:
1-877-766-6907
Fax:
701-328-3934

Email:
jmoench
@nndac.org

North Dakota Coalition for Homeless People

January 7, 2009

Tom Alexander
NDCPD/MSU
500 University Avenue West
Minot, North Dakota 58701

The North Dakota Coalition for Homeless Persons is constituted of a variety of service providers from across the state who deal with the many aspects of homelessness. Homelessness is a serious issue that affects the quality of life in both urban and rural areas of our state. Providing emergency shelter and services for homeless people is an expensive and difficult challenge.

A lack of affordable housing feeds the homeless problem and makes it difficult for those who have fallen into homelessness to get out. We seem to be seeing more and more working families and individuals who cannot meet their own housing needs. Affordable housing and homeless prevention are cost-effective and proactive solutions to our homeless problem and can help ensure a better quality of life for many North Dakotans.

It is for these reasons that the North Dakota Coalition for Homeless Persons supports legislation that would establish an Affordable Housing Fund.

Sincerely,



Michael Carbone
Executive Director, NDCHP

05 Lee Avenue
Bismarck ND 58504
Phone 701.258.2240
Fax 701.258.2245

www.ndhomelesscoalition.org

The
HOUSING AUTHORITY
of
The City of Grand Forks, North Dakota
An Equal Housing Opportunity Provider

January 6, 2009

Tom Alexander
NDCPD/MSU
500 University Ave. W.
Minot. North Dakota 58701

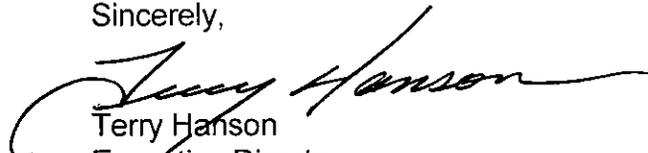
Re: Letter of Support

The Housing Authority of the City of Grand Forks, North Dakota recognizes the need for additional financial support from the state level for affordable housing throughout the State of North Dakota.

As the recently released "State of Affordable Housing in North Dakota" 2008 Report shows, there is a continued need for affordable housing, whether rental or owner occupied, for all populations to include elderly, disabled or workforce housing.

Therefore, the Housing Authority of the City of Grand Forks, North Dakota heartily supports the creation of a state affordable housing fund and encourages the 2009 Legislative Assembly to develop same.

Sincerely,


Terry Hanson
Executive Director



WESTEND TERZETTO'S

An Equal Housing Opportunity Provider

January 6, 2009

Tom Alexander
NDCPD/MSU
500 University Ave. W.
Minot, North Dakota 58701

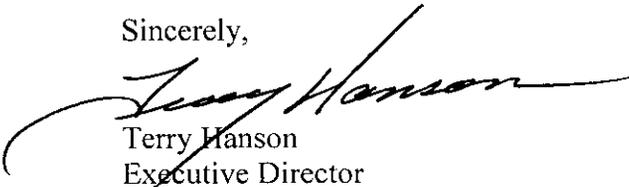
Re: Letter of Support

Westend Terzetto's is a not-for-profit housing provider located in Northeastern North Dakota. Westend Terzetto's has been providing affordable housing for the residents of this community since it founding in 2003. Never has the need for affordable housing been greater in this community than it is now. Westend Terzetto's recognizes the need for additional financial support from the state level for affordable housing throughout the State of North Dakota.

As the recently released "State of Affordable Housing in North Dakota" 2008 Report shows, there is a continued need for affordable housing, whether rental or owner occupied, for all populations to include elderly, disabled or workforce housing. As this report states, "... the greatest disparity exists in the Grand Forks MSA, where a cashier's median wage is only 69 percent of the amount needed to afford rent on a two-bedroom apartment."

Therefore, Westend Terzetto's heartily supports the creation of a state affordable housing fund and encourages the 2009 Legislative Assembly to develop same.

Sincerely,



Terry Hanson
Executive Director



1405 - 1st Avenue North, Grand Forks, ND 58203 (701)746-2545(office) (701)787-9437(direct) (701)740-6738(cell) (701) 746-2548(fax) 1-888-237-6055(toll free) tnhanson@grandforksgov.com TDD 711

GRAND FORKS HOMES, INC.

An Equal Housing Opportunity Provider

January 6, 2009

Tom Alexander
NDCPD/MSU
500 University Ave. W.
Minot. North Dakota 58701

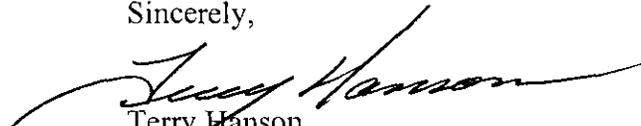
Re: Letter of Support

Grand Forks Homes, Inc. is a not-for-profit housing provider located in Grand Forks, North Dakota. Grand Forks Homes has been providing affordable housing for the residents of this community since it founding in 1971. Never has the need for affordable housing been greater in this community than it is now. Grand Forks Homes recognizes the need for additional financial support from the state level for affordable housing throughout the State of North Dakota.

As the recently released "State of Affordable Housing in North Dakota" 2008 Report shows, there is a continued need for affordable housing, whether rental or owner occupied, for all populations to include elderly, disabled or workforce housing. As this report states, ". . . the greatest disparity exists in the Grand Forks MSA, where a cashier's median wage is only 69 percent of the amount needed to afford rent on a two-bedroom apartment."

Therefore, Grand Forks Homes, Inc. heartily supports the creation of a state affordable housing fund and encourages the 2009 Legislative Assembly to develop same.

Sincerely,


Terry Hanson
Secretary





INDEPENDENCE, INC.

Stephen Repnow, Executive Director

A Resource Center For Independent Living

January 7, 2009

Tom Alexander
NDCPD/MSU
500 University Ave. W
Minot, ND 58701

Dear Tom Alexander:

I am writing this letter on behalf of Independence, Inc. to support the ND Housing Alliance Taskforce in its efforts to promote affordable and accessible housing options across the state. I think we agree that providing affordable and accessible housing to citizens of North Dakota provides many benefits to every citizen of North Dakota.

As a director of a center for independent living, I have seen firsthand the struggle for persons with disabilities to find adequate housing. This state legislation would empower all participants to be productive and continued members of society.

I strongly support and encourage the support the ND Affordable Housing Alliance Taskforce in its efforts to promote housing options for citizens of ND.

Sincerely,

Stephen Repnow
Executive Director

300 3rd Ave. SW, Suite F • Minot, ND 58701

Phone: (701) 839-4724 VITDD • Fax: (701) 838-1677 • Toll Free: 1-800-377-5114 VITDD

E-mail: agency@independencecil.org • www.independencecil.org



People Escaping Poverty Project

Tom Alexander
NDMIG Project
500 University Ave West
Minot, ND 58707

Dear Tom,

PEPP is a grassroots organization located on the border of Minnesota and North Dakota. Since 1986, PEPP has been working in Moorhead, MN, Fargo, ND and rural North Dakota in grassroots and community organizing efforts. PEPP began and evolved from a small group of women seeking economic justice, into a builder of organizations and defender of Human Rights.

PEPP's Vision and Mission is committed to building community, empowering people, uniting for power, justice, and equality, and to strategically challenge the power dynamics of systems and institutions, by organizing powerful people and resources through intentional relationships.

PEPP recognizes the need for affordable/accessible housing throughout the state of North Dakota. PEPP sees this effort as an essential component of lifting people out of poverty. PEPP fully supports this effort to establish an affordable housing fund.

Sincerely,

Chuck Stebbins
Community Organizer
People Escaping Poverty Project





LSS Housing, Inc.
a subsidiary of LSSND
1325 11th Street S
Fargo, ND 58103
(701) 271-3201
FAX (701) 271-3270
www.lssnd.org/housing

December 29, 2008

ND Housing Trust Fund Alliance
c/o Consensus Council, Inc.
1003 E Interstate Ave, Ste 7
Bismarck, ND 58501

Re: Support of proposed North Dakota Housing Trust Fund

Housing is as important a part of community infrastructure as are streets, water systems, and roads. Yet unlike the development and maintenance of traditional "public" infrastructure, housing is largely a private-sector activity.

The lion's share of housing is created and maintained in the market that exists between housing suppliers and housing consumers. But the economics of developing affordable housing present many challenges.

For an affordable rental project, the story is this: lower rents (whether because of market conditions or tenant ability to pay) translate into less cash flow for a project, which means that the project can afford to service less debt. Less debt (i.e., a smaller loan) means that more equity (cash) is needed to pay for the construction or renovation of the building(s).

For affordable homeownership, the story is even simpler: the cost of building a home often exceeds the owner's ability to pay for the home, the amount that can be financed by the market, and/or the value of the home upon completion. This "gap" often prohibits potential buyers from becoming homeowners.

A Housing Trust Fund can help supply equity to projects that are working to address affordability needs for both renters and homeowners, thereby supporting the development of housing that is needed in rural and urban communities across the state of North Dakota.

Lutheran Social Services Housing Inc. supports the creation of a Housing Trust Fund that would serve communities and people across the state of North Dakota.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert L. Sanderson".

Robert L. Sanderson
CEO

A handwritten signature in black ink, appearing to read "Jessica Thomasson".

Jessica Thomasson
Director



December 30, 2008

North Dakota Housing Trust Fund Alliance
c/o Consensus Council
1003 East Interstate Avenue - Suite 7
Bismarck, ND 58501

CommunityWorks North Dakota is a not-for-profit organization dedicated to the mission of providing affordable housing and community development opportunities to improve the standard of living and quality of life for North Dakotans.

One of CommunityWorks ND's primary programs which addresses our mission of providing opportunities and the revitalization of our communities is the **DREAM** Fund. The **DREAM** Fund is a unique revolving loan fund that has provided financing to low-income families and others for purchasing, repairing, and building their homes. It provides first and second mortgages at flexible rates and terms to allow affordability and to fill gaps that prevent mostly low-income, disabled and underserved families from obtaining loans or maintaining their homes. Since 2001, the **DREAM** Fund has provided more than \$18 million in financing, which has helped over 550 families achieve or maintain homeownership. The 1%-to-market-rate, 3-month to 30-year term loans have also helped leverage \$34 million in other financing.

Over the past few years we have found that more and more families need financial assistance to attain and/or maintain home ownership, and the available capital to assist these families is diminishing. A statewide affordable housing fund would help fill these gaps.

It is very important time to address the housing issues in the state. Various economic factors have accelerated the growth of housing costs, at a time when incomes are stagnant for most North Dakotans and when federal government housing programs are diminishing. Other issues creating housing concerns include lower wages, older housing stock, an aging population with different housing needs and a tight secondary mortgage market.

An affordable housing fund can not only address these issues but can also leverage additional private and public capital, create jobs and stabilize communities.

Therefore we support the creation of a statewide affordable housing fund to address the housing needs of the state.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Rechlin", written over a circular black redaction mark.

Paul Rechlin
Executive Director



400 E. Broadway Ave. Suite 418
Bismarck, ND 58501
Phone 701/255-4591
Fax 701/255-7228
Email cwnd@communityworksnd.org
Web www.communityworksnd.org

FAIR HOUSING OF THE DAKOTAS

(The Fair Housing of the Dakotas serves North and South Dakota and works to eliminate housing discrimination and to ensure equal housing opportunities for all.)

Telephone: 701-221-2530
ND Relay: 1-800-366-6889 (Voice)
SD Relay: 1-800-877-1113 (Voice)
Address: 909 Basin Avenue, Suite 2, Bismarck, ND 58504

Toll Free: 1-888-265-0907
Fax: 701-221-9597
ND TDD: 1-800-927-9275
SD TDD: 1-866-273-3323

January 6, 2009

Tom Alexander
NDCPD/MSU
500 University Avenue West
Minot, ND 58707

Dear Tom:

The Fair Housing of the Dakotas (FHD) is a non-profit organization located in Bismarck, ND. We serve North and South Dakota and work to eliminate housing discrimination and to ensure equal housing opportunities for all.

The FHD receives a number of contacts from the public regarding housing questions and problems. In recent months, we have seen an increase in contacts by renters and landlords because people are unable to pay rent. We also receive a number of contacts each year from people who are unable to locate affordable housing for their families. In addition, affordable AND accessible housing is a severe need from the contacts we receive. We have received a large number of contacts in recent years from people who are frustrated at the long waiting lists for housing assistance. We are also concerned at the number of contacts we receive regarding substandard housing. People desperate for a roof over their head are forced into the only housing that they can afford which is housing which often does not meet basic health and safety code. The lack of funds for inspectors and enforcement of violations in many communities adds to this problem. In addition, most people will not complain to government officials about their substandard housing out of fear of retaliation by their housing provider and lose the only roof over their head. Options are hard to come by, especially in rural areas.

As a result, the Fair Housing of the Dakotas strongly supports the North Dakota Affordable Housing Alliance Taskforce in its efforts to promote state legislation for an affordable housing trust fund.

Please let me know if you have any questions or need any additional information.

Sincerely,



Amy Schauer Nelson
Executive Director





RAY COMMUNITY HOUSING, INC.

PO Box 513

Ray, North Dakota 58849-0513

(701) 568-3039

ND Center for Persons with Disabilities
C/O Tom Alexander
500 University Avenue West
Minot, ND 58707

Tom Alexander:

As the secretary of the Ray Community Housing, Inc. of Ray, ND, we wish to express our sincere support for a State of North Dakota Affordable Housing fund. We understand this proposal is supported by the Affordable Housing Alliance.

As a community housing developer of affordable housing in the Ray community with totally private funding of like-minded individuals in Ray, ND, we sincerely appreciate the need for affordable housing in the oilfield of North Dakota. Especially needed in the oilfield is some form of gap financing to help house purchaser's with adequate income, but limited down payment resources. Another need in our rural communities is the funding to acquire dilapidated properties and replace those properties with affordable housing units.

Sincerely,

Mike Steffan, CPA

Mike Steffan, CPA
Office Manager/CFO
Northwest Communications Cooperative
701-568-3331 (phone)
701-568-7777 (fax)
mikes@nccray.com



Beyond Shelter, Inc.



PO Box 430 • Fargo, ND 58107-0430 • (701) 293-6262 • Fax (701) 293-6269

December 16, 2008

Tom Alexander
NDCPD/MSU
500 University Ave. W.
Minot, North Dakota 58701

Beyond Shelter Inc. is a not-for-profit housing development corporation which works in South Dakota and Minnesota, and primarily in North Dakota. BSI deals with a variety of types of affordable housing needs for both rental and homeownership and works in both urban and rural environments.

In the past few years especially, it has become increasingly difficult to provide all types of affordable housing and in particular in North Dakota. This is due in part to relatively lower wages and lower rents which make it harder to cash flow rentals, a scarcity of foundation funds which can be accessed for housing, lower home sale appraisals which sometimes makes borrowing a problem and, just a general outpacing of need for the resources which are available to address the need.

For these reasons BSI strongly supports the creation of a state affordable fund and encourages legislation to create the same. We see housing as much a part of community infrastructure as roads and bridges and schools and, as such, as a legitimate and smart investment of public funds which will provide both a social and an economic return.

Sincerely

Lynn Fundingsland
Chief Operating Officer



December 10, 2008

The North Dakota Affordable Housing Fund Alliance
c/o Consensus Council, Inc.
1003 E Interstate AVE STE 7
Bismarck, ND 58501

Re: Affordable Housing Fund

It is the mission of the Economic Development Association of North Dakota (EDND) to increase economic opportunities for residents of the state by supporting primary sector growth. While EDND typically focuses on *economic development* activities, we recognize the importance of certain *community development* initiatives that support our goals.

One key to the success of primary sector growth is the availability of affordable housing in North Dakota to support the growing workforce needs of the State. In recognition of this critical need, EDND's 2009 Legislative Agenda includes support for the expansion of housing programs and infrastructure initiatives to support population growth associated with current and future economic opportunities in the State of North Dakota.

EDND fully supports the development of legislation and programs that furthers this objective.

With Kind Regards,

A handwritten signature in cursive script that reads "Kevin Magstadt".

Kevin Magstadt
President

RECEIVED
DEC 10 2008



FARGO HOUSING & REDEVELOPMENT AUTHORITY

P.O. Box 430 • Fargo, ND 58107 • (701) 293-6262 • Fax (701) 293-6269 • www.fargohousing.org



December 16, 2008

Tom Alexander
NDCPD/MSU
500 University Ave. W.
Minot, North Dakota 58701

The Fargo Housing and Redevelopment Authority recognizes the need for additional support for affordable housing both in the Fargo metro area and throughout the state.

There is a backlog of unmet need in Fargo for affordable senior housing, for special needs housing, for supportive housing and for affordable family and workforce housing.

Currently available resources fall short of the need and, therefore, the Fargo HRA is in full support of the establishment of a state affordable housing fund which, is seen as a potentially very important addition to help fill the gap in those resources currently available for affordable housing of all types.

On behalf of the Board of Commissioners of the FHRA.

Sincerely,

Lynn Fundingsland
Executive Director



ND Department of Human Services
Medical Services Division
600 E Boulevard Ave Dept 325
Bismarck ND 58505-0250
(701) 328-2321 • Fax (701) 328-1544
800-755-2604

December 16, 2008

Tom Alexander
NDCPD/MSU
500 University Ave. W
Minot, North Dakota 58701

The North Dakota Money Follows the Person Stakeholder Committee recognizes the lack of affordable housing in both urban and rural areas of North Dakota and our Committee supports legislation to establish and fund an affordable housing fund in the 2009 Legislative Session.

Members of the MFP Stakeholder Committee will assist in the development of proposed affordable housing fund legislation by having a representative serve as an Alliance Steering Committee member.

Committee members will review proposed draft legislation and provide appropriate feedback to the Alliance Steering Committee.

The committee will promote the need for legislation to the extent possible during meetings, on the Money Follows the Person Website, and in communication with stakeholders.

If you have any questions related to this letter or you need additional information please contact me at 701-328-2321 or by email at jwreuter@nd.gov.

Sincerely:

A handwritten signature in cursive script that reads "Jacob Reuter".

Jacob Reuter
ND MFP Grant Program Administrator



Minot State
UNIVERSITY

**North Dakota Center
for Persons with Disabilities**
A University Center of Excellence

December 19, 2009

Tom Alexander
NDMIG Project Director
500 University Ave West
Minot, ND 58707

Dear Tom:

The North Dakota Center for Persons with Disabilities (NDCPD), a University Center of Excellence in Developmental Disabilities, located on the campus of Minot State University is the only University Center of Excellence in Disabilities in North Dakota. NDCPD's mission is *to provide leadership and innovation that advances the state-of-the-art and empower people with disabilities to challenge expectations, achieve personal goals and be included in all aspects of community life.*

Over the past few years NDCPD has implemented projects that have held stakeholder meetings with a variety of North Dakota citizens. Based on these meetings, stakeholders continue to communicate that a major barrier in North Dakota is a lack of affordable, accessible and available housing.

Current economic conditions, lack of available affordable housing, and federal housing policies that have placed an increasing burden on the state, and declining resources at all levels of government adversely affect the ability of North Dakota's citizens to obtain safe, decent and affordable housing. Therefore, NDCPD strongly supports the North Dakota Affordable Housing Alliance Taskforce in its efforts to promote state legislation on this topic.

Sincerely,

Brent Askvig, PhD
Executive Director, NDCPD



Protection & Advocacy Project

400 East Broadway, Suite 409

Bismarck, ND 58501-4071

Phone: (701) 328-2950 Fax: (701) 328-3934

December 17, 2008

Tom Alexander
NDCPD/MSU
500 University Avenue West
Minot, ND 58701

RE: North Dakota Protection and Advocacy Project Supports the
Affordable Housing Act of 2009.

The North Dakota Protection and Advocacy Project (P&A) is an independent state agency that promotes the rights of North Dakotans with disabilities where we live, learn, work, and play. We support the Affordable Housing Act and Affordable Housing Fund because it will further the equality and inclusion of North Dakotans with disabilities. We note and appreciate the inclusion of households with special needs in the proposal. We also support the focus upon households with the lowest incomes, many of whom include a person with obvious or hidden disabilities.

P&A works with people with disabilities on a weekly basis, if not daily, for whom lack of affordable, accessible housing is a barrier to success. The lack of housing can threaten employment, education, health, and safety. Inaccessible or unaffordable housing can lead to premature institutionalization.

For these reasons, P&A supports the proposed 2009 legislation to create an Affordable Housing Fund. We appreciate the sponsors for bringing this issue forward, and the work of the Affordable Housing Alliance in its development.

Sincerely,

Teresa Larsen,
Executive Director

www.ndpanda.org

Relay ND: 711 (TTY)

Toll Free: 1-800-472-2670

24 hour emergency service: 1-800-642-6694

December 17, 2008

Tom Alexander
NDCPD/MSU
500 University Ave. W
Minot, ND 58701

Dear Tom:

As a retired housing professional, I wish to add my name to the list of supporters for a state affordable housing fund.

I worked primarily with the HOME program in the state of North Dakota, at the state level for almost ten years and followed by four years with a non profit, developing housing in the western half of the state. During that time, I became increasingly aware of the lack of resources in North Dakota to provide affordable housing assistance to families with low and very low incomes. The last few years have been particularly difficult, due to increased costs, decreasing incomes and shrinking federal funding.

North Dakota has been so focused on economic development that community development has taken a back seat. A state affordable housing fund is an appropriate investment in community development providing the infrastructure for economic development.

Sincerely,



Barbara J. Owens
708 Crescent Ln
Bismarck, ND 58501
701-224-8562



City of Cooperstown
611 9th Street NE
PO Box 712
Cooperstown, ND 58425
701-797-3613
cooperch@midconetwork.com

January 19, 2009

ND Center for Persons with Disabilities
c/o Tom Alexander
500 University Avenue West
Minot, ND 58707

Dear Mr. Alexander,

Cooperstown is a progressive, viable rural community that has a strong need for additional quality, affordable housing. We have several manufacturing businesses, a hospital, a county school and several other industry businesses. Several of our businesses would like to expand, but they need additional work force, and this work force needs housing. They have been able to interview people for these positions, but when they try to find housing, it is very difficult to do so and as a result have lost potential employees. We are in need of affordable rental housing, housing for seniors and those with disabilities, and single family homes for people wanting to purchase their own home. Our recent housing assessment showed this need, but we have been unable to secure commitments from any private developers to build this needed housing, due to the expense of building, the value of the housing once it is built because of the location in our rural community, and because they would have to charge much more for rent or to sell than our local workers can afford.

As the community economic developer for the city of Cooperstown, I am very aware that our community and other rural communities around this state have been trying to address this need for the past several years, with little progress being made. There are a few programs that can provide some assistance, but our community feels that HB 1259 would address the problem immediately and open the doors for private developers to consider our rural community as an opportunity instead of a liability. As a community, we are strongly in support of this bill as we feel it will at least begin to help address the problem.

Thank you for your efforts in getting this passed and we wish you luck.

Sincerely,

Becky J Meidinger, Development Specialist
City of Cooperstown



402 4th Street SW
PO Box 553
Cooperstown, ND 58425
701-797-3712
cooperedc@invisimax.co
m

January 19, 2009

ND Center for Persons with Disabilities
c/o Tom Alexander
500 University Avenue West
Minot, ND 58707

Dear Mr. Alexander,

On behalf of the Cooperstown-Griggs County Economic Development Authority, we support your efforts in passing HB 1259 to bring more affordable housing into the state of North Dakota.

Our EDC board has consistently been working to identify ways to bring more quality, affordable housing to the community, and has had limited success. The primary reason is that private developers cannot afford to build this type of housing in rural communities without charging much more than what our local workers can afford to pay. We need rental housing, single family homes and housing for persons with disabilities and seniors, and have not been able to find a private developer willing to build any of these types of housing because of the cost of the housing, and the gap of what it is worth in our rural community, and what they would have to charge to make it work.

With the passage of HB 1259, we feel we could secure developers and investors who would be willing to build this type of housing in Cooperstown, and sincerely support your efforts in getting this bill passed.

Without this type of program, we will continue to struggle and fall behind on growth opportunities or business expansions, as there is such limited housing available. Thank you for your work on this bill, and good luck with your efforts.

Sincerely,

A handwritten signature in cursive script that reads "Becky J. Meidinger".

Becky J Meidinger, Secretary
Cooperstown-Griggs County EDC

eliminating racism empowering women

ywca

January 20, 2009

Tom Alexander
NDCPD/MSU
500 University Avenue West
Minot, ND 58701

Dear Tom:

The YWCA Cass Clay Emergency Shelter is the largest homeless shelter for women and children in the state of North Dakota. The need to address homelessness in our community and state is evident. There has been much discussion recently in our community regarding the current homeless population, and the unfortunate reality is that the numbers are still increasing.

In 2008, we offered safe shelter and supportive services to 1,409 women and children, and provided a total of 20,907 nights of shelter – the most in our 102 year history. Over 58% came to us as a result of domestic violence. Unfortunately, 2008 was another record breaking year – and not the kind of records we want to continue to be breaking.

One of our emergency shelter goals is to have 20% of our program participants leave our shelter and establish permanent housing. In 2008, we were only able to place 18% of our residents because of a lack of affordable housing. We see first hand the need for additional permanent housing options for this vulnerable population.

The YWCA is the only provider of transitional housing services for women and children in Cass County. Each year, the YWCA Transitional Housing program receives many more applications than the program is able to accommodate, primarily due to the lack of available housing units and financial resources. In 2008, 64 applications were received representing 64 women and 75 children.

It is for these reasons that the YWCA Cass Clay can attest to the need for additional affordable housing options.

Sincerely,



Erin Prochnow
Executive Director

Programs of The YWCA
Cass Clay
Emergency Shelter
Transitional Housing
Permanent Supportive Housing
Education and Employment
Shelter Children's Services
TechGirls
A Child's World
Racial Justice Initiative

A Child's World
A Childcare Center
Administrative Offices
3100 12th Ave. N
 Fargo, ND 58102
701-298-8047
Admin: 701-232-2547
Fax: 701-232-2590

Emergency Shelter
Community Rooms
3000 S University Dr.
 Fargo, ND 58103
701-232-3449
Fax: 701-232-9408
TDD: 701-232-0717

Cass Clay
Transitional Housing
3000 S University Dr.
 Fargo, ND 58103
701-232-6624
Fax: 701-232-9408
TDD: 701-232-0717

Website:
www.ywacassclay.org

Email:
info@ywacassclay.org

In compliance with the
Americans with Disabilities Act,
this sheet and all enclosed
material may be made available
in alternative formats
upon request.



A United Way Agency



January 20, 2009

Tom Alexander
NDCPD/MSU
500 University Ave W.
Minot, North Dakota 58701

The North Dakota Chapter of the National Association of Housing and Redevelopment Officials, NAHRO, is made up of all the local housing authorities in the State of North Dakota. The North Dakota Chapter of NAHRO recognizes the need for additional support for affordable housing in our entire state.

In the past few years, it has become increasingly difficult to provide affordable housing in the state of North Dakota. This is due in part to the lower wages and lower rents which makes it harder to cash flow rentals. There is an unmet need in North Dakota for affordable senior housing, for special needs housing, for supportive housing, affordable family housing and workforce housing. The general need for this type of housing has outpaced the availability.

Currently available resources fall short of the need in our state. The North Dakota Chapter of NAHRO is in full support of the establishment of a state affordable housing fund. This fund potentially will be a very useful tool to help fill the gap in developing more affordable housing through out the state.

On behalf of the North Dakota Chapter of NAHRO, please accept this letter of support for the creation of a state affordable housing fund.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Pearson", is written over a horizontal line.

Tom Pearson
State President of North Dakota NAHRO

1-17-09

Tom Alexander
NCPD/ MSU
500 University Ave. W.
Minot, ND 48707

Dear Mr. Alexander,

I wholeheartedly support the efforts to establish a ND Affordable Housing Fund. I am the Work Based Learning Coordinator (WBL) at Burdick Job Corps and see the housing problem in our community and state on a daily basis, not only in my current position at Job Corps, but also as a former Chair person of the Minot Area Homeless Coalition. I also currently serve as the chair the committee for oversight of the 10 year plan to end homelessness in Minot and our region.

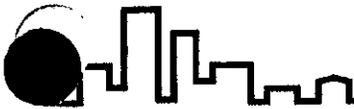
Burdick Job Corps serves youth between the ages of 16 and 24 from our State. They are eligible for our program by age and by meeting the federal low income guidelines or disability if that is the case. As our students complete this valuable training and move into the very important realm of Work Based Learning (WBL), which is the experience part of our curriculum, they may stay on center to work for a time and save money for transition from our program. Even with that advantage, many may find that even with savings in hand, by the time they face first and last months rents and deposits, their savings if they have them, can be exhausted. Those who do not participate in the WBL program are at even greater risk at not being able to afford to live on their own and gain independence. Far too many of our students come to us with no home to return to when they finish our program.

I believe we can send a strong message to the youth of our state who are desperately trying to overcome obstacles in their lives and better themselves, gain skill and work toward becoming productive citizens by creating a strong infrastructure that establishes quality, livable, affordable housing. An investment in ND youth in this manner will pay dividends down the road that we cannot even yet imagine. It is simply unfair for our students to find themselves in a situation after working so hard where they can only hope to live in a dirty dump. Rents for something livable are far too often out of reach for those just starting out in life.

I urge passage of the new section to chapter 54-17 of the North Dakota Century Code.

Sincerely,

Edna Sailor Bergstad
Work Based Learning Coordinator
Burdick Job Corps



January 8, 2009

Mr. Tom Alexander
NDCPD/MSU
500 University Avenue West
Minot, North Dakota 58707

Dear Mr. Alexander:

I am writing regarding the proposed North Dakota Affordable Housing Act.

MetroPlains, LLC is an affordable rental housing developer based in St. Paul, Minnesota. MetroPlains, LLC and its principals have developed over 1,100 affordable rental units, generally targeted to households earning 60% or less of the respective area median income, throughout North Dakota since 1978. Our most recent affordable project in North Dakota is The Current, a 40-unit apartment building for families in Grand Forks that opened in 2008.

North Dakota needs more affordable rental housing. In the western part of the state, jobs in the energy sector have drawn new residents, and competition for limited housing options has driven rents up, making housing less affordable. In other parts of the state, new rental housing is needed to replace the older and sometimes substandard and unsafe units that are defacto affordable housing only by virtue of the low rent. In places like Bismarck, Mandan, Grand Forks, and Fargo, people that earn 60% or less of the respective area median income often pay far more than 30% of their income for housing, a generally accepted benchmark for determining affordability. Simply, housing costs have escalated faster than incomes in recent years, and affordable housing is necessary to sustain economic growth.

Because of the economic downturn and financial crisis, it is more difficult than ever to develop affordable rental housing. Investors have a reduced appetite, are standing on the sidelines, or have pulled out of the market altogether. Investors are setting the priorities, driving affordable housing development to metropolitan areas rather than rural areas because of inaccurate perceptions of market risk. Investors are also requiring higher yields because of inaccurate perceptions of foreclosure risk, resulting in lower equity pricing and greater financing gaps. So, unless the market changes, or other sources of funds emerge, projects in rural areas stand little chance of getting done because of a lack of investors, and projects in metropolitan areas might get done but face higher costs and significant financing gaps.

Mr. Tom Alexander
NDCPD/MSU

January 8, 2009
Page 2

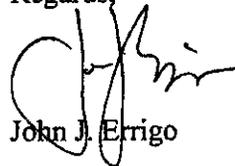
While the for-sale market led the current recession, rental housing will drive the rebound. As more households opt out of the for-sale market and return to the rental market, demand for affordable rental housing will increase. We support all reasonable measures to encourage the development of affordable rental housing because the supply is lacking in many areas; demand is growing; and some sort of stimulus is needed to promote rural projects and fill financing gaps. As you know, construction has been hit hard by the decline in the for-sale market. However, construction would rebound in the face of new rental development, and this could precipitate additional economic activity, leading the way out of the current recession.

We think the North Dakota Affordable Housing Act will accomplish the goal of creating more affordable housing by encouraging investment. We think it makes sense that North Dakota Housing Finance Agency would administer the program, probably in connection with the Low Income Housing Tax Credit program.

If you have any questions, please call me at 651-523-1240.

Thanks for your time and consideration.

Regards,



John J. Errigo

Neighborhood Development Enterprises, Inc.

108 Burdick Expressway East, Minot, ND 58701

January 20, 2008

Tom Alexander

NDCPD/MSU

500 University Ave. W

Minot, ND 58701

Dear Mr. Alexander,

Neighborhood Development Enterprises, Inc. (NDE) understands the need for additional affordable housing in the Minot area.

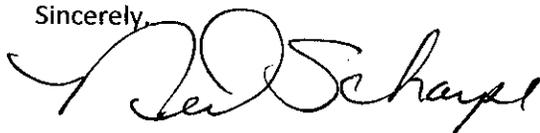
Since our inception in 1996 as a private nonprofit organization NDE has provided affordable housing in the Minot area all of which meet the rent requirements established by HUD's Fair Market Rent schedule for our community.

It has become evident that the need for affordable housing in the city of Minot is ever increasing. The recent energy exploration has increased the demand for housing and in turn has raised rents. Many people currently find themselves unable to find housing that meets the standards established for quality and price. Recent discussions with the MHA indicate that there are currently 80 families holding vouchers that are unable to find qualified housing. We do not believe that this situation will change soon.

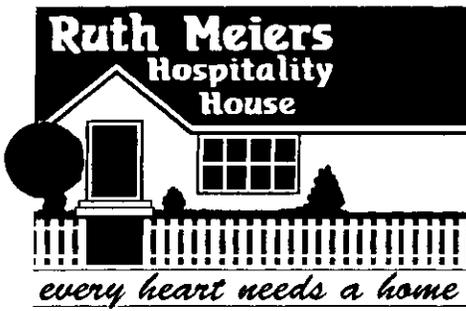
The creation of a state affordable housing fund would provide a much needed resource for NDE and other organizations like ours to continue to address the housing needs of many working citizens.

NDE, Inc. supports the creation of the state affordable housing fund.

Sincerely,



Neil Scharpe, NDE President



1800 E. Broadway Ave. • P.O. Box 2092 • Bismarck, ND 58502 • (701) 222-2108

January 22, 2009

Tom Alexander
NDMIG Project Director
500 University Avenue
Minot, ND 58707

Dear Tom:

As the Executive Director of the Ruth Meiers Hospitality House located in Bismarck, North Dakota I wish to express our support for a State of North Dakota Affordable Housing Fund.

Ruth Meiers Hospitality House is an emergency shelter for homeless men, women and children. Our mission is to *provide housing and supportive services to assist homeless and low-income people in achieving self-sufficiency*. The right to housing is a basic need deserved by everyone, and we know in working with homeless and low-income individuals the lack of affordable housing in our community is a major barrier to them.

Increasing long waiting lists for housing assistance, the current economic condition, and the lack of available affordable housing is making it increasing difficult for homeless and low-income individuals to move from our emergency shelters into their own housing. Therefore, Ruth Meiers Hospitality House strongly supports the North Dakota Affordable Housing Alliance Taskforce in its efforts to promote state legislation on this topic.

Sincerely,



Susan Martin, Executive Director
Ruth Meiers Hospitality House





January 15, 2009

Tom Alexander
NDCPD/MSU
500 University Avenue West
Minot, ND 58701

Dear Mr. Alexander:

Youthworks is a private non-profit organization providing services to Runaway and Homeless Youth (up to age 21) in the Bismarck and Fargo area. We have transitional living services for homeless young adults ages 18 – 21, which total 22 beds. We also have emphasis on working with young adults who are pregnant or parenting.

Young adults who are homeless have great difficulty securing permanent housing due to many obstacles. Even after receiving services with our transitional living program, the lack of affordable housing makes it difficult to continue to be independent. We support any movement that will help our clients secure affordable housing that is permanent so the remainder of their adult life will not include further incidents of homelessness



Especially in today's difficult economic times, young people are experiencing difficulty establishing permanent housing. It is imperative that the Legislature act to make housing affordable for all.

Youthworks supports legislation that would establish an Affordable Housing Fund for all of the reasons stated above.

Sincerely,

Melanie Heitkamp
Executive Director
Youthworks





**eliminating racism
empowering women
ywca**

January 21, 2009

Paul Griffin

Dear Paul:

The YWCA Minot Emergency Shelter is the only emergency shelter for homeless women and women with children in northwestern North Dakota. The Florence Anderson Center of Hope has been opened since September 2007 as an emergency shelter for homeless women to stay for up to ninety days. Prior to that time the YWCA housed homeless women in a local motel for two or three nights. There has been much discussion recently in Minot regarding the current homeless population, and unfortunately the numbers are still increasing.



In 2008, we offered shelter and services to over 200 women and children, and provided over 1800 nights of shelter. This is a 300% increase over 2007. Our goal is to assist in finding permanent housing for these women within ninety days; however, the last six months these women have been staying four to six months.

We currently have three women that have been at the center since August 2008. They have received Section 8 vouchers but they cannot afford the cost of renting an apartment in Minot. The cost of rent in Minot has increased tremendously in the past six months. Over fifty percent of the women we have assisted since September 2008 have had their rent raised and they could not afford to pay the higher amount.

The YWCA is in the process of renovating the second floor of our facility to accommodate permanent supportive housing because of the need in the Minot area. However, this will be an only six-one-bedroom apartment. The YWCA staff sees first hand the need for additional permanent housing options for this vulnerable population.

It is because of the women and children that we assist on a daily basis that the YWCA Minot can attest to the need for additional affordable housing options.

Sincerely,



Debra Kunkel
Executive Director

Testimony presented to the 61st ND Legislative Assembly, House Standing Committee for Government and Veterans Affairs – in support of House Bill No. 1259

January 23, 2009

North Dakota's current population is roughly 635,000 and in the next few years 20% (127,000) of us will be over age 65, in over half the counties in the state this is true now. About 12% of households in the state, between 70,000 and 75,000 households, have an annual income of 30% of median or below, which is about \$13,500 or less per year. Of this 70,000 or 75,000 persons in poverty, a fairly high percentage are seniors and this group is growing rapidly as the boomer group edges into this territory. By the year 2020 the state demographer says we will have another 50,000 or so persons over 65. Generally about 15-20% of those 65 and over are cost burdened with housing, that is, they pay more than 30% of their (limited) income for housing costs. If we look at just those seniors who are renting then it jumps to about 35% who are cost burdened. The most vulnerable group are those who are renting and over 75 years old. In the year 2000, 42% of this group was cost burdened, we don't have a current statistic for this but probably can safely assume that it has not gotten any better in the past few years. These people are in a very vulnerable position; after paying for their housing costs

they are down in the range of \$600 or so per month left over for all other expenses, they are not left with much. This isn't a budget that can afford much in the way of prescriptions or other necessities and something like your car needing new tires is a very major burden that will literally affect you for months. For this population rent and utilities of \$300-\$325 or less a month is really all that they can reasonably afford. Anything beyond that is cutting into other needs and life's necessities.

The private sector can't deliver housing that can rent at this level. A modest apartment these days costs in the range of \$75,000 to \$100,000 to build. If you finance 75% of that at today's rates with a 30 year amortization then you need about a \$350 a month rent just for debt service. When you add the operating costs, taxes, insurance profit, etc., needed to make the economics work then that quickly puts the rent out of reach for a big part of not just the state's seniors but also the "working poor" households that are surviving at or near this income level.

The Low Income Housing Tax Credit (LIHTC) program is a huge help towards producing affordable units but that program is really designed to serve 60% of median income persons, which it does very well. A few of the



units in a LIHTC project can have rents set low enough to serve people with 50%, 40% or even a limited number of 30% median income households. But it is a stretch and only a very small percentage at that before the numbers don't work anymore.



We need to get rents down at least the fair market rent level that will allow entry to a household with a Federal Housing Choice Voucher. We need age appropriate and accessible buildings to house this tidal wave of seniors coming at us and, we need to find a way to subsidize the cost of some of these units so that they are affordable to persons who are living mainly on social security income. North Dakota has very few charitable foundations which are available to help. The Otto Bremer Foundation has helped hugely in Fargo but they are stretched thin, the Federal Home Loan Bank can be a resource of subsidy for certain special needs projects but there still is a pressing need for gap financing to make the economics work for units which are affordable to this most vulnerable group.



Too, I have been working with affordable housing programs for nearly 30 years and have not seen such a shortage of affordable housing and such a demand for it as we have right now. In Fargo alone there are currently close

to 2000 households on the HRA's waiting list for housing assistance: 10 years ago the list was around 250 households. Every thing we see in our demographic projections, both for Fargo and statewide, tells us the problem is going to get worse instead of better in the years ahead - unless we take some mitigating actions.

Most states and many large cities around the country have a fund like that which is proposed and which is used for this same purpose. We see housing as a part of our state infrastructure the same as roads, bridges and schools and see this as a valid and smart way to invest public dollars which will do a lot for strengthening our communities and, provide us both social and economic return for years to come.

Thank you for hearing this out and, for your consideration of this very critical piece of legislation.

Lynn Fundingsland

Executive Director, Fargo HRA

Ph. 701- 478 – 2552

lynnf@fargohousing.org

Government and Veterans Affairs Committee HB 1259

Chairman Grande, Vice chairman Boehning, committee members, thank-you for the opportunity to testify on HB 1259. I would like to discuss how this bill will affect North Dakota's poorest citizens.

My name is Michael Carbone, and I am the Executive Director of the North Dakota Coalition for Homeless Persons, Inc. We are a statewide organization of service providers who work to mitigate the devastating effects of homelessness on individuals and families in North Dakota, and to provide public awareness and advocacy on issues of homelessness. Our members include regional homeless coalitions, housing providers, homeless shelters, supportive service providers and entities of government including law enforcement and planning departments.

According to our 2008 Point in Time study, on any given night in North Dakota, 832 of our citizens are homeless. Many more are precariously housed or living in substandard housing. Nearly a third of North Dakota's homeless are children. Thirty-three percent suffer from mental illness; 25% have medical problems, and 36% struggle with chemical dependency. Despite these obstacles, 42% are employed. These statistics provide a glimpse of homelessness in our state, but let us make no mistake—homeless people are not data points, statistics or trend lines. They are mothers, fathers, sons, daughters, brothers, sisters, grandparents and cousins. They are human beings with the same hopes, fears, dreams and

Attachment #4

aspirations that all North Dakotans share, but they have obstacles that must be overcome.

The condition of homelessness makes overcoming obstacles difficult. People who are homeless operate in survival mode, and have little opportunity for the long-range planning required to elevate their socio-economic status. When a person's most basic need—safe, secure housing—is not met, overcoming disabilities like mental illness, chemical dependency and others is next to impossible. Finding employment is difficult, and homeless children have little opportunity for success in school. In other words, homelessness becomes a downward spiral from which escape becomes increasingly elusive.

And so homelessness extracts a high price on families and individuals in terms of wasted potential and lost dignity, but the cost to North Dakota society is high as well. Providing emergency shelter and services to homeless people is expensive and challenging. National studies have shown that providing appropriate housing opportunities is more effective and less expensive than combating homelessness with emergency services alone.

Homeless people who participated in our 2008 Point in Time study indicated that the top five reasons for their homelessness are:

1. Lack of employment
2. Lack of housing availability
3. Lack of housing rental assistance

4. Lack of housing affordability
5. Lack of adequate transportation

HB 1259 will directly address three of these five factors.

The restoration of dignity and hope to the homeless, the economic health of North Dakota and its service providers who work with the homeless and the fact that HB 1259 directly addresses three of the top five contributing factors to homelessness are the reasons that the North Dakota Coalition for Homeless Persons, Inc. strongly urges passage of HB 1259.

Please address any questions to me at:

Michael Carbone
Executive Director, NDCHP
2105 Lee Ave
Bismarck, ND 58504
701-258-2240
director@ndhomelesscoalition.org

TESTIMONY – PROTECTION AND ADVOCACY PROJECT

BILL 1259 (2009)

HOUSE GOVERNMENT AND VETERANS' AFFAIRS COMMITTEE

Honorable Bette B. Grande, Chairman

January 23, 2009

Chairman Grande, and members of the House Government and Veterans' Affairs Committee, I am Bruce Murry, a lawyer with the North Dakota Protection and Advocacy Project (P&A). P&A is an independent state disability rights agency.

North Dakota's economy is growing and changing in regionally diverse ways. Many regions have experienced growth in high paying jobs. Over time, the housing market will respond to the needs of long term residents with means. The premise of this bill is that the market is less comfortable responding to the housing needs of people working in lower paying service industries. However, the growth of our economy and the retention of high paying jobs seem inextricably woven with a healthy service sector.

Affordable rental or owned housing removes a substantial barrier to adults working productively. It reduces overcrowding and contributes to more stable neighborhoods. Affordable housing helps children make good use of our substantial investments in education. Affordable housing helps the elderly downsize with dignity, and delay leaving home for care.

Affordable housing should not undermine sound underwriting principles. North Dakota's apartment buildings should continue to demonstrate long term viability for proposed tenants. North Dakota's single family home-developments begin to rely upon people with low incomes committing to the infamous *Mc-Mansions* of the national sub-prime credit crisis. Instead, developments, complexes, and remodels should embrace high quality but modest housing* for people of modest incomes.

Tribal entities, people with disabilities and other special needs, and housing authorities would bring perspectives not routinely available to the Industrial Commission's Housing Advisory Board. Attendance in the audience is simply no substitute for inclusion at the table.

Ten million dollars is a huge number for most individuals to contemplate. After all, it would buy 70 average North Dakota homes. Setting aside \$15.75 per North Dakotan seems more approachable. As you might suspect, they are the same number. P&A asks your

* **Visitability.** One example of high quality but modest housing is to include a few of the most basic accessibility needs of the elderly and people with disabilities in new and remodeled housing. The most basic elements of accessibility are called "visitability." P&A has taken the position that visitability should be approached through education and incentives, not through mandates on private citizens. Visitability usually includes wider entrances to one bathroom and one bedroom on the main level, switches at reachable levels, and one accessible entrance. (Alternatives to an entrance on grade might include preplanning space for a covered entry ramp. Similarly, the main floor bedroom could double as an office or family room.) Visitability increases building costs less than 2%. Other common accessibility ideas include levered door handles and reinforcing wallboards in bathrooms for future railings. Builders of high value homes sometimes align closets floor to floor, to allow for a future elevator. All of these ideas help families age or grow in place.

Attachment #5

committee to give favorable consideration of this investment.

* **Visitability.** One example of high quality but modest housing is to include a few of the most basic accessibility needs of the elderly and people with disabilities in new and remodeled housing. The most basic elements of accessibility are called "visitability." P&A has taken the position that visitability should be approached through education and incentives, not through mandates on private citizens. Visitability usually includes wider entrances to one bathroom and one bedroom on the main level, switches at reachable levels, and one accessible entrance. (Alternatives to an entrance on grade might include preplanning space for a covered entry ramp. Similarly, the main floor bedroom could double as an office or family room.) Visitability increases building costs less than 2%. Other common accessibility ideas include levered door handles and reinforcing wallboards in bathrooms for future railings. Builders of high value homes sometimes align closets floor to floor, to allow for a future elevator. All of these ideas help families age or grow in place.

Testimony
North Dakota Disabilities Advocacy Consortium
HB 1259
House Government and Veterans Affairs Committee
Chairperson Representative Betty Grande

Representative Grande and members of the House Government and Veterans Affairs Committee, my name is James M. Moench, Executive Director of the North Dakota Disabilities Advocacy Consortium (NDDAC). The Consortium is made up of 23 member organizations concerned with addressing the issues that affect people with disabilities. (See attached list of members).

NDDAC supports the establishment of an Affordable Housing Fund to address the unmet affordable housing needs in North Dakota as envisioned in House Bill 1259.

NDDAC believes that expanding the North Dakota Housing Finance Agency Advisory Board from six to nine members and including representatives of the lenders, realtors, builders, consumers, tribal representative, special needs housing advocates, housing authorities and apartment owners is an excellent idea. The expanded board along with the ND Housing Finance Agency will be able to effectively solicit public comment and involvement, hold public hearing and finalize the annual allocation plan for the distribution of fund proceeds.

North Dakota should join the many other states that have successfully implemented an Affordable Housing Fund. Those states have found the fund an effective tool and we will too.

We urge your support of HB 1259

Thank you.

Attachment #6

NORTH DAKOTA DISABILITIES ADVOCACY CONSORTIUM

2008-09 Membership

1. AARP
2. American People Self Advocacy Association
3. Autism Society of North Dakota
4. Experience Works, Inc.
5. Fair Housing of the Dakotas
6. Family Voices of North Dakota
7. Independence, Inc.
8. Mental Health America of North Dakota
9. Metro Area Transit – Fargo, ND
10. ND APSE: The Network on Employment
11. ND Association for the Disabled
12. ND Association of Community Facilities
13. ND Association of the Blind
14. ND Center for Persons with Disabilities
15. ND Children's Caucus
16. ND Consumer & Family Network
17. ND Federation of Families for Children's Mental Health
18. ND IPAT Consumer Advisory Committee
19. Protection & Advocacy Project
20. Senior Health Insurance Counseling/Prescription Connection
21. The Arc of Bismarck
22. The Arc of Cass County
23. The Arc of North Dakota



The Arc of Bismarck

1211 Park Avenue
Bismarck, ND 58504
Phone/Fax: 701-222-1854
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www.thearcofbismarck.org

Testimony of Support House Bill No. 1259 January 23, 2009

Good morning Chairman Grande and members of the Government and Veterans Affairs Committee. My name is Veronica Zietz (#166); I am the Executive Director at The Arc of Bismarck, and am here today representing The Arc of Bismarck and The Arc of Cass County.

I support House Bill No. 1259 because it would allocate funds to affordable housing projects geared towards individuals with disabilities. Specifically, the bill states "Annual allocation must give priority to households with not more than 30% of the median area income and to households with special needs". Honestly, many individuals with disabilities meet both of these criteria. According to the US Census Bureau the median income for the US is \$25,000 per individual in ND this is slightly less (\$24,127). Individuals with non-severe disabilities are 20% (\$22,000) under the median income and individuals with severe disabilities make approximately 50% (\$12,800) of the median income.

Another great part of this bill is that assistance may come in the form of accessibility improvements. This is a great opportunity for individuals who use wheelchairs, walkers, canes or other assistive devices to improve accessibility to housing units. Approximately 2% of individuals use mobility devices and refurbished housing will improve accessibility, regardless of whether or not an individual lives in or is visiting one of these newly improved units. For instance, a veteran who uses a cane can visit his children or grand children, with less worry and more frequency.

Finally, the Advisory Board is appropriately inclusive; designating a disability advocate as a board member is very important. Having representation will ensure that individuals with disabilities are given a voice in the policy and decisions which affect them.

Therefore, the legislation that is being recommended in House Bill No. 1259 will provide much needed affordable housing, which would benefit many individuals in North Dakota, especially those with disabilities. By endorsing this bill you are giving many individuals with disabilities an opportunity for mobility and independence.

Thank you for your time and attention.

Attachment #7

January 23, 2009

Government and Veterans Affairs Committee:

Rep. Bette Grande, Chairperson

Rep. Randy Boehning, Vice Chair

Rep. Bill Amerman, Rep. Tom Conklin, Rep. Stacy Dahl, Rep. Glen Froseth,
Rep. Karen Karis,

Rep. Jim Kaspar, Rep. Lisa Meier, Rep. Michael Nathe, Rep. Jasper
Schneider, Rep. Lonny Winrich

Rep. Lisa Wolf

Thank you for the opportunity to speak on behalf of HB 1259.

My name is Barbara Owens. I am a member of the ND Affordable Housing Fund Alliance, and am a retired housing professional. I worked primarily with the HOME program in the state of North Dakota, at the state level for almost ten years and followed by four years with a non profit, developing housing in the western half of the state. During that time, I became increasingly aware of the lack of resources in North Dakota to provide affordable housing assistance to families with low and very low incomes. The last few years have been particularly difficult, due to increased costs, decreasing incomes, shrinking federal funding and the current instability in our financial markets.

Economically, North Dakota is in pretty good shape. Jobs have been created.

But economic development will stagnate unless those workers have a place

Attachment #8

to live. The recently issued housing study by the ND Housing Finance Agency shows a rapidly growing housing affordability gap in the state. The Alliance also provided you with a fact sheet detailing this gap in both rental and homeownership. The market will take care of housing for families at certain income levels; housing for families at the lower end of the income scale is increasingly dependant on "soft" funding - and yet these are the families that provide workers for many of the jobs in the state. In addition, no one should ever be homeless! Our seniors, our special needs population – all should have a place to live.

I believe a state affordable housing fund is an appropriate investment in North Dakota's future economic development. This funding is needed to help fill the gap in the development of housing for renters as well as homeowners, both workforce housing and housing for families with special needs, including the homeless. I urge you to favorably consider this bill.

Barbara J. Owens
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EXECUTIVE COMMITTEE

PRESIDENT
 John Gunkelman, Fargo
1ST VICE PRESIDENT
 Ron Zeller, Dickinson
2ND VICE PRESIDENT
 Joel Feist, Minot
SECRETARY/TREASURER
 Ken Krajsa, Fargo
PAST PRESIDENT
 Tim Rosencrans, Grand Forks
BUILD-PAC TRUSTEE
 Don Dabbert Jr., Fargo
ALTERNATE BUILD-PAC TRUSTEE
 Lori Wilson, Bismarck
STATE REPRESENTATIVE
 Ralph Applegren, Grand Forks
ASSOCIATE NATIONAL DIRECTORS
 Ken Krajsa, Fargo
 Todd Brady, Bismarck

BOARD OF DIRECTORS

BISMARCK-MANDAN HOME BUILDERS ASSOCIATION
 Mike Hoplauf, President
 Todd Brady
 Andy Mitzel
 [Redacted], Bismarck
 [Redacted] Ondrachek, Executive Officer

DICKINSON AREA BUILDERS ASSOCIATION
 Kyle Kuntz, President
 Quentin Kitzan
 Ron Zeller
 Irene Schafer, Executive Officer

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 Joel Feist, President
 Mark Boespflug
 Joe Stenvold
 Bruce Walker, Life Director
 Vicky Flagstad, Executive Officer

STAFF
 [Redacted] Riedman,
 Executive Officer
 [Redacted] [Redacted],
 Administrative Assistant



Testimony on House Bill 1259
House Government & Veterans Affairs Committee
January 23, 2009

Doreen Riedman, Executive Officer
North Dakota Association of Builders

Chairman Grande and members of the House Government & Veterans Affairs Committee, the North Dakota Association of Builders (NDAB) **supports the concept of House Bill 1259, however we have deep concerns with Section 3 of the bill dealing with changes to the North Dakota Housing Finance Agency's Advisory Board.**

The NDAB represents over 2,000 members statewide with just over 43,000 employees. We are affiliated with five local builders associations in Bismarck-Mandan, Dickinson, Fargo-Moorhead, Grand Forks, and Minot; and are all part of a larger federation, the National Association of Home Builders (NAHB), which has over 200,000 members.

- The Advisory Board is in excellent working order and is very effective. It has a well-rounded board represented by various housing groups, lenders, realtors, homebuyers, and homeowners.

Board Members

Gerald Eid
 Ron Jordan
 Becky Knight
 Michael Orness
 Lisa Rotvold
 Ninetta Wandler

Represents

Homebuilders
 Lenders
 Homebuyers/Homeowners (Fort Berthold Housing Authority)
 Manufactured Housing
 Homebuyer/Homeowners (Eastern Dakota Housing Alliance)
 Real Estate Agents

- Over the years, other programs have been added and deleted to the Housing Finance Agency's portfolio without changing the size and make-up of the Advisory Board. This new program can effectively be handled by the existing Advisory Board.

- The ND Housing Finance Agency deals with programs and issues for all spectrums of the housing finance area, not just low- to moderate-income programs. There is also a need to deal with moderate- to higher-income programs, particularly those programs to provide for workforce housing in various parts of the state.
- The ND Housing Finance Agency has successfully managed the Low-Income Housing Tax Credit program without any complaints. They provide for public hearings and listen to all who wish to be heard.

The North Dakota Association of Builders believes that the ND Housing Finance Agency's Advisory Board operates in an effective manner, and has done so historically. When something is working well and there are no problems, we think it makes sense to leave it alone.

We respectfully ask this committee to amend House Bill 1259 with amendments provided by NDAB, and support this bill. If the amendments are not adopted, we cannot support this legislation and urge you to oppose the bill.

Proposed Amendments to House Bill 1259

(provided by the North Dakota Association of Builders)

It is our intent that NDCC 54-17-07.1 remain as is, with no changes.

Page 2, Line 26, remove the overstrike from ~~six member~~

Page 2, Lines 26-29, omit underlined proposed language

Page 2, Line 29, remove the overstrike from ~~homeowners and buyers~~

Page 2, Line 30, omit underlined proposed language

Page 2, Line 30, remove the overstrike from ~~such~~

FAIR HOUSING OF THE DAKOTAS

(The Fair Housing of the Dakotas serves North and South Dakota and works to eliminate housing discrimination and to ensure equal housing opportunities for all.)

Telephone: 701-221-2530
ND Relay: 1-800-366-6889 (Voice)
SD Relay: 1-800-877-1113 (Voice)
Address: 909 Basin Avenue, Suite 2, Bismarck, ND 58504

Toll Free: 1-888-265-0907
Fax: 701-221-9597
ND TDD: 1-800-927-9275
SD TDD: 1-866-273-3323

Testimony before the House Government & Veterans Affairs Committee on House Bill 1259 by the Fair Housing of the Dakotas January 23, 2009

~~Mr.~~^{Ms. Dem.} Chairman, and members of the Committee, my name is Amy S. Nelson and I am the Executive Director of the Fair Housing of the Dakotas (FHD). The FHD is a non-profit agency which serves North and South Dakota. We work to eliminate housing discrimination and to ensure equal housing opportunities for all. The FHD educates the public on Fair Housing Laws and also investigates allegations of housing discrimination. The Federal Fair Housing Act prohibits discrimination in the rental, sale or financing of housing due to race, color, religion, national origin, gender (sex), presence of children (familial status) and disability (handicap). North Dakota state law also provides these protections as well as due to age (40 and over) and status with respect to marriage and public assistance.

The FHD also receives a number of contacts from the public regarding housing questions and problems which do not contain allegations of housing discrimination. In 2008, we received 1,711 contacts from North Dakotans with housing questions. In the past year, we have seen an increase in contacts by renters and landlords because people are unable to pay rent. We received 191 contacts from tenants who had been served eviction notices or were expecting to be served eviction notices and 34 contacts from housing providers who had questions on how to evict tenants. The vast majority of these calls from both tenants and housing providers were regarding unpaid rent. For tenants who were finding difficulty in making rent, we would refer them to agencies who might be able to provide them with temporary financial support but often would hear back that these agencies were unable to meet the demand. Most often the tenants who contacted us were working and unable to afford rent because of unexpected expenses related to medical needs, transportation, childcare or rising costs. Work layoffs and losses of employment were also listed as reasons. The contacts to us were from a variety of age groups.

Another group who contacted us had concerns about rental hikes. I don't have specific numbers for this area but those who contacted us were typically on fixed incomes and struggling to meet increasing rental costs. This call is becoming frighteningly common in the western half of the state where in recent months we have seen a dramatic increase in rental prices. Tenants who have been residing in housing for years are seeing jumps of sometimes hundreds of dollars per month because of the demand for housing. These tenants become displaced because their wages have not adjusted at those same rates.

We also received 53 contacts regarding people who needed housing assistance and referred them to the appropriate agency to apply. People also contact us who are frustrated at the long waiting lists for housing assistance and question if any other type of assistance is available and we must inform them that there is nothing else short or long term that we are aware of. I do not have an accurate count as to these numbers.



We also receive a number of contacts each year from people who are unable to locate affordable housing for their families. In addition, affordable AND accessible housing for those with disabilities is a severe need from the contacts we receive. So often the properties which meet accessibility requirements are newer properties outside the affordability of those with disabilities. Another issue which concerns us is the number of contacts we receive regarding substandard housing. People desperate for a roof over their head are forced into the only housing that they can afford which is housing which often does not meet basic health and safety code. These people are especially vulnerable. The lack of funds for inspectors and enforcement of code violations in many communities adds to this problem. In addition, most people will not complain to government officials about their substandard housing out of fear of retaliation by their housing provider and lose the only roof over their head. In rural areas, inspectors are not available if people were willing to complain. Options are hard to come by, especially in rural areas.

The latter half of 2008, we also started seeing contacts from tenants who were renting property which was being foreclosed upon because their landlord had not made payment or discovered that their landlord had not been paying utilities when their utilities were turned off. These tenants have few options except to move unexpectedly. This is an area that previous to 2008 we rarely had calls on.

Although the perception is that North Dakota has been isolated from the current economic crisis, we have not found this to be so. Many hard working and low income North Dakotans are being priced out of their housing and are in severe danger of being homeless or forced into substandard housing or have already had this happen. Because of these reasons, the Fair Housing of the Dakotas supports passage of House Bill 1259. I thank you for the opportunity to provide testimony today and please let me know if you have any questions or need any additional information.



North Dakota

Housing Finance Agency

PO Box 1535 · Bismarck, ND 58502-1535

INDUSTRIAL COMMISSION
JOHN HOEVEN, GOVERNOR
WAYNE STENEHJEM, ATTORNEY GENERAL
ROGER JOHNSON, AGRICULTURE COMMISSIONER

MICHAEL A. ANDERSON, EXECUTIVE DIRECTOR

HB 1259

January 23, 2009

**North Dakota Housing Finance Agency
Division of the State Industrial Commission
Testimony by Michael Anderson, Executive Director
Government and Veteran Affairs Committee**

Madam Chair Grande and members of the Government and Veteran Affairs committee my name is Mike Anderson, executive director for the North Dakota Housing Finance Agency (Agency). Since HB 1259 names the Agency as the administering agency for the Affordable Housing Fund, I am here today to offer the Agency's perspective on how we see the program would be administered.

For the record this is not an Agency sponsored bill. However, since the Alliance was looking at naming the Agency, we were at the table while the Alliance was formulating its proposal. We wanted to be there to assure ourselves that the final proposal was compatible with the Agency's enabling statutes, NDCC 54-17, and our administrative procedures.

The bill requires the creation of an allocation plan after conducting public hearings. This is a concept very familiar to the Agency. We currently go through this process with the federal Low Income Housing Tax Credit program (Federal Tax Credit Program) which we have administered since it was created more than 20 years ago.

Under the Federal Tax Credit Program we first invite stakeholders and the public to town hall meetings. Comments garnered from these meetings are discussed among staff and our Advisory Board leading to the formation of a proposed allocation plan. This plan is made available for additional comments at a public hearing. The results of the public hearing are again considered by staff and the Advisory Board culminating into a recommendation of a final allocation plan that goes to the Industrial Commission for final approval. We anticipate following a similar procedure for the Affordable Housing Fund.

The Federal Tax Credit allocation plan includes 1) a percent of the funds set-a-side for preservation activities, for Indian Reservations, and for non-profit projects; 2) a scoring systems that gives priority to the lowest income served, special needs populations, seniors and rural housing; 3) project commitment and fund utilization timetables are defined; and 4) application process and documentation standards are defined. Although targeting and priorities under the Affordable Housing Fund's plan could differ, much of the procedural provisions could mirror the Federal Tax Credit plan.

The Affordable Housing Fund allocation plan could give priority to certain projects or programs based on type of households served that could be define by income, special

Attachment #11



needs, location, etc. Depending on the greatest need that would be determined by data collection and public input, the priorities could change from year to year and likely would change over time.

The plan should include maximum and minimum allocations. There should be a maximum allocation per project or program. To insure equal opportunity, we may also want to limit allocations by applicant and geographically.

We believe it would also be appropriate that any housing assisted by the Affordable Housing Fund should be subject to an affordability period. Essentially, the housing would be required to remain affordable at the level under which it was developed for minimum period of time. This period could vary depending on the level of assistance and the type of project. In a case where the affordability period was violated some or all of the assistance could be recaptured.

The bill allows the Agency to collect a reasonable administrative fee presumably funded from the bill's appropriated amount. Until the legislative work is completed on the bill and we know what we have to work with I would be guessing today as to what the administrative costs would be, although it would be somewhat of an educated guess. There are some federal programs that by comparison would suggest two FTE's and approximately \$200,000 to \$300,000 annually may be a reasonable estimate at this time. Considering start costs the first year this estimate could be conservative. We do not believe an administrative fee beyond the Agency's out of pocket costs would be appropriate.

The Agency currently has one unfilled FTE assigned to our Planning and Housing Development division. If the Affordable Housing Fund is approved, the position would be immediately filled and assigned to this program. Our 2009-2011 biennium budget also includes another FTE for this division and it would be filled as needed as the program is put together.

My final comment is in regards to Section 3 of the bill that proposes an increase in the Agency's advisory board. This change is put forth by the Affordable Housing Fund Alliance. We are aware that they want to assure that all types of households in need of affordable housing would be represented when recommendations and decisions are being made.

However, the Agency feels this change is not necessary in order to successfully carry out the objectives of the program. Our current advisory board, as the appointments by the Industrial Commission has always been, represent a broad base of housing experts. It includes lenders, realtors, builders, the manufactured housing industry, the non-profit sector and Native Americans.

Over the years as the Agency has broadened its involvement in affordable housing from homeownership and rental assistance in the beginning to multi-family development for

special needs people and bringing technical assistance and programs to rural North Dakota the current structure has affectively served the Agency, the various housing industries, and the public with its advice and policy decisions. Therefore, we believe the structure of the advisory board has the expertise and capabilities to assist the Agency and the Industrial Commission successfully carry out the mission of the Affordable Housing Fund.