

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/15/2019**

Bill/Resolution No.: SB 2302

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>			\$(10,000,000)			
<b>Expenditures</b>						
<b>Appropriations</b>						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB 2302 creates an income tax credit for making contributions to the Housing Incentive Fund.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 of SB 2302 creates an income tax credit equal to the amount contributed to the Housing Incentive Fund administered by the North Dakota Housing Finance Agency. If the amount of the credit exceeds a taxpayer's tax liability for the tax year in which the contribution is made, the excess credit may be carried over and used on subsequent tax years' returns for up to 10 years. If the taxpayer claims a deduction for the contribution for federal income tax purposes, the taxpayer must increase North Dakota taxable income by the amount of the contribution to the extent it reduced federal taxable income.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

A similar credit was allowed in each of the three previous bienniums with ceilings of \$15 million, \$20 million, and \$30 million, respectively. All of credits authorized in those prior bienniums were claimed by taxpayers.

SB 2302 sets a ceiling of \$10 million on the amount of allowable credits for tax years 2019 and after. Based on experience with this same credit in previous biennia, it is expected that the enactment of SB 2302 will reduce state general fund revenues by -\$10 million for the 2019-21 biennium.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

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**Date Prepared:** 01/19/2019

**2019 SENATE FINANCE AND TAXATION**

**SB 2302**

# 2019 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee  
Lewis and Clark Room, State Capitol

SB 2302  
1/22/2019  
Job # 31183

- Subcommittee  
 Conference Committee

Committee Clerk: Alicia Larsgaard

## Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact a new section to Chapter 57-38 and a new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to an income tax credit for contributions to the housing incentive fund; and to provide an effective date.

## Minutes:

Attachments: 12

**Chairman Cook:** Called the hearing on SB 2302 to order.

**Senator Tim Mathern, District 11, Fargo:** Introduced the SB 2302. See attachment #1. Word for word. **(2:00)** I have attached a story from the YWCA regarding somebody's specific need for housing. I was just informed that the director of the YWCA was unable to attend and so I copied that part of her testimony and I attached it here for your consideration. We have done this in the past by using this tax credit method. We didn't do it this past session and I hope we will do it this session.

**Chairman Cook:** What is the percent of the credit?

**Senator Mathern:** I believe it is up to any amount. Up to 100%. The housing finance agency would be communicating with the tax department to shut off any further tax credits for the amounts. Someone could write out a check for \$10 million and get a \$10 million credit.

**Chairman Cook:** I wish I was in a predicament to owe \$10 million to the state of North Dakota.

**Tim Mathern:** That would be wonderful. Seeing the railroad display in the great hall: there is only one owner of it. I was thinking, we have a town called Burlington in this state. Maybe somebody should make a request and maybe the owner of the railroad could cut a check. We are ready if he is willing and if not, folks like you and me have to put in \$1,000 at a time to get this filled up.

**Joline Kline, Executive Director of the North Dakota Housing and Finance Agency:** Testified in favor of the bill. See attachment #2. There are three bills out there that all have

to do with HIF funding and all have to do with a different amount of HIF funding and all three, a different source. There was an article in the Tribune that talked about Microsoft's housing and investment in the Seattle area. It talked about the impact of permanent debt on there. In that case, Microsoft was contributed hundreds of millions of dollars to help affordable housing. What I thought it did was really lay out the impact of permanent debt and how that affects the rents.

**Senator Meyer:** With all these projects, my district is one that seems to use quite a few of these. Do you have any statistics on vacancy rates and even like a 5-10 years down the road, what the vacancy rates will be?

**Joline Kline:** Yes, we monitor vacancy rates quarterly on our projects. Our overall state wide vacancy rate is 10%. It is slightly higher on those periphery communities. It is lower for the Bismarck-Mandans and the Fargos. It is closer to 7.5% for those bigger towns. 90% of the first funding source had to go to oil affected areas. There is also a priority for housing essential service workers in energy impacted areas. What we saw at the height of the oil boom were towns like Crosby and Stanley which built up housing because it was cheaper for someone to live in those towns than it was to live in Williston. As the Williston market gained more housing, the need for that and the drives to work made the vacancy high. What we look at when using the next generation of HIF, is a buy down of existing market rate rent. What can we do to shore up those projects where there are some vacancies by converting more units to affordable? When we put 30% of the cost of the project in, 30% of the units must have an income and rent restriction. The other 70 can be market rate. If we can go in and put another infusion of HIF in, we can create more affordability. In my testimony, I give you background information to assure you that we use this resource very carefully. We underwrite the projects that make sure that no more dollars are going into them than are needed. We go through hearings process to develop an allocation plan that is truly stakeholder driven to make sure the needs that our stakeholders are addressed in there. As you consider this bill, I would ask that you reach out to your colleagues that work on House appropriations and government operations. Last week, they were able to hear from two tenants. I thought it was some of the most profound testimony that I have heard to date. One talked about the independence that she feels while living in her own apartment for the first time after coming from a group home. She had lived in one for 6 years and has now been at Independence Point for 4-5 years. It me have tears in my eyes. Another talked about the safety she feels living in a rent controlled, senior friendly environment where she knew she didn't have to struggle any longer to make rent out of her limited social security check.

**Senator Meyer:** Is it annually that you review someone's income to determine what their income based rent would become? How often does that get reviewed?

**Joline Kline:** The project reviews the tenant rent annually.

**Senator Meyer:** Is it up to the individual project determine how often?

**Joline Kline:** The tenants are not benefitting from a voucher. The rent it income taxed. In order to live in the apartment that is \$403, their income can't exceed x amount. So it is \$403 for instance. If it increases to \$25,000 at recertification, they may be required into that next tier unit which is \$450. It is not 30% of the individual's income that determines what their rent

is, it is that 30% of their income can't exceed a certain threshold. Yes, we monitor once a year to make sure that we don't have someone who is making \$60,000 a year that is benefitting from a \$400 rent.

**Senator Patten:** Could you further address the special needs in independent living components in the program? How big is that or how relevant is it? Is there any component that does address that?

**Joline Kline:** The handouts you got talk a lot about different income ranges that were addressed during our statewide housing needs assessment. The general assumption is that a person with a disability is going to be at that lower income tier because their social security is going to be low. There could be someone with a disability who has a skill set and the opportunity to work in an IT world and make \$60,000 but generally, they are at that lower scale. They have not paid a lot into social security so they are getting that minimal social security check. The assumption is that they are going to be at that low income handout.

**Chairman Cook:** Of the 80 projects, how many of them are 100% market based?

**Joline Kline:** If there is HIF dollars, they all have some affordable units within them. If we put in the max which is 30% of the cost of the projects, there is a deed restriction filed at the county that mandates that 30% of those units have that income and rent restriction for a minimum of 15 years because the permanent debt is 20 years then our deed restriction is 20 years. We would not put funding into a truly market rate project that would be no benefit to the state.

**Chairman Cook:** I chair the Morton County Housing Authority. We handle the vouchers for low income people. We handout a lot of vouchers and put them in the hands of a qualifying individual. Their challenge when getting the housing is when they go to the private individual to rent an apartment, they can't pass a background check. I assume that in your 80 projects, the owner of the project determines the degree they use background checks at.

**Joline Kline:** You are correct. That is a landlord and tenant issue. We are not going to get involved with that. If they can't pass it, the project could keep that individual out. One of the most recent programs has been an opening doors project. It is a program that provides an insurance policy for a landlord to rent to someone with poor credit history. It is \$2,000 for the first 18 months to cover unpaid rent or excess damages. The household has to be receiving case management involved so the agent can make sure they are a good tenant. That should help ease some problems.

**Chairman Cook:** Can you give me history looking back to when we started this housing fund? What happened last session? We still have the housing fund in place, we just didn't fund it?

**Joline Kline:** That is correct. In 2011 you gave us \$15 million in credits. In 2013, you gave us \$20 million in credits and \$15.4 million appropriations. In 2013, you gave us \$30 million in credits and \$10 million from the Bank of ND. Each biennium, the program sunsets. It was a 2-year program. In 2017, when you looked at the Housing and Senate Fund, you took away the sunset and made the program permanent but did not give us any funding. We had no

funding going into the biennium other than that \$3.7 million that was returned from the previous biennium. That was basically a three-million-dollar project in Bismarck that fell through. That gave us a little money. That has all been allocated.

**Chairman Cook:** When I go back to the beginning, I thought this program was really to get housing in western ND where there wasn't any. You are telling me that from the beginning it was some degree of low income housing.

**Joline Kline:** As legislators you create a program to address a very immediate need and it turns into a long term program. There was a need for senior housing, there was a need for preservation of existing housing, and a need for low income worker housing. The need for essential service worker housing was overriding all of that because you had the rent that used to be \$500 in the Williston or Dickinson area became \$1,500-\$2,500. Then those cities couldn't recruit teachers, law enforcement, and county and city worker. It was critical for a recruitment and retention for essential service workers that the state do something. As that need has been address through the private market, the need we need to consider now is if the rent remains at that \$855. If there is no funding whatsoever, people can't afford those high pricing costs. If my mother is only receiving \$1,200 from social security, she can't pay \$1,600 as she leaves her home. My mother is in her own home in her 90s. She is either going to go in a nursing home or she is going to find some independent living opportunity with home based care. It is going to cost the state if she ends up in a nursing home.

**Chairman Cook:** Can a project be built using both housing and Senate fund dollars and federal tax credits.

**Joline Kline:** Yes. We even encourage it because then we don't have to put in the 30% for \$3 million. Then we only use it as a gap filler with a maximum of \$600,000. In a permanent support of a housing project where they using federal loan tax credits, that brings in about 70% of the costs of the project. Theoretically, if is a non-profit developer, they are going to have to come up with the other 30% somehow. If they use permanent debt, now they have to charge a certain amount of rent to pay that debt service on that 30%. So that \$10 million project for instance, and they get \$70 million in equity from the Federal Loan Tax Credits. They got a \$3 million gap. How do they fill that? If they fill it with permanent debt, the rents have to be high. If you have got a homeless person who has zero income and can't afford rent, how does a project pay debt service on there? That developer is going to look for the Department of Commerce and some home money and maybe CBG money, HIF money, and private contributions. They are going to try to fill the gap so there is no debt on that project. That is the only way they work. It is not a greed thing; it is just simple reality. A permanent support of a housing project typically can't even pay operating expenses. They don't collect enough money. You will hear about a project in the Fargo area where Gate City Bank made a contribution of \$1.5 million to help that project meet operating expenses. Studies have shown that it is more beneficial to put a person in a permanent support of housing project rather than leave them on the streets. You have reduced hospital costs, police costs, and the costs to that human being. It is more cost effective to put them in housing.

**Senator Patten:** Watford city was one of the heavier users of the HIF program. It's a very high demand. I'm not sure what our occupancy rates are but I think they are pretty good. I

remember looking at those. You could direct your funds to either a community or a project if I'm not mistaken as a business. Is that still the way it is?

**Joline Kline:** Yes. As a contributor, you can direct your contribution to a project or a community. I will tell you one of the challenges this time, is if the sole funding source remains a tax credit, I believe there will be some challenges while generating the contributions. We quickly filled our fund in the 2013-15 biennium with the \$30 million in credits. Tax law changed as a result of the 2017 sweeping tax changes. We have been told that a contribution made into the fund now will likely not qualify as a federal charitable contribution. How much impact that will have, I do not know. That is going to be one obstacle to overcome.

**Senator Patten:** I think the indication of need is the willingness of business and individuals to contribute in their own communities. As we look at the state, maybe the dynamic has changed from the high demand on the industry side to communities that have the same need.

**Dan Madler, District 27, Chief Executive Officer, Beyond Shelter Inc.:** Testified in favor of the bill. See attachment #3. Regarding a need in Fargo, the last few projects we have placed there have been senior projects. We placed 30 units in service. We leased that project in 30 days. In August of 2018, we opened 139 units. We released that project in 45 days. Currently, we have 39 units of additional senior housing in Fargo. We expect that project to be 75% prelease prior to opening. Essentially, fully leased in less than 45 days. Going back to vacancies, we are a state wide affordable housing developer. Currently our vacancy rate in Fargo is at 10%. I have 6 of 307 units vacant. That is 2%. We have units in Dickinson; 105 units and 3 units so essentially 2.9%. The Minot market is the most challenging. We have 229 units in Minot and Burlington. We have 23 units vacant which is a little over 10%. The Minot market is still experiencing anywhere from 15-18% vacancy rates. In relation to community development workforce, I would say that homes are where jobs sleep at night. If a community or state wants to be strong economically, they need to provide a balance of housing stock to their residents. What I mean is housing for all income levels. The housing incentive program provides this balance and helps the ND communities to provide the balance. Distributed attachments #4 and #5. Attachment 6 is the testimony of Blake Strehlow, Executive Director of the Housing Authority of Cass County. Attachment 7 is the testimony of Erin Prochnow, CEO, YWCA Cass Clay.

**Chairman Cook:** Thank you for all you do. What has happened to the Fargo high rise?

**Dan Madler:** The Fargo high rise is a very significant challenge. They have about 240 single unit individuals that are on public rental assistance. The project is running the course of being functioning obsolete. Because of the scale and the size, the available tools right now make it challenging to make the numbers work to do a renovation. I believe the city of Fargo has submitted written testimony in support of today's bill. The housing incentive fund could help solve the problem. The problem is the scale and how big it is.

**Mason Sisk: Economic Development Association of North Dakota:** Testified in favor of the bill. See attachment #6.

**Mary Anderson, Executive Director, ABLE Inc., Dickinson:** Testified in favor of the bill. See attachments #7-8. I am the end user of the HIF fund. We are here to say it has been a

success. I wanted to give you some visuals. As you try to make decisions on where you spend the money, I want to encourage you that this is a good and necessary program. I am going to hand out some visuals. ABLE Inc. supported 20+ people and we were not able to move anywhere even though there was a lot of disharmony for people. We couldn't go anywhere because there was no housing to be had. We tried 21 moves to try to help people live together. Today, I have with me a family who wants to come in and share their story. This is Cecilia Skabo and Gail Dobitz.

**Cecilia Skabo:** My name is Cecilia Skabo and this is my little sister Gail. I wanted to tell a story. In March of 2015, it was a Saturday night around 7 PM. I got a call from Gail. She was crying and scared. She asked me if I could help her. In the background, I heard a lot of anger and banging on the door and yelling. I asked Gail what was going on. She said her roommate was mad at her. She said she was hiding behind her couch and she has locked herself in her room. She asked if I could come help her. I jumped in my vehicle and drove over there and Mary happened to be there. I remember getting out of my car and saying to her, this isn't right. Gail is in an abusive relationship and it is not okay. We got into the apartment and got her taken care of and tried to make her feel safe with her roommate. The hardest thing I had to do was leave because there was no place for her to go. I had to leave her in that situation knowing I would never leave my child in that situation but there was no place for her to go. I wanted to tell you my story. Gail how was that when that happened with Linda?

**Gail Dobitz:** It was hard and I didn't like it.

**Mary Anderson:** Distributed attachment #9. In follow-up these are changes we have had with people who are living much happier lives. Again, I can't thank you enough and stress enough for this program and the need for it. In the U.S. there are very few states that are looking at housing as a priority and making an adjustment to them. If you look at housing vouchers, they are not easily accessible to people. Those programs are federally operated but ND has the chance to change the program and make it more individualized. I really want to stress permanent finance for this program. Part of it is, if you get that permanent financing, you can help people with more disaster situations who have nowhere to go. We created intentional housing for very complicated things. In Watford City, you talked a little about special needs. Special needs populations come with a lot of complications. There are people who are physically disabled who wonder if they are going to be able to get in and be accessible. The chance is slim. We have people with autism who need to be not allowed to leave their environments because it will be very dangerous. Those costs sky rocket. It is a necessary thing. ND housing has the right people and the right programs. HIF is unique in the U.S. We are the testimony to success. As you look, please remember Gail and what this has done.

**Lorraine Davis, Director of the Native American Development Center:** Testified in favor of the bill. In September, 2012, we funded to address social economic disparities amongst the Native American population in Bismarck. We do this through cultural responsive permanent supportive housing. There are many different housing for disabled, special needs, elderly, and many different kinds of special populations that need their own type of cultural responsive services. What we don't hear about in ND is the need for Native Americans. It is vital to us. Without that advocacy, we don't understand what that means. In developing the Native American Development Center, I too have a personal testimony myself. I am that

person that transitioned here 18 years ago from the reservation. I moved here with issues. I serve the hosts who are the same as me. That is my intent of developing the NADC. We see many drug addicts in our population. We have had an epidemic in chronic alcoholism for a century. It has never raised to this level because we are only 2% of the population in the United States so it always gets overlooked. What we are addressing is the historical trauma that has been impacted on us and now we have different types of traumas and science has proven that the past is in fact valid. The trauma passes from one generation to another. We are really trying to meet the needs for the population and people need to recognize that first, before they can help us. When you see the disparity among our tribal population across the U.S., it becomes alarming. The percentages impacted by suicide is alarming. Our native youth are the most impact across the nation. It is never brought to the level of need. It only gets as good as the advocacy is. Historically, tribal advocacy has been done just on tribal nations and not brought to the state. That is a huge issue. I work with the tribal nations. We are pursuing a multifamily housing project. I started working at the United Tribes Technical College after I had the personal experience of coming here 18 years ago. Chronic alcoholism was my enemy. I did not overcome that right away because the infrastructure doesn't exist in our community in order to overcome that. It takes special housing. Affordable housing is an issue across the United States. I do research and I am currently doing a dissertation about the traumatic lived experiences among Native American Urban adult populations across ND. That is already funded and in process. We are working with NDSU's American Indian Public Health Research Center on that. It will be done by the end of June of this year. Additionally, we are working with UND's Suicide Prevention and developing curriculum specific to the tribal population. We are working with the tribe's suicide prevention directors. A lot of these curriculums don't exist. Tribes are all different. We have three different tribes and that is three different tribal languages right there. That is part of our identity and it has not been recognized before. That goes back to the separation of tribes in states. People do not understand the full context of the problem until we look at it as a Native American population problem. I do have a lot of data. I do not have my presentation with me. I apologize. I had to make a really hard decision on whether to present at Standing Rock who had to cancel due to the whether so I was able to turn around and come back here. I can send you the information.

**Dwight Barden, Executive Director at Burleigh County Housing Authority, Bismarck:** Testified in favor of SB 2302. See attachment #10. Most of our homeless tenants deal with drug or alcohol addictions. This project of building a new building for them, will help that population. The cost savings will be immense to the emergency rooms at hospitals and the police service. Fortunately, there was the \$3.5 million that was turned back this last biennium without that, this project would not be rolling. Normally there is about 5 projects a year that are funded under the tax credit programs. There's between 8-15 projects that are submitted for this funding. We have told you this before; there is more need than what has been funded in the past.

**Tom Alexander, Executive Director of the Minot Housing Authority:** Testified in favor of the bill. Since 2012, we have been in partnership with Beyond Shelter. We have created 221 affordable units in Minot. I am here to tell you that HIF was a vital part of those projects.

**Chairman Cook:** Testimony in support? Testimony opposed? Testimony neutral?

**Matt Peyerl, Tax Department:** Testified neutrally for SB 2302. A quick clarification on the fiscal note, Senators Cook's comment earlier touched on the history of the program and the tax credit funding side of it. A careful reading of the fiscal note might not line up with that. He was correct that the first session that is got tax credit funding was 2011 then again in 2013, 15. 2017 did not get the funding.

**Senator Dotzenrod:** It looks like on Line 8, there is this credit that is provided against state income tax liability. The credit you get is equal to the contribution so if you owed \$1,000 of state income tax, you provide a check for \$1,000 and donate it to this fund. I think we are creating this fund in this bill. Do I understand that right? It becomes a credit?

**Matt Peyerl:** That is essentially correct. Beginning in 2011, that was our first experience with a 100% tax credit. It was a bit peculiar to start with. Now that it has been in existence for this long, tax payers and everyone is familiar with how it functions. I believe the fund itself still exists. It is just that the tax credit funding mechanism does not at the moment.

**Senator Dotzenrod:** Then again on line 12 it says the ND taxable income must be increased by the amount of the contribution upon which the credit is computed but only to the extent the contribution reduced federal income tax. You could possibly get a federal credit? Whatever that credit was, you would have to add that amount back to your ND income?

**Matt:** That language is common in tax language. If you are getting a state income tax credit for it, if you took a deduction on your federal return for it, it says you have to add that deduction back so you don't get the benefit of both the deduction and the credit. However, as Kline indicated earlier, the 2017 Tax Cuts and Job Act did change a little bit of who can now take a deduction for such a charitable contribution and that you get 100% credit. The treasury has tightened down on what is considered charitable. If you are getting 100% credit for it, you now can no longer deduct it. An individual can no longer deduct it as a charitable deduction on their tax return. That feature will become less impactful. If you are a business tax payer, you probably can still deduct that. There is a distinction between individuals and businesses.

**Senator Patten:** That is what I was going to visit about, Mr. Chairman. The prevention of that 110% and donating \$10,000 and getting \$11,000 in benefit. I think that is it.

Additional testimony was submitted in favor of the bill from David Klein, Executive Director of the Great Plains Housing Authority and Jim Gilmour, Strategic Planning Director. See attachments #11 and #12.

**Chairman Cook:** Closed the hearing on SB 2302.

# 2019 SENATE STANDING COMMITTEE MINUTES

**Finance and Taxation Committee**  
Lewis and Clark Room, State Capitol

SB 2302  
1/28/2019  
Job #31585

- Subcommittee  
 Conference Committee

Committee Clerk: Alicia Larsgaard
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## **Explanation or reason for introduction of bill/resolution:**

A BILL for an Act to create and enact a new section to Chapter 57-38 and a new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to an income tax credit for contributions to the housing incentive fund; and to provide an effective date.

## **Minutes:**

Attachments: 0
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**Chairman Cook:** Called the hearing to order on SB 2302.

**Chairman Cook:** We heard that there are two other bills out there. Somewhere there is \$40 million out of the General Fund. I believe that was in the governor's budget proposal. There is another \$20 million of housing fund money. It comes out of the SIF Fund. My opinion of this issue is that it tends to ride to the end of the session and then a decision is made as to what the housing package is going to be whether its tax credit or general fund dollars. I do not think this bill is necessary to get us where we need to be at the end of the session. I would support a do not pass.

**Senator Unruh: Moved a Do Not Pass.**

**Senator Kannianen: Seconded.**

**Senator Dotzenrod:** In the testimony regarding the need for housing, I thought it was good. Your explanation is if we won't pass this, there is enough room built in to these other ideas so it becomes flexible. At the end you can add money or take it out. If we were to pass this on, we would end up with two or three different bills that would cover the same territory. You are saying that we do not need to do that. You are saying we can kill this bill and then if there is a feeling that these housing needs are not covered, it could be added on.

**Chairman Cook:** Whether it is a General Fund, appropriation, or a tax credit, it will come together at the end. One of the other bills has all the rules. That would be the one that needs to pass.

**Senator Dotzenrod:** If that is how the process works at the end, that is a good argument. I thought the testimony said if you have social problems and you are going to fix that, that has to start with housing. I assume a lot of these people in the housing are there temporarily. I am not exactly sure.

**Chairman Cook:** I would hope they were there temporarily. They tend to stay on it. It amazes me regarding the number of out of state people. Housing authorities all over the state apply for a voucher and they fly from San Diego to Bismarck and go through the process at Morton County Housing Authority and they want to get a voucher. After one year of living here, they can take that voucher with them and go home. There is a lot of that going on.

**Senator Patten:** When I look at this, McKenzie County was a huge recipient of this program. It was needed and worked well. I am seeing it being carried into other areas of needs. I do not know if that is appropriate or not or if it needs to be assessed as another program. There is a shift in the focus according to the testimony we heard. Whether we are using the old bill for old uses, is that the right thing? Or should we use something that is more directed to the current use?

**Chairman Cook:** I would say there is a shift from when it was first started to where it was at now. It seems to be addressing the need for housing in the oil patch as it was when it was first created.

**Senator Dotzenrod:** I got the impression that a lot of these are dealing with the social problems that exist at the bottom of the social economic ladder. You have these people who have different issues and they are trying to get into a recovering program of some kind. They need to start with housing and then try to work with them. It is part of a social network to deal with the difficulties. I do not see those kind of folks in my circle of friends but I understand it is out there. I assume that if we do not pass it, there are other housing programs that have covered the same territory.

**Chairman Cook:** That is the shift we see in the housing to senate finance fund from the shortage of housing for workers in the oil patch to what you just described there. Mandan has two projects for senior citizens. A certain percentage of those units have to be rented out to people with certain low income ranges. You are describing another issue where they are general homeless. Most shelters do not take you if you are drinking. That is not a tax committee issue as to the merits of the homeless drinking programs. We seem to have it here.

**Senator Kannianen:** When you asked Joline about the way the priorities have shifted, she made the comment that all the priorities have changed. Was there any intent language when this was created in 2011?

**Chairman Cook:** Yes. I remember adding the amendment saying that essential workers had to have some priority. We had a time when we had government workers, teachers, and highway patrolmen couldn't find a place to live so we provide housing for essential workers. That is not needed anymore.

**Senator Kannianen:** I would agree with Senator Patten. If they are moving in a new direction they really need to move towards a new program instead of using the old program for new things.

**Chairman Cook:** I think there is a bill out there that is doing that.

**Senator Dotzenrod:** I am probably going to vote for the bill, hoping that if we can't get this done, we will see some other places where that issue of this subject can be dealt with. I remember the testimony of Joline Kline. I thought she spoke some about workforce that there was a share or some workers in the \$15 position low wage where they have housing needs. This is a whole big span of knowledge that I am not fully educated about.

**Chairman Cook:** The major shift here is in the housing assistance for low income folks with nothing but a federal program and no state involvement.

**A Roll Call Vote Was Taken. 5 yeas, 1 nay, 0 absent.**

**Motion Carried.**

**Senator Cook will carry the bill.**



**REPORT OF STANDING COMMITTEE**

**SB 2302: Finance and Taxation Committee (Sen. Cook, Chairman)** recommends **DO NOT PASS** (5 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). SB 2302 was placed on the Eleventh order on the calendar.

**2019 TESTIMONY**

**SB 2302**

SB 2302

Senate Finance and Taxation Committee

January 22, 2019

Chairman Cook and Committee Members,

My name is Tim Mathern. I serve as the Senator from District 11 in Fargo. I am here as a sponsor of SB 2302 which upon passage would grant an income tax credit for contributions to the housing incentive fund used for housing projects.

Jolene Klein of the ND Housing Finance Agency is here to address the bill in terms of the details of implementation and their position.

Next, housing advocates are here to explain the need for housing.

Members of the committee, in my social service and community job creation work I have learned that self-sufficiency is not possible until the basic need of housing is met for individuals and families. Families can pay their fair share for the housing but there must be an adequate supply of housing in the price range they can afford.

SB2302 helps create this supply by creating a 10-million-dollar housing pool of capital. The Housing Finance Agency will use this investment to leverage other dollars and to decide what housing projects around the state can best meet the greatest need.

Thank you for your consideration. I ask for your yes vote on SB 2302.

## YWCA Cass Clay: Supportive Housing Story



**No one served by YWCA ever planned to be homeless.  
Even those living closest to the edge.**

Kayla had her happiness stolen by a very violent abuser. She bravely sought freedom by moving into an apartment of her own - wanting safety too for her baby and school-aged boys. Their newfound calm was soon upended by tough life circumstances.

The business where she worked was sold. Her position ended. Her last paycheck came in. With nothing in savings, already used for a security deposit, there was no way to cover another month's rent. It took everything Kayla had to provide food for her family, and gas to search for a new job.

Soon they were evicted, and homeless. Rather than going back to her abuser, Kayla and her children came to YWCA Emergency Shelter.

I tell you this story because your past decision to support YWCA helped make us ready with resources that Kayla would need, and we are asking your help again.

Our shelter has been over capacity almost every night last year, including 35 to 40 children at any time, making our need for support particularly urgent.

Kayla came with her baby and 10- and 13-year-old boys, Thomas and Malik, because of sudden homelessness. They needed a place to stay and sort out plans for their future. Other moms who came last spring had swiftly fled their abusers to find safety after the school year ended.

From safety, life can change from struggle to a life of possibilities and create a new pathway forward.

Possibilities are what Kayla hoped for. She wanted her boys to have a stable home. They finished the school year as two of the hundreds of invisible homeless children in Fargo-Moorhead. At YWCA, Thomas and Malik had homework help in our Study Buddies program and the presence of a supportive YWCA team. They kept up their studies and grades stayed on track.

Last July, the YWCA housing team readied a YWCA supportive housing apartment that would become a stable home for Kayla and her family: filling it with donated furniture. The final touch was placing teddy bears onto the children's beds. (A generous community donor has given these bears in loving remembrance of her daughter so all children moving into our housing program find a source of joy and comfort waiting for them.)

Our YWCA team was prepared for the children's excitement upon seeing their apartment, but tenderly taken aback by 13-year-old Malik's enthusiastic hugging of his new stuffed bear.

"They are a very close family and the boys are so sweet. Malik is never bothered that his younger brother is his constant tag-along, and they're both so helpful with the baby," says her advocate.

Kayla's children thrived over the summer. Our Study Buddies coordinator saw to it they joined in outings to parks, swimming pools and places like Thunder Road through donated passes. She helped Kayla enroll them in day recreation programs so twice weekly the boys could play basketball and make friends with others their ages. The boys are in new schools but already met some of their classmates through their summer programs. Kayla tells us that Thomas and Malik talked daily about the arrival of that first day of school, excited to begin a new year from a safe and stable home.

YWCA here is when abuse is too much, when rent has run out, when women doubled up with friends have overstayed their welcome. Your support brings safety when experiences at motels, campgrounds or vehicles used for overnight shelter prove too frightening and dangerous.

Children without a regular night time residence experience emotional toil and stress to their grades. Children facing homelessness think about survival, old clothes, lack of supplies, and live in constant anxiety about their family's security. Their likelihood of developmental delays are four times the rate of their peers. They are more likely to miss days, repeat grades, drop out early and more. Homeless children isolate themselves from friendships, fearing their circumstances will be discovered by classmates. Hunger is a constant presence.

You can see that housing crisis means life crisis.

YWCA brings safety when abuse and poverty have caused homelessness. Last year, 784 children were served with shelter and housing.

Each child came with different circumstances. Not one deserves to be homeless. It's a chaotic life experience that can end with your support.

YWCA helps children stay on track. But we need your help to do it. We cannot overlook children who need resources to bring future success. Children served by YWCA are counting on you, on us, to give them hope and I know we won't let them down.



1/22 SB 2302 #2 pg.1

**Jolene Kline** Executive Director

**INDUSTRIAL COMMISSION**

**Doug Burgum** Governor

**Wayne Stenehjem** Attorney General

**Doug Goehring** Agriculture Commissioner

**SB 2302**

**January 22, 2019**

**North Dakota Housing Finance Agency  
Division of the State Industrial Commission  
Testimony of Jolene Kline, Executive Director  
Senate Finance and Taxation Committee**

Chairman Cook and members of the Senate Finance and Taxation Committee:

My name is Jolene Kline, executive director of the North Dakota Housing Finance Agency.

I am here in support of Senate Bill 2302, which will provide \$10 million in tax credits for the Housing Incentive Fund (HIF).

Testimony was heard on Senate Bill 2271 earlier this morning by Senate Industry Business and Labor committee members. SB 2271 would provide a \$40 million general fund appropriation for HIF.

The House Appropriations Committee—Government Operations Division is currently considering whether to include Governor Burgum's recommendation for \$20 million from the Strategic Investment and Improvement Fund (SIIF) in House Bill 1014, which is the Industrial Commission budget bill.

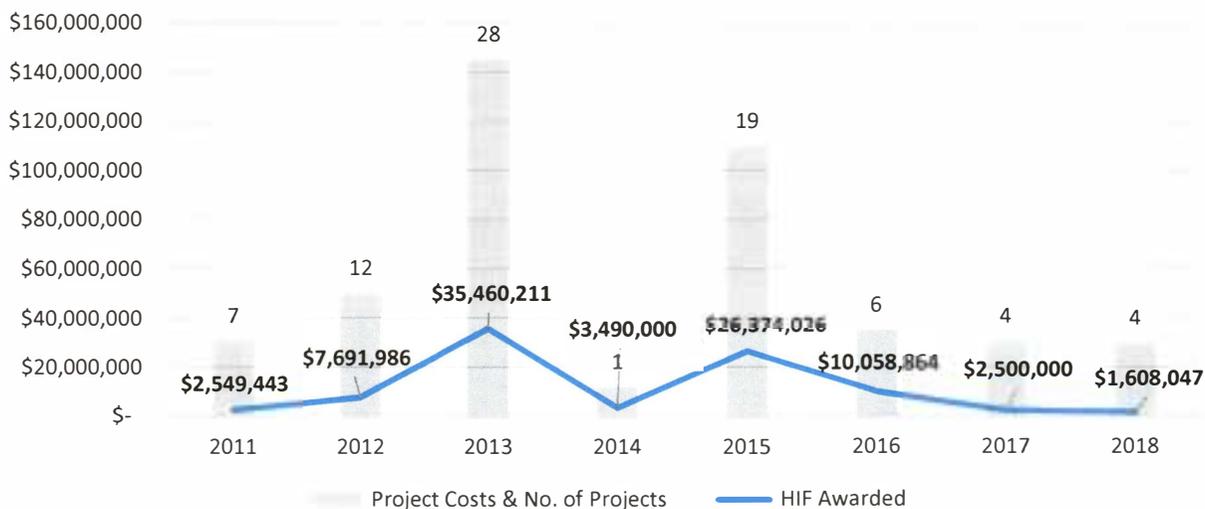
Whether funded by tax credits, general fund appropriation or SIIF, funding for HIF during this biennium is essential to keeping North Dakota's elderly population aging in place as long as possible instead of moving in to a nursing home, keeping the chronically homeless and persons released from prison off of the streets, creating housing available and affordable to meet growing workforce demands, and preserving our existing aging affordable housing stock.

HIF is an effective, locally-driven rental housing financing tool, created and authorized during the 2011 legislative session. Community leaders, private developers and nonprofit organizations have leveraged the fund to construct new or rehabilitate existing rental housing. By statute, HIF targets low- to moderate-income households including seniors, people with disabilities, families with children, veterans and people experiencing homelessness. If North Dakotans cannot afford housing or too much of their income is allocated to this one expense, it impacts their ability to maintain stability in their lives, advance economically, pursue educational opportunities and be able to afford basic necessities such as food, utilities, transportation, childcare and medical coverage.

During the 2017-19 legislative session, HIF was permanently added to the Century Code, however, no new funding was authorized. Deobligated funds totaling \$3.7 million were carried over from the 2015-17 biennium into the 2017-19 biennium. All HIF has been obligated as of September 2018.

To date, \$89,732,577 of HIF funding has been leveraged in 80 projects creating or rehabilitating 2,501 units in urban and rural communities across the state. Total constructions costs exceeded \$441 million. Every dollar in HIF funding has resulted in more than four dollars in private and federal equity.

**Housing Incentive Fund Project Development 2011-2017**



HIF awards are available to local housing authorities, tribal entities, and nonprofit or for-profit housing developers. The maximum award size varies depending on whether a project also receives federal funding. The award amount typically equals less than 30 percent of the total development cost, and no more than \$3 million. Awards are competitive and projects must meet strict scoring criteria.

HIF funding has been a catalyst in filling the financial gap to create affordable housing for individuals and families when conventional financing has fallen short. Conventional debt financing requires market-rate rents to cover mortgage payments and operating expenses. HIF reduces required debt service thus allowing for a variable priced, reduced rent structure. The following is a financing scenario detailing the difference in rent structure to cash flow a conventional financed project and one supplemented with HIF. As you can see, for a newly constructed, 24-unit apartment building, construction and operating costs are the same, however, individuals and families can be offered affordable rents based on their income when gap financing eliminates the need for a 20-year loan.

### New Construction Financing Scenarios

#### 24 Unit Apartment Building

Cost of Construction is \$175,000 (per unit) x 24 units = \$4.2 million

Conventional Financing Market Rate Rent		Non-Conventional Financing Income Restricted Rent	
Equity Investment	\$1.26 million (30%)	Equity Investment	\$1.26 million (30%)
Loan	\$2.94 million (70%)	Gap Financing	\$2.94 million (70%) <i>(i.e. HIF, federal funds, private investments/donations)</i>
<i>Annual Expenses:</i>		<i>Annual Expenses:</i>	
\$252,757	Loan Payment (6%, 20 years)	\$0	Loan Payment
\$120,000	Operating Expense	\$120,000	Operating Expense
<u>\$100,800</u>	Return on Equity (8%)	<u>\$100,800</u>	Return on Equity (8%)
\$473,557	Annual revenue needed from rents to cover expenses	\$220,800	Annual rent revenue needed from rents to cover expenses
<b>Average Monthly Rent Per Unit to Cover Expenses:</b>		<b>Income Restricted Rent Structure to Cover Expenses:</b>	
\$1,644		5 units at \$403	5 units at \$898
		5 units at \$493	9 units at \$1,050

Living in a conventionally financed, market-rate rental unit requires an annual salary of \$65,760 to not be considered housing cost-burdened. Those living in the non-conventionally financed/income-restricted units could earn an annual salary of \$16,120 to \$42,000 and not be considered housing cost-burdened. Individuals and families living in HIF units primarily fall into four categories: low-wage earners, persons with a disability, seniors with low incomes or disabilities, and individuals and families at risk of or who are experiencing homelessness.

Over the past decade, North Dakota has frequented lists published by Forbes, Fortune, and Business Insider as the best state or community to start a business. Entrepreneurs are transforming their vision into viable businesses that are diversifying our state's economy. Affordable housing and cost of living are critical to the livelihood of both entrepreneurs and established business owners in rural and urban communities.

Labor Market Information states, 17.4 percent of the vacant positions posted on the Job Service of North Dakota (JSND) website pay less than \$15 per hour. Many of these "low-wage" positions are at entrepreneurial start-ups or are service-sector positions that are the backbone of our communities. According to the U.S. Department of Housing and Urban Development (HUD) you need to earn \$16.40 per hour to afford \$855 for a two-bedroom apartment in North Dakota.

We know that the price of a two-bedroom apartment varies for each legislative district. For illustrative purposes your handouts include an overview for District 35. If you are interested in knowing more information about affordable housing and vulnerable populations in your district, please visit our website:

<https://www.ndhfa.org/Publications/PublicAffairs.html>

HIF-funded projects create affordable rents, which can lead to financial and housing stability for lower-wage workers. The progression of wealth creation for these individuals can allow them to progress into a market-rate unit or become a homeowner. Coupled with employment opportunities, safe communities, exceptional schools and access to medical facilities, we can attract and retain these state residents.

As you probably have heard, there was an increase in the North Dakota's 2018 population resulting in 4,656 more births than deaths. However, even with the increase in youth and young families, the percentage of 50-64 year olds grew by 51 percent from 91,428 in 2000 to 138,139 in 2017. As the state's population gets older, there will be more pressure to create affordable and accessible housing options for this segment to remain independent.

According to AARP, 29,057 North Dakotans currently rely on social security for 90 percent or more of their income, and the median annual social security income for the state is \$16,133. The state ranks seventh in the nation with the highest proportion of individuals ages 85 and older. As we age past 80, maintaining our financial resources is essential to affording basic care such as housing, healthcare, medications, healthy food and transportation. As seniors explore independent housing options, financial restrictions may prevent them from leaving their home, increasing the potential for accidents and injuries and further isolation. Another hindrance is the availability of affordable housing options due to limited income.

In fiscal year 2017, the state paid \$258 million for a monthly average of 2,950 individuals living in a nursing home, which is a cost of nearly \$90,000 per person per year. That same year, the state paid \$43 million for about 2,500 individuals, or an average of \$17,000 per person per year between four in-home care programs (Home and Community-Based Services Waiver (HCBS), SPED, ExSPED and Basic Care). Of those programs, HCBS is the most costly on a per person basis, serving about 300 people per month for \$23,000 per person per year. These numbers come from the North Dakota Department of Human Services (ND DHS). The goal at our Agency is to create housing options in urban and rural communities that allow older adults and persons with disabilities the ability to age in place with as much independence as possible for as long as possible.

Projections for renter-occupied housing units with householders ages 65 and older is anticipated to grow 57.7 percent (12,000) by 2029. HIF will help ensure that these seniors will have housing options in place when it is time for them to consider moving out of their house.

Finally, I must touch on the need for housing for individuals and families that are at risk of becoming homeless or those experiencing homelessness. According to HUD data, over the past decade North Dakota has averaged 1,089 men, women and children living on the streets or in homeless shelters. The 2016 North Dakota Housing Needs Assessment projects that the state's extremely low-income households will increase 23.6 percent and reach 62,538 households by 2029. I've included attachments showing the projected growth for the extremely low income to moderate low income households for the state and by county for you to review.

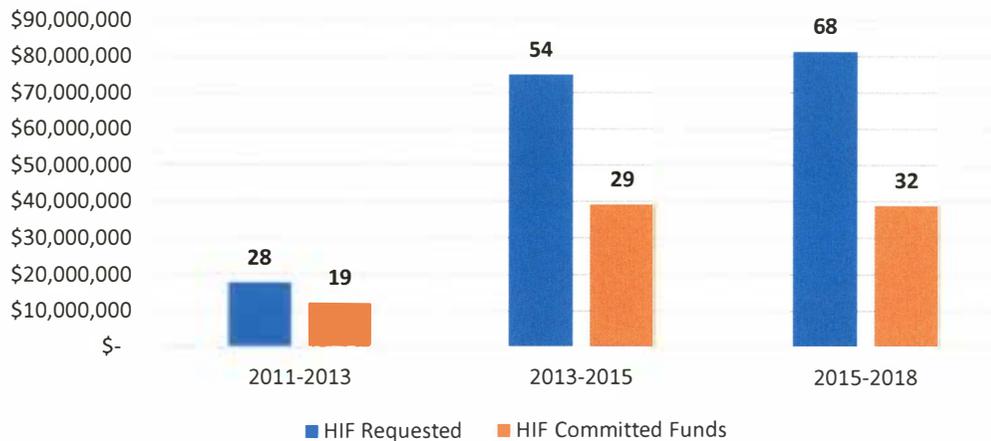
Just because a household is deemed extremely low income or homeless does not mean that they are unemployed. What we do know is that they cannot afford a place to live without combining the financial resources of numerous adults and youth to be able to pay their monthly bills. HIF has provided gap financing for projects in Fargo, West Fargo, Grand Forks, Mandan and Bismarck to take the most extreme cases and create housing stability for these individuals and their families to address the on-going cause of homelessness. The Agency administers the financing to build the housing, and agencies like ND DHS, JSND, Department of Corrections and the Department of Public Instruction provide the one-on-one case management services.

Each community in North Dakota has unique population and housing demographics. HIF is one of the most flexible and accessible programs that communities have to address their housing needs. Some communities may want to invest more in housing for workers filling entry-level positions. Other communities may need affordable housing for seniors to keep them as part of their community. Urban communities may need more permanent supportive housing options with accessibility to medical facilities for individuals to address their personal issues causing homelessness. When HIF was first created in 2011, many western North Dakota communities were struggling to recruit and retain workers to fill essential service jobs due to rapidly escalating rental rates. North Dakota Century Code 54-17-40.2.b. requires priority be given to housing for essential service workers. The Agency requests that this language be removed from Century Code.

“The annual allocation plan must give first priority through its scoring and ranking process to housing for essential service workers. For purposes of this subsection, "essential service workers" means individuals employed by a city, county, school district, medical or long-term care facility, the state of North Dakota, or others as determined by the housing finance agency who fulfill an essential public service.”

The demand for HIF has exceeded the amount available since inception. As I have stated earlier, HIF provides gap financing and is often combined with federal, private and local funding to create housing that is affordable to the targeted population within each project.

**HIF Requested Compared to HIF Committed Funds**



In addition to HIF, the Agency has the authority to issue tax-exempt multifamily bonds. We also administer both the 9 percent competitive federal low-income housing tax credits (LIHTCs) which bring in equity for about 70 percent of construction and rehabilitation costs as well as non-competitive 4 percent LIHTCs which bring in equity for about 25 percent of the project cost. We receive \$3.1 million annually in competitive 9 percent LIHTCs. There is no cap on the amount of 4 percent non-competitive LIHTCs that we can allocate as long as the project is otherwise financed with tax exempt bonds. This is a resource to the state that is largely going unused due to the lack of state funds to fill financing gaps. I believe HIF, while leveraging the federal 4 percent LIHTCs, could be the critical financing piece to rehabilitate some of the state’s oldest affordable housing stock.

The numbers of housing units that will be constructed or rehabilitated with \$10 million, \$20 million or \$40 million will be dependent upon the targeted population to be served and whether HIF dollars can be leveraged with other federal funds. Historically, our average cost of new construction per unit has been \$176,704 and HIF is normally restricted to 30 percent or less of the construction or rehabilitation cost. In the absence of federal funds, more HIF financing will be required as the competitive 9 percent LIHTC program only funds four to five projects or 175 to 200 units annually.

Each HIF proposal is reviewed, scored and ranked based on the proposed financing, community need and proposed rent structure for the targeted population. If selected, the project is underwritten on its own merits and the appropriate amount of HIF is allocated. Awards are structured as loans forgivable after a minimum of 15 years if the project continues to abide by the income and rent restrictions included in the deed restriction filed on the property. Projects are subject to recorded deed restrictions and monitored annually by Agency staff to ensure that rent and income restrictions are adhered.

NDHFA's mission is to ensure that every North Dakotan has a safe and affordable place to call home. Our most vulnerable households are the ones that need our help the most. Federal funds are insufficient to address the needs of these vulnerable households. We respectfully ask this committee and this legislative body to recognize that an investment in housing is an investment in the infrastructure of our state. Affordable Housing Empowers People, Improves Lives, and Inspires Success.

Some stakeholders are here to tell their story. I ask that you reach out to your colleagues that sit on House Appropriations-Government Operations. They were able to hear from two tenants who shared their stories during a committee meeting on January 16<sup>th</sup>. Agatha, a resident at Independence Point in Bismarck, talked about the independence she feels living in her own apartment after having lived in a group home for six years. Gloria, one of the first tenants to move into Historic on 4<sup>th</sup> in Mandan, talked about the security she felt living in a housing unit with affordable restricted rents as she struggles to make ends meet with her social security check.

Thank you and I would be glad to answer any questions.

# NORTH DAKOTA

STATE RANKING #32\*

In **North Dakota**, the Fair Market Rent (FMR) for a two-bedroom apartment is **\$855**. In order to afford this level of rent and utilities — without paying more than 30% of income on housing — a household must earn **\$2,849** monthly or **\$34,190** annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into an hourly Housing Wage of:

**\$16.44**  
PER HOUR  
STATE HOUSING  
WAGE

## FACTS ABOUT NORTH DAKOTA:

STATE FACTS	
Minimum Wage	<b>\$7.25</b>
Average Renter Wage	<b>\$15.75</b>
2-Bedroom Housing Wage	<b>\$16.44</b>
Number of Renter Households	<b>111,254</b>
Percent Renters	<b>36%</b>

**91**  
Work Hours Per Week At  
**Minimum Wage To Afford a 2-Bedroom  
Rental Home** (at FMR)

**71**  
Work Hours Per Week At  
**Minimum Wage To Afford a 1-Bedroom  
Rental Home** (at FMR)

**2.3**  
Number of Full-Time Jobs At  
**Minimum Wage To Afford a  
2-Bedroom Rental Home** (at FMR)

**1.8**  
Number of Full-Time Jobs At  
**Minimum Wage To Afford a  
1-Bedroom Rental Home** (at FMR)

MOST EXPENSIVE AREAS	HOUSING WAGE
Dunn County	<b>\$24.40</b>
Ward County	<b>\$20.54</b>
Mountrail County	<b>\$19.67</b>
Williams County	<b>\$19.40</b>
Grand Forks MSA	<b>\$18.58</b>



MSA = Metropolitan Statistical Area; HMFA = HUD Metro FMR Area.

\* Ranked from Highest to Lowest 2-Bedroom Housing Wage. Includes District of Columbia and Puerto Rico.

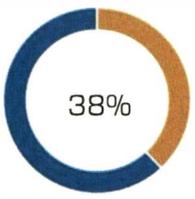
See SB 2802 # 2 pg. 9

**POPULATION**  
12,286

**HOUSEHOLDS**  
7,345

**MEDIAN HOUSEHOLD INCOME**  
\$61,392

**RENTER HOUSEHOLDS**  
2,410



38%

are cost burdened



Median Rent for a 2 bedroom apartment Morton\* \$863

\$16.60 hourly wage needed

\*Bismarck Metropolitan Fair Market Rent Area

**SENIOR HOUSEHOLDS**  
1,430

**SENIOR HOUSEHOLDS WITH FOOD STAMPS**  
51

**SENIORS WITH A DISABILITY**  
539

**HOUSEHOLDS WITH AN INDIVIDUAL WITH A DISABILITY**  
1,221

**WITH FOOD STAMPS**  
189



**HOUSEHOLDS WITH FOOD STAMPS**  
459

**MEDIAN INCOME OF A HOUSEHOLD WITH FOOD STAMPS**  
\$20,394



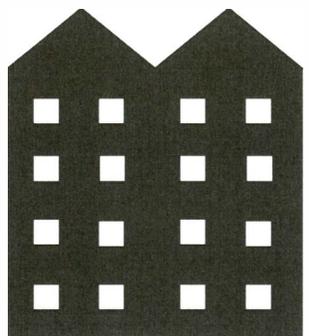
\$510 affordable rent

**HOUSEHOLDS WITH A SOCIAL SECURITY INCOME**  
1,806

**AVERAGE SOCIAL SECURITY INCOME PER YEAR**  
\$17,853



\$446 affordable rent



**EXTREMELY LOW- AND VERY LOW-INCOME HOUSEHOLDS PROJECTIONS (2014-2029)**  
Morton + 1,078

- HIF MAKES A DIFFERENCE**  
2 HIF projects for a total of 77 units
- Collins Place
  - Shoal Creek Apartments



\$10.8M project costs

\$3.2M HIF funding

\$3.40 leveraged for each HIF dollar invested

## A 'precarious' life: Without a proper living space, 'Homeless Dave' ekes out existence in Moorhead industrial park

By [Robin Huebner](#) on Jan 6, 2019 at 2:31 p.m.



"Homeless Dave" walks past his camper housed in an industrial park garage in Moorhead. David Samson / Forum News Service 1 / 4

MOORHEAD, Minn. — He rents “shop space” in a cold-storage building in this city’s industrial park, but isn’t using it for woodworking or any other hobby. Instead, “Homeless Dave,” as he calls himself, has turned the spot not meant for human habitation into his home.

Boxes overflowing with household items cover the concrete floor. A bumper-pull camper parked inside is where he showers and sleeps. A makeshift office, where he uses his old computer, is shrouded in tarps and equipped with heat lamps to stave off the winter chill.

Dave, 50, has lived here nearly three years. Before that, he lived in a similar setting in Bismarck. “I’m trying. I’m trying to maintain as normal a life as I possibly can under the conditions that I’m in,” he said.

Forum News Service granted Dave's request not to use his full name or show his face, because he fears he'll be kicked out of the space.

Cody Schuler, executive director of the Fargo-Moorhead Coalition to End Homelessness, wouldn't estimate how many people in the area “sleep rough” in campers or cars because they're a hidden, hard-to-count population. “They’ll do that because it feels safe to them,” Schuler said.

Pastor Sue Koesterman, executive director of Churches United for the Homeless in Moorhead, said it wears on a person's health in a serious way to not be adequately sheltered. "It's a very, very precarious, kind of day-by-day existence," Koesterman said.

## **No credit**

For Dave, finding work and keeping money coming in hasn't been a problem. After he left a painting job because the fumes made him sick, he was unemployed for a little more than a month before finding a full-time position as a machinist for a local trailer manufacturer.

He said he doesn't receive any government assistance. His driving record is good, and he has a minimal criminal record. The primary barrier to him finding a place to rent is that he's never had a credit card. "I don't have bad credit, I have no credit," he said.

In addition, landlords want to talk to previous landlords about whether potential renters pay on time, and whether they left any damage in their previous place. Because of his somewhat transient, under-the-radar lifestyle, Dave doesn't have any references like that.

"All I have is a bunch of receipts from a place I'm not supposed to be living in," he said. So, he continues to rent the shop space in the industrial park for a substantial \$1,000 a month, with additional expenses for heat and internet. "There's that saying, 'We need someone who thinks outside the box or looks outside the box.' Well, I live outside the box," Dave said.

## **Cold, cramped quarters**

It's a challenge for Dave to stay warm in the shop. He uses space heaters and heat lamps to supplement a single wall-mounted heater. On a mild winter day when Forum News Service visited, the temperature inside was barely 60 degrees.

Dave has no access to a kitchen, so he prepares meals on a crowded shop table. A toaster oven, steamer and slow cooker fight for space in the clutter. "Forgive the big pile of dirty dishes," Dave said.

The place has a one-gallon water heater, so he can wash only a few dishes at a time in the bathroom sink before the hot water runs out. He has a small refrigerator, freezer and washer but no dryer, so he hangs his clothes to dry.

A string of lights is draped down the side of the camper — not because he has Christmas spirit, he said, but to provide a lighted path if he gets up at night to use the bathroom.

A dog and cat keep Dave company. He built a large, enclosed "litter box" filled with sand for the animals to use when he's away at work. He doesn't often take his dog outdoors, so as not to raise suspicion about his living arrangement. Both animals need veterinary care, but he said he doesn't have the time or money to take them in.

## **Vehicular homelessness**

There are people all over the country like Dave living in vehicles, campers or storage units. Often, they've shunned shelters because they've had a bad experience at one or feel anxious in crowded spaces. The phenomenon of "vehicular homelessness" is growing, especially in high-rent metropolitan areas on the West Coast.

While the U.S. Department of Housing and Urban Development (HUD) doesn't collect vehicle-specific data, unsheltered homelessness — which includes people sleeping in cars — is on the rise. According to a HUD-required, point-in-time count on a single night in January 2018, a third of the more than 550,000 homeless people nationwide were living unsheltered, such as on the street, in abandoned buildings or cars. That represents a nearly 3 percent increase from the previous year.

Point-in-time numbers for North Dakota have bounced around. In January 2017, the most recent count available, 331 of 1,089 homeless people statewide were unsheltered. Only five years earlier, 53 of 688 homeless people were reported as unsheltered. A major spike occurred in 2013, when 1,395 of 2,069 homeless people were unsheltered.

As numbers rise, more cities are imposing criminal or civil punishments on people living in their vehicles. The National Law Center on Homelessness & Poverty reports that in 2016, nearly 40 percent of cities surveyed prohibited living in vehicles, a 143 percent increase since 2006.

### **'Stuck in a rut'**

Dave knew of a half dozen others living in storage units in Bismarck. He's not aware of people like him in the Fargo-Moorhead area, "but I can guarantee you there are," he said.

Schuler said there are nearly 300 beds in the area's seven shelters, and they're always full. When people call seeking a bed, it's hard to know if they have been staying in a vehicle because they rarely volunteer that information.

"They're afraid they might get pushed out of the space they have, because the space you have is better than no space at all," Koesterman said. Dave said his body is beat up from working manual labor jobs and being homeless. He's proud of his resiliency, but desperately wants to find something better.

Someday, he hopes to buy a small piece of land and put a single-wide mobile home on it, but that someday seems far away. "I'm stuck in a rut, between being able to get into a legitimate place to live and, you know, being under a bridge," he said.

<https://www.thedickinsonpress.com/news/4553004-precarious-life-without-proper-living-space-homeless-dave-ekes-out-existence-moorhead>

# HOUSING INCENTIVE FUND PROJECTS

The North Dakota Housing Incentive Fund (HIF) is an effective, locally-driven, rental housing financing tool created and authorized during the 2011 North Dakota legislative session. Community leaders, private developers, and nonprofit organizations have leveraged HIF to construct new or improve existing rental housing. Because of HIF, low- to moderate-wage workers, the state’s aging population, individuals with disabilities, and persons experiencing homelessness have increased access to safe, decent and affordable housing.

## Workforce Housing Projects

Persons wanting a two-bedroom apartment need to earn more than \$34,000 or \$16.44 per hour to afford \$855 in rent according to HUD’s Fair Market Rent summary. In November 2018, 17.4% of the jobs listed through Job Service North Dakota offered \$14.99 per hour or less.

### Meadow Lark Homes — New Rockford, ND Completed: 2016

Project Focus	New Construction, Family	HIF Investment	\$430,000
# Units	10	Project Cost	\$1,435,268

Redeveloped the former New Rockford City Hospital, which closed in 1990 and had sat vacant for 25 years, was severely dilapidated and condemned due to asbestos. The New Rockford Area Betterment Corporation secured a grant from the EPA to clean up the site for redevelopment. Housing that is affordable was created to assist the school in filling vacant positions and allow older homeowners to downsize and be able to stay in New Rockford.

### Prairie Heights I & II — Watford City, ND Completed: 2013 and 2014

Project Focus	New Construction, Family	HIF Investment	\$2,000,000
# Units	124	Project Cost	\$17,156,143

Mixed income housing for low- to moderate-income households including individuals and families employed by the private sector. Community-based living with green space and the ability to expand into a walkable community providing access to local amenities, such as childcare. Public financing was leveraged to create rents varying from \$400 to \$1,800. In 2017, 48.3% of households in Watford City earned less than \$75,000 per year and could qualify to live in income-restricted housing. The project showcases the value of public/private partnerships. MBI Energy contributed \$2 million to HIF in support of this project, recognizing the need for affordable workforce housing.

## Senior Housing Projects

Most seniors ages 74 to 85-years-old and beyond are able to afford rents ranging from \$403 to \$898 based on 30% of their annual median income. Housing costs in excess of 30% can make them housing cost-burdened and force them to make choices between basic necessities, medications, food and transportation.

### Cherrywood Village — Grand Forks, ND Completed: 2014

Project Focus	New Construction, Senior	HIF Investment	\$454,545
# Units	30	Project Cost	\$5,235,244

Independent-living apartments for seniors who are healthy enough to live on their own, but do not want the responsibility of maintaining a house and yard. 62.8% of North Dakotans 85 years and older still own their own home. As they explore other housing options, accessibility such as no stairs or elevator access and affordability are contributing factors for them to be able to move out of their home. Project funding included HUD’s Section 202 Supportive Housing Program and a project based rental assistance contract to support very low-income seniors.

## Senior Housing Projects

### Legacy Living At Central Place — Williston, ND

Completed: 2014

Project Focus	Adaptive Reuse, Senior	HIF Investment	\$949,898
# Units	44	Project Cost	\$12,482,215

The historic junior high school was rehabilitated into affordable senior living units as an option for seniors facing escalating rental prices. The median income for North Dakotans ages 75 to 84 is \$35,900 and drops to \$19,700 for residents 85 and older. At the time the project was completed the average price for a one-bedroom apartment in Williston was just under \$2,400. The architect preserved historic features of the building which was constructed in 1931 and is on the National Register of Historic Places.

## Permanent Supportive Housing Projects

HIF is a source of gap financing leveraged when an income restricted rental housing project will not cash flow with traditional financing. Minimal debt after construction or rehabilitation results in lower monthly rents and reduces the need for housing vouchers.

### Jeremiah Program Apartments — Fargo, ND

Completed: 2018

Project Focus	New Construction, At Risk Family	HIF Investment	\$2,200,000
# Units	20	Project Cost	\$5,866,485

Supportive housing for single mothers with children under the age of five. Currently, more than 2,300 single mothers are living in poverty in the Fargo-Moorhead area, a number that has increased 16% over the last six years. The majority of these mothers have children under the age of four. An on-site early childhood education center and individualized support are offered to the families. College enrollment or career advancement track required to live in the units.

### Grace Gardens — West Fargo, ND

Estimated Completion: 2019

Project Focus	New Construction, At Risk Family	HIF Investment	\$500,000
# Units	30	Project Cost	\$6,993,549

Domestic violence survivor housing for women with children. In 2017, 314 women and children were eligible for Cass County YWCA's supportive housing units, but only 60 were able to gain homes through the organization. Unfortunately, women escaping domestic violence typically do not score high enough on assessments to be rapidly housed. Families will improve their economic stability and health, breaking the cycles of abuse and poverty for the next generation.

### Edwinton Place — Bismarck, ND

Estimated Completion: 2019

Project Focus	New Construction, At Risk Individuals	HIF Investment	\$500,000
# Units	40	Project Cost	\$10,355,768

Rapid housing for chronically homeless individuals that are working with a case manager. Chronically homeless individuals are frequent users of emergency services which can cost a community \$30,000 to \$50,000 per year per individual. Providing these individuals with immediate access to housing is estimated to save a community up to 40% of the total cost of experiencing chronic homelessness. Support services are offered to address the underlying causes of homelessness, such as mental health or substance abuse issues, chronic health conditions, or a history of physical or sexual abuse. This infill project maximized a vacant city lot and is located within a designated Opportunity Zone.

# FACES OF HOME

## From Poverty to Prosperity



When Kristie Garcia, 22, discovered she and her son could have a better life, she didn't give an eight-hour weekly round trip to Fargo, N.D., a second thought. She enrolled in Jeremiah Program's 12-week Empowerment class, undertaking the first step the program requires of single mothers who are motivated to lift themselves from poverty.

Kristie Garcia's desire for a better life for herself and her 14-month-old son, Rey, was so strong that the prospect of driving eight hours roundtrip each week for 12 weeks did not deter her from her goal. In order to create the future she envisioned, the 22-year old knew she needed support and guidance.

Garcia learned about the Jeremiah Program, a comprehensive program that helps single mothers progress from poverty to prosperity, from a program participant. In order to be accepted into the Fargo-Moorhead program, she was required to complete an Empowerment course focused on effective conflict management, assertive communication and personal accountability. At the time, she was living in Richfield, Minn., more than 240 miles away.

"When I started Empowerment, I was still going through a lot of emotions and anger about my son's dad, who has not made an effort to be in Rey's life," Garcia said. "The class helped me have the right mentality and gain support from other women who were dealing with similar challenges. The drive was not as important to me as beginning a new journey that would be better for

my son and me."

Jeremiah Program prepares determined single mothers like Garcia to excel in the workforce, readies their children to succeed in school, and reduces generational dependence on public assistance. Its Fargo-Moorhead campus has 20 furnished apartments designed to support the mothers who are required to work part time or volunteer, attend college full time working toward a career-track education, and participate in weekly coaching and life skills classes. A licensed early child development center, that serves children age six weeks until starting kindergarten, is part of the site.

The Fargo-Moorhead campus, which opened in January 2018, is one of the first supportive housing projects in the

country developed with assistance from the National Housing Trust Fund (HTF), a federal program that provides revenue to build, preserve, and rehabilitate housing for people with extremely low incomes. North Dakota Housing Finance Agency (NDHFA) administers the program on behalf of the state.

In early 2016, Diane Solinger, Jeremiah Program's Fargo-Moorhead executive director, had secured about half of the funds needed to develop the campus, including \$2.2 million in assistance from the North Dakota Housing Incentive Fund when she learned about the HTF. Jeremiah relies heavily on donations and at the time Solinger was optimistically pursuing a large contribution, but knew she would need at least \$1 million more to move the project forward.



Jeremiah's Fargo-Moorhead campus has 20 apartments that provide the families who participate in the program with an affordable home while the mothers pursue a college education.

costs associated with crime and special education.

The assistance provided through HTF allowed the Jeremiah Program to break ground on the Fargo-Moorhead campus the following year.

The first families moved into the

course, Garcia moved into one of the new apartments on the Fargo-Moorhead campus and found part-time work at a college bookstore. After she finishes some general coursework, Garcia will start classes at North Dakota State University. Rey attends the campus' on-site child development center while Garcia works and is in school.

Ultimately, Garcia plans to earn a bachelor's degree in radiological sciences and pursue a career as a diagnostic sonographer. She would like to specialize in obstetrics.

"I honestly don't know where I would be without this program and the donors and agencies who supported it," Garcia said. "I feel like I have grown so much as a person already and I am so happy to be in a program that has put my son and me on a better path. I feel like I finally have a fresh start and a place to call home."

(Published August 2018 by North Dakota Housing Finance Agency.)

"When I learned about the National Housing Trust Fund from NDHFA, how it was dedicated to providing housing for families like ours, I knew we'd be competitive," said Solinger. While she continued working on her private donor, Solinger and the staff at Jeremiah's national office completed the HTF application.

"On Nov. 8, 2016, I had what I now refer to as my \$2 million day. In the morning, the private donor I'd been working with called to share that the million dollar gift had been secured. I was elated," said Solinger. "And, that same day, at 3:30 p.m., I received a call from NDHFA telling me that our project was one of three selected for a HTF award. We received exactly what we applied for, \$1,052,655."

A Wilder Research study estimates that every \$1 invested in a Jeremiah family returns up to \$4 to society through first-generation benefits of decreased dependence upon public assistance and increased taxable earnings, plus second-generation benefits of increased lifetime earnings/taxes paid, and savings from

property in Jan. 2018.

"Affordable housing provides a stable platform for individuals and families that allows them to better their lives," said NDHFA Executive Director Jolene Kline. "If we can move a family out of poverty, it's a win for the household and a win for the community."

After completing the Empowerment

### National Housing Trust Fund

The National Housing Trust Fund (HTF) is a federal program established as part of the Housing and Economic Recovery Act of 2008. Its primary purpose is to increase and preserve the supply of affordable rental housing for extremely low-income households, those earning less than 30 percent of area median income, including homeless families.

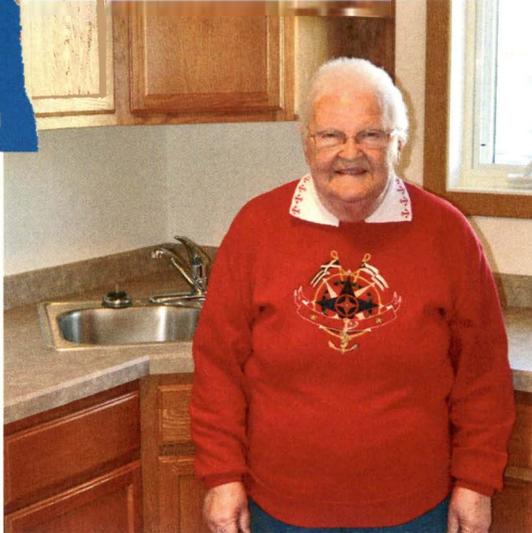
As the administrator of HTF, North Dakota Housing Finance Agency (NDHFA) is responsible for the development of an Annual Allocation Plan, which defines the process by which funds are distributed. The plan promotes the selection of properties addressing the state's most crucial needs within the priorities outlined in North Dakota's Consolidated Plan and the relevant strategies identified in North Dakota's Ten-Year Plan to End Long-Term Homelessness.

HTF dollars can be used for the production, preservation, rehabilitation and operation of a project. The financial awards are structured as forgivable zero-interest loans with a minimum term of 30 years.

NDHFA made the first financial awards in 2016. Since then, six properties have shared \$5.58 million supporting the development of 85 housing units for individuals and families who have experienced homelessness or who are at risk of homelessness. NDHFA is currently accepting applications for the 2018 program with the project awards slated to be made in early November.

# FACES OF HOME

## Able to Stay in My Community



Alerene Hoffman's home in New Rockford, N.D., was getting to be just a little too much for her to handle. This retired widow loved spending time in her garden tending to her flowers but health issues slowed her down and she wished for something smaller with less maintenance and no steps. She also wanted to stay in the town she had called home for years.

Hoffman moved into one of Eddy County Housing Authority's new twin homes on June 1 fulfilling all those wishes.

Hoffman and her husband Robert raised five children on a farm north of town. She spent 30 years working at the Lutheran Home of the Good Shepherd, an 80-bed nursing home in the rural North Dakota town. When her husband was injured in a construction accident, she was the main bread winner and they moved from the farm to a large home in town. After her husband passed away, she moved into a smaller house on First Avenue. Now, she says, it's time for something with fewer steps.

When the twin homes were completed this spring, Hoffman was one of the lucky ones chosen to live in the rental units which went fast and now have a waiting list.

"This will be a wonderful experience for me," Hoffman said. "I don't have to mow the grass or shovel snow or any of that. This will just be great. These are such nice homes."

Eddy County Housing Authority took on the twin home project in 2010 to help alleviate a rental housing shortage in the community of about 1,400 people. There are two sets of twin homes with two-bedroom units on Seventh Street and three-bedroom units on Third Avenue.

The response to this project was just

tremendous and really showed us the housing situation in the community," said

Tracy Henningsgard, executive director of the Eddy County Housing Authority. "We've had a lot of interest with over 25 families expressing interest in renting."

Hoffman agrees. "I think it is just wonderful that I can step out of my garage straight into my apartment and not have to worry about steps," she said. "There are a lot of us in town that are at that point where we have to take a step back and these apartments are just such a help."

This is the housing authority's first venture as property owners and came in response to low rental vacancy rates and aging housing stock in the town.

New Rockford Mayor Jim Belquist said there are a number of houses in such disrepair in the community that the city would soon be condemning them. He hoped that the Eddy County Housing project might spur other developments like it. "That will open up some lots so hopefully we can get some other new homes going in town," he said.

Henningsgard said they looked at three

things to make this project viable: controlling the costs, low-cost financing and low rents. "We looked at tax credits and other programs but those didn't work well with a small project like this," said Henningsgard.

Instead they used an Essential Function Bond through local lender Bank Forward, a U.S. Department of Housing and Urban Development HOME program loan from Eastern Dakota Housing Alliance, and cash contributions from Eddy County Housing and the New Rockford Area Betterment Corp. in addition to a \$50,000 Rural Housing Investment Incentive Program (RHIP) allocation from the North Dakota Housing Finance Agency (NDHFA).

"Without any of these, this would have been a dead project," Henningsgard said.

### Rural Housing Investment Incentive

In 2009, the Industrial Commission approved a pilot program that it hoped would assist in overcoming these obstacles. The program supported the development of single- or multi-family housing, or the substantial rehab of existing structures in difficult to develop areas of the state by offering a dollar for dollar match for private sector investment.

The RHIP program was established as a pilot to help address the unique challenges to housing development in rural communities. NDHFA utilized \$400,000 of reserve

funds for the program which has been a resounding success leveraging more than \$6.6 million in housing activity in rural North Dakota.

In the New Rockford project, the RHIP award was matched with \$60,000 in equity investments. That had the effect of helping ease the \$225,000 projected appraisal gap on the project and lowering required rents by \$126 on average enabling affordable rents for low-income families.

NDHFA Director of Planning and Housing Development Jolene Kline said RHIP did just what it was supposed to. "New Rockford epitomizes the pilot," she said. "It addresses the valuation gap and affordability."

(Original article published June 2011.)

# FACES OF HOME

A pink rocking chair sways in the breeze on Miriam Shaw's front porch at ParkRidge Townhomes in Williston's new Harvest Hills subdivision as she stands at her stove tending to boiling pots. The spacious kitchen is the Jamaican native's favorite place in her new home and the comfort of knowing it will be affordable for years to come makes everything taste a little sweeter.

Shaw moved into her townhome with her two children shortly after the complex opened in October 2015. "It reminds us of our home back in Georgia," she said. "It is really nice. We really like it."

A nurse at Mercy Medical Center's occupational health clinic in Williston, Shaw moved to town in 2014 following her daughter who had come, like many others, in search of opportunity. She appreciates what the community and state have to offer. "I like Williston. It is small, but I like the open spaces, places to walk and the scenery," she said. "And I love living here. It is really comfy and just cozy like our [previous] home was."

Shaw struggled to find a place to live when she first arrived in Williston and lived in several other apartment units which had space and cost challenges before moving into the townhouse community. ParkRidge Townhomes, developed by Mountain Plains Equity Group, includes 36 units with half of them targeted to Essential Service Workers like Shaw. Rent for the ESWs are restricted and tenants must be below income limits.



In addition to medical staff, there are also law enforcement personnel, school employees and county workers who call ParkRidge home.

Shaw said while market rate rents in Williston have fluctuated due to changes in the oil industry, the assurance that her rent will remain affordable was a huge bonus.

"The promise that the price would remain affordable for 15 years is very nice," she said. "It just gives you comfort in your mind that it will remain. That really is a nice promise because we don't know what lies around the corner."

The stability of the rent in Shaw's unit at ParkRidge comes from its funding through the Housing Incentive Fund. The \$7.2 million project received just over \$2 million from HIF, administered by the North Dakota Housing Finance Agency.

grocery bags out," she said. "The layout is nice. We have so much storage; they utilized every inch."

## Housing Incentive Fund (HIF)

Administered by North Dakota Housing Finance Agency (NDHFA), HIF supports the development of affordable units for low- and moderate-income households.

The program was created during the 2011 Legislative Session. It was reauthorized during the 2013 and 2015 sessions.

Since HIF's inception, NDHFA has allocated over \$80 million to projects, leveraging nearly \$380 million in construction financing.

The units must remain at affordable levels for at least 15 years.

Shaw's townhome has an open-concept with all the amenities she was looking for including a heated attached garage. "That is so nice, to be able to pull in and throw the

She also appreciates its convenient location just blocks from the new Williston High School, where her son will attend. "I'm excited to be closer to the school... probably more than he is," she said. "I'm going to be so happy to have a shorter drive to his school events."

Shaw who lived and worked as a nurse in New York and Georgia before coming to North Dakota sees herself enjoying more evenings rocking in her pink chair which she hopes to make even more colorful or in her kitchen cooking unique Jamaican fare like jerked chicken and pork, rice and beans in coconut milk, curried goat and spicy fried fish dishes. "It is such a nice place," she said. "I feel like we are going to be here a while."

# 'Grateful for My Home'

## FACES OF HOME

When Jeri Fick first learned she would be able to move into the new North Sky Apartments in Fargo's Urban Plains neighborhood in the southwest part of town, she cried.

"I just get very emotional thinking about it because I am so appreciative," she said. "I don't know how people would be able to do it without assistance like this."

The first phase of North Sky Apartments opened in Fall 2014 and Jeri moved with her assistance dog, Molly, into her one-bedroom unit in January 2015 after living at another market-rate apartment complex in the community.

"It just got to be too expensive," she said. "I couldn't afford it anymore. It got to the point where I didn't know if I was going to be homeless."

That's what made her North Sky apartment so special to her. "I can actually have a life," she said. "I can afford my rent and still go to a movie if I want to now. Before, all of my money was going to pay rent."

She also appreciates the sense of community in the 55+ apartment complex. "I am meeting new friends and we're like a family; we watch out for each other," Fick said. "I enjoy baking brownies and things and taking them to my new neighbors. Everyone has just been so great."

And Fick says she is looking forward to the "family" extending. The second phase of



that population increases," said Beyond Shelter Inc. CEO Dan Madler. "Without multiple layers of support, our organization would not be able to keep a project's rents at such reasonable levels."

It is the reasonable rents that help Fick and other seniors like her. "I don't know how people would do it without

North Sky opened in September 2015 with a third phase breaking ground at the same time. In total, the project will have 84 units all targeted to seniors.

The \$11.65 million project was funded by a number of state and federal programs including the Neighborhood Stabilization Program, HOME Investment Partnerships Program, Low Income Housing Tax Credits and the North Dakota Housing Incentive Fund. In all, those

programs brought \$10.1 million in funding. The Fargo Housing and Redevelopment Authority, which manages the project, also placed project-based rental assistance vouchers on some of the units in North Sky I and plans to do the same in the other phases.

"It is a challenge for Fargo seniors to find housing that is affordable and every year

help like this," she said. "It makes me kind of sad that these buildings are all full because I know there are a lot of other people who need affordable apartments.

### Housing Incentive Fund (HIF)

Administered by North Dakota Housing Finance Agency (NDHFA), HIF supports the development of affordable units for low- and moderate-income households.

The program was created during the 2011 Legislative Session. It was reauthorized during the 2013 and 2015 sessions.

Since HIF's inception, NDHFA has allocated over \$84 million to projects, leveraging more than \$429.2 million in construction financing.

Where would they go if this wasn't here?"

Fick, while working part time at Sam's Club, relies almost entirely on her Social Security disability check. "When you have a disability, there is no way you could live anywhere on just Social Security," she said. "I am just so grateful

for my home. I can't express how grateful I am.

"I wake up in the mornings and just look around in amazement. It is gorgeous. Everything is new and I'm just so proud," she said. "It is a blessing from God – it truly is a blessing."

(Original article published Sept. 2015)

# FACES OF HOME

## 'Godsend To Our Police Department'

A year and a half ago, Hunter Easterling completed law enforcement training and moved from California to Dickinson, ND, to pursue a career as a police officer.

While settling in, Easterling found that finding a home in a growing oil boom town wasn't easy. He lived in an RV park, a hotel and an apartment that

was not quite ideal before Patterson Heights Apartments, a new affordable housing development, became available.

Patterson Heights is one of the first developments in North Dakota to set aside rental units specifically for law enforcement personnel.

"The place is outstanding; everything is new," said Easterling. "It was such a relief to find a place to live, truly a weight off my shoulders."

In recent years, Dickinson has experienced an influx of energy industry workers and, while new housing units are being added, finding affordable housing is a challenge.

Recruiting and retaining the personnel that provide essential public services is difficult due to increased housing costs and shortages.

Dave Wilkie, administrative captain at the Dickinson Police Department, has noticed significant growth in his home town. "Our department has grown over the last few years and we are adding more and more officers as needed," said Wilkie. "Many out-of-



state workers are hired because they are good candidates looking for a job and their own local police departments are slowing down."

The Dickinson Police Department is constantly in touch with real estate

agents and apartment managers about potential listings, rental openings or even basements for rent to aid their staff in finding places to live.

The city of Dickinson also has FEMA trailers

available for officers just until they can find something more permanent.

"Having affordable housing is really important to our community. There are many people who don't work in the oil fields and they can't afford the high rents," said Wilkie. "We currently have three officers living in Patterson

Heights and the development has truly been a Godsend to our police department."

Patterson Heights is supported by North Dakota Housing Finance Agency's Housing Incentive Fund (HIF) and a Law Enforcement Pilot Program (LEPP). The programs are a means to create affordable rental units for essential services

workers and households of limited means.

Created during North Dakota's 2011 legislative session, HIF provides developers of affordable rental units with low-cost financing. It is

**The Law Enforcement Pilot Program** was created to address the challenge of providing affordable rental housing for law enforcement personnel in energy-impacted areas of North Dakota. The program was funded by the approximately \$3 million that the State received through the Mortgage Servicer Settlement Fund which originated from a landmark settlement reached with the nation's five major mortgage servicers.

capitalized by contributions from state taxpayers. Contributors to the fund received a dollar-for-dollar state income tax credit for their support.

The North Dakota Industrial Commission asked NDHFA to develop LEPP. The program is targeted to creating housing for

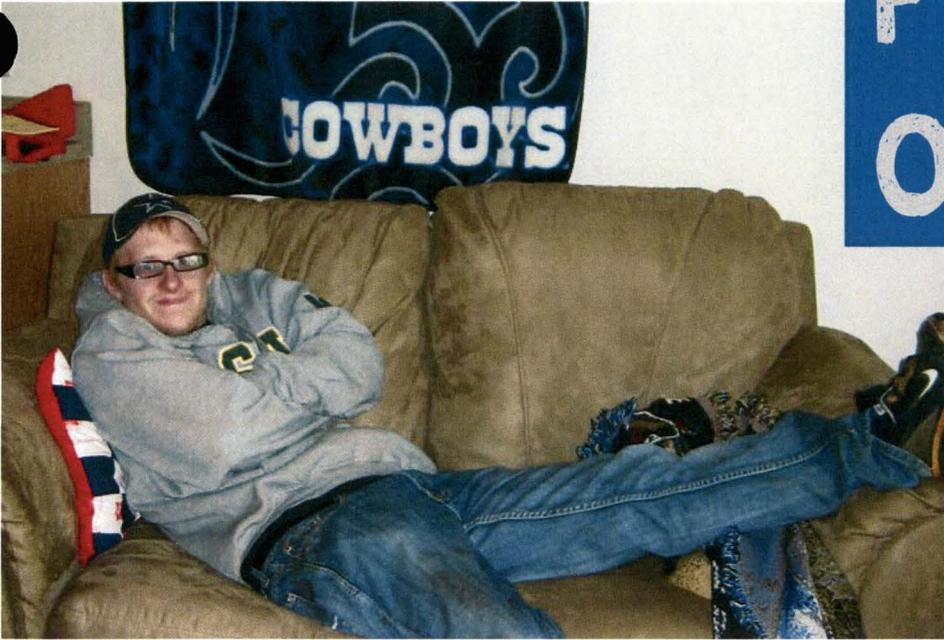
law enforcement personnel in communities in energy-impacted areas.

"I like Dickinson," said Easterling. "The city is growing, I like my new development and I really appreciate the housing I'm living in."

(Original article published in Oct. 2013.)

# Enjoying Life's Little Luxuries

# FACES OF HOME



Bowman in 1985, the year ABLE opened the group home. Prior to that, Vogel, who is in his 70's, lived in Grafton, ND, at a state-run facility where most of North Dakota's developmentally disabled population was institutionalized before a landmark lawsuit in 1983 declared the practice to be a violation of their civil rights.

Carolynne Jones, director of satellite services for ABLE's Bowman and Hettinger properties, says that Vogel named himself 'Hoppy' after Hopalong Cassidy, a fictional cowboy hero. She believes that action saved his life. "He made a world for himself in order to live in the world he was put into," says Jones. Vogel enjoyed the little bit of freedom that living in the group home setting gave him. When asked if he wanted his own apartment, Jones says he was reluctant to make the change.

"I told Hoppy I'd have to sleep on a cot outside his door the first night because I was so worried," said Jones. "He told me to go, and the next morning he put his arm around me and said he was okay. Whew! When I asked if his new

Many of us take for granted the little luxuries that come from having a place of our own. Having our own kitchen where we can cook what we want to eat, having a spacious bed to sleep in at night, and having the freedom to entertain guests whenever we please.

Two North Dakota men who are supported by ABLE Inc., a private, nonprofit organization that provides residential and day support to people with intellectual and development disabilities, are enjoying these little luxuries for the first time.

George "Hoppy" Vogel and David Hippe moved into their own apartments at The Landing in Bowman, ND, in July. Prior to the move, they lived in the same community in a Transitional Community Living Facility, a place commonly known as a "group home."

"Such a situation can be ideal for people that need intense physical or emotional support," says Mary Anderson, ABLE Inc. executive director. "For Hoppy and David, independent living is a much better fit."

Nine of the 26 housing units at The Landing, which was developed by Lutheran Social Services Housing, are reserved for people that receive

supportive services from ABLE. Having the units in close proximity allows the organization to efficiently provide services. And, thanks to the support of North Dakota Housing Finance Agency's Housing Incentive Fund (HIF), the rent is affordable.

"For the people who needed a change in environment, moving from group settings to apartments, the HIF program has been a huge plus," says Anderson. "We could not have improved their quality of housing without the development assistance."

George "Hoppy" Vogel, moved to



full-size bed was comfortable, he said sure and told me to quit worrying. Can you imagine your whole adult life in a "win-size bed?"

In his new independent living situation, Vogel is able to stock his own fridge and decide for himself what he wants to eat rather than participating in communal meals. Prior to the move, his medical team wanted him to gain some weight. Since moving into The Landing, Vogel has gained 7 pounds and everyone is pleased with how well he is doing living on his own.

Unlike Vogel, David Hippe longed for independence. He is in his mid-twenties and, like most young adults, he coveted a place of his own without roommates or restrictions on his decorating choices. He also wanted to be able to entertain friends at his home.

"David was rather lost and going down a destructive path in life when he moved to Bowman," said Jones. "He

was embarrassed to live in the group home because he so wanted to be on his own yet knew he needed the structure and safety net ABLE provides."

Hippe adapted quickly to independent living. His new apartment is festooned with sports memorabilia from his favorite football team, the Dallas Cowboys. He enjoys inviting company over to watch a movie in the evening or come for coffee in the



morning. His Erickson's Meat Market co-workers are frequent guests.

#### Housing Incentive Fund

The Housing Incentive Fund (HIF) supports the development of affordable multifamily housing units for essential service workers, main street employees and fixed-income households. Approximately one-third of the 31 developments supported by HIF during the 2013-2015 biennium created housing for special needs households including disabled, homeless and elderly individuals and families.

"This move has made a huge difference in people's lives," says Jones. "At first, not having joint gathering spaces – a centralized kitchen or recreation space - was a concern, people pretty much stayed to themselves in their own apartments. After about a month we started to see people, if they wanted company, inviting guests to come into their home. It's on their terms, the way it should

be."

Including HIF, a program that supports the development of affordable multifamily housing, The Landing received more than \$2.4 million from the state of North Dakota to ensure the units occupied by people supported by ABLE are affordable. The remaining 17 units in the complex rent at market rate.

ABLE is dedicated to enhancing relationships, providing opportunities for growth and encouraging people to reach their personal dreams. The organization supports people in their homes, work and communities.

ABLE is currently working with Sullivan Properties in Dickinson, ND, to develop an apartment complex that will offer living arrangements similar to the set-up at The Landing.

(Original article published in Dec. 2014.)

# FACES OF HOME

## Meeting a Need in the Community

Kris Fehr of AK Investments doesn't shy away from helping her community of Dickinson, North Dakota. She serves as an assisting minister and sings in the choir at St. John's Lutheran church; she is director of the Best Friends Mentoring Program; she's involved with Boy Scouts, is an active Rotarian, and serves as President of the school board. So when an opportunity came to further help residents of Dickinson, Fehr jumped right in.

Dickinson has become a hub for the oil and gas industry and many people have moved into the area for the economic opportunities. The current housing stock that is affordable for low-to moderate-income households has become limited with the high growth rates.

In 2011, Fehr read about the Housing Incentive Fund (HIF), administered by the North Dakota Housing Finance Agency. It was created during the legislative session that year to provide developers of affordable rental units with low cost financing.

"I was hearing heartbreaking stories," said Fehr. "Rents were increasing and some residents couldn't afford to stay here. I felt like we could make a difference and help address our community's affordable housing shortage."

Fehr put an application together and it was accepted in an early 2012 funding round. HIF was the perfect tool for Kris



and her husband, Alan, to convert 161 S Main, a 100-year-old property, into 10 units of affordable housing.

While the couple had acquired and owned rental property for many years, this would be the first project that they would be developing. Despite the challenges of finding a contractor, working through a myriad of details, coordinating city inspections, utilities, water, additional financing and dealing with a couple minor setbacks, the apartments were completed in September 2013.

"We didn't set out to be developers; we enjoyed meeting a need in the community," said Fehr. "HIF did what it was intended to do. Our units were nearly all rented in two months and our tenants are new residents of Dickinson – all ages and all ethnicities."

Through the process, Fehr developed a new admiration for developers.

"There is really so much involved and so much can go wrong, you really have to work as a team and depend on others to complete the project," said Fehr. "It was my goal to be open, honest and straightforward with what I'm doing

and to communicate. In the end it was really satisfying to know we could help others."

Since 2011, developers like Fehr have made more than 1,500 units in 57 developments in communities across the state possible by utilizing HIF.

### Housing Incentive Fund (HIF)

Administered by North Dakota Housing Finance Agency (NDHFA), HIF supports the development of affordable units for low- and moderate-income households.

The program was created during the 2011 Legislative Session. It was reauthorized and expanded during the 2013 session.

Since HIF's inception, NDHFA has allocated over \$49 million to projects, leveraging more than \$240 million in construction financing.

Those projects provide much-needed housing for families, essential service workers and disabled and elderly households.

"These units are for people who are not making the big money, yet they are working as ambulance drivers, firefighters, grocery store clerks, mechanics, office

managers, dental hygienists. They are part of what makes our town great, progressive and productive. If we don't find ways to support them, they will leave," said Fehr. "Everyone deserves quality housing."

(Original article published April 2014.)

**Housing** is defined as affordable if its occupants pay **no more than 30 percent of their income** on housing. If they pay more than 30 percent, that cost-burdened household has less money to pay for other necessities like food, clothing, healthcare, childcare and education.

**Homeowners**

**1 in 11 are cost-burdened<sup>1</sup>**



**\$1,326**

The median cost per month for homeowners in North Dakota with a mortgage.<sup>2</sup>

**1 in 25 are severely cost-burdened**

**Renters**

**1 in 5 are cost-burdened<sup>1</sup>**



**\$16.40**

The hourly wage needed for a single adult to rent an affordable two-bedroom apartment in North Dakota, costing \$855, based on HUD's fair market rents.

**1 in 7 are severely cost-burdened**

North Dakota occupations that pay less than \$16.40/hr.<sup>3</sup>



Childcare Worker	\$11.07
Grocery Cashier	\$11.47
Nursing Assistant	\$15.81
Janitor	\$14.57

## What About Seniors?

For fixed-income households, affordable housing costs are even more important. On average, North Dakota **seniors receive \$1,344 per month<sup>4</sup>** in social security benefits. If social security is their only source of income, these individuals cannot afford costs greater than \$403 per month.

## Housing Challenges

- Limited affordable housing options make **workforce recruitment** and retention more difficult;
- Housing needs for the state's **senior population** continue to grow;
- Special populations including people with **disabilities and the homeless** have unmet needs for housing with supportive services.

<sup>1</sup> U.S. Census Bureau, 2016 1 Year ACS PUMS File; <sup>2</sup> U.S. Census Bureau, 2017 American Community Survey 1-Year Estimates; <sup>3</sup> Labor Market Information, Job Service North Dakota, 2018; and <sup>4</sup> www.ssa.gov, 2017.

**Table 2.44 North Dakota Household Projections for Renter-Occupied Housing Units with Householder Ages 65 and Older, 2019 to 2029**

Sources: U.S. Census Bureau and the Center for Social Research at NDSU

Area	Renter-Occupied Housing Units with Householder Ages 65 and Older						
	Estimates		% change: 2010 to 2014	Projections			% change: 2014 to 2029
	2010	2014		2019	2024	2029	
North Dakota	16,449	18,496	12.4%	21,657	25,719	29,166	57.7%
Adams County	118	82	-30.2%	87	90	89	8.1%
Barnes County	482	521	8.1%	579	636	675	29.6%
Benson County	147	133	-9.8%	144	165	176	32.8%
Billings County	19	11	-39.6%	12	14	15	30.7%
Bottineau County	232	193	-16.6%	211	229	243	25.6%
Bowman County	67	92	37.2%	93	111	115	25.1%
Burke County	52	48	-8.6%	45	44	45	-5.3%
Burleigh County	2,015	2,164	7.4%	2,713	3,348	3,906	80.5%
Cass County	3,585	4,300	20.0%	5,738	7,128	8,262	92.1%
Cavalier County	98	108	9.7%	105	106	101	-6.1%
Dickey County	206	153	-25.6%	152	166	172	12.3%
Divide County	53	46	-13.7%	41	45	46	0.6%
Dunn County	37	26	-29.2%	30	37	42	60.4%
Eddy County	78	63	-18.9%	66	71	72	13.8%
Emmons County	75	116	54.7%	118	123	130	12.0%
Foster County	142	95	-32.8%	95	104	111	16.3%
Golden Valley County	27	52	91.5%	49	46	47	-9.1%
Grand Forks County	1,060	1,474	39.1%	1,767	2,049	2,258	53.1%
Grant County	66	90	36.6%	96	101	104	15.4%
Griggs County	102	100	-1.6%	102	103	99	-1.4%
Hettinger County	76	58	-23.4%	57	54	53	-9.0%
Kidder County	95	62	-34.8%	71	78	79	27.6%
LaMoure County	112	120	7.2%	135	147	145	20.7%
Logan County	44	36	-18.0%	33	28	26	-27.9%
McHenry County	193	146	-24.6%	152	160	164	12.7%
McIntosh County	65	89	37.4%	81	84	87	-2.6%
McKenzie County	94	231	145.7%	323	433	589	155.0%
McLean County	205	264	28.9%	289	329	346	31.0%
Mercer County	141	151	6.9%	174	209	226	49.9%
Morton County	611	702	14.9%	814	965	1,084	54.4%
Mountrail County	60	151	151.5%	184	238	291	92.8%
Nelson County	111	63	-42.9%	61	65	64	1.1%
Oliver County	32	54	68.9%	63	71	74	36.9%
Pembina County	178	242	35.7%	271	302	313	29.6%
Pierce County	204	222	9.0%	225	244	269	21.0%
Ramsey County	500	568	13.6%	617	705	810	42.6%
Ransom County	182	205	12.5%	206	213	214	4.5%
Renville County	51	66	29.5%	67	70	73	10.6%
Richland County	324	321	-0.9%	367	422	451	40.5%
Rolette County	170	195	14.7%	235	276	315	61.6%
Sargent County	120	92	-23.6%	108	121	128	39.5%
Sheridan County	27	41	53.3%	40	40	38	-8.2%
Sioux County	65	96	47.6%	101	107	118	23.0%
Slope County	8	7	-13.7%	8	8	8	15.9%
Stark County	698	696	-0.2%	764	975	1,195	71.6%
Steele County	37	86	131.2%	100	122	148	73.0%
Stutsman County	722	781	8.1%	861	955	1,045	33.9%
Towner County	82	102	24.9%	113	126	122	19.1%
Traill County	368	295	-19.7%	326	378	422	42.9%
Walsh County	404	374	-7.4%	371	374	369	-1.4%
Ward County	1,131	1,285	13.6%	1,343	1,569	1,776	38.2%
Wells County	187	164	-12.5%	158	163	170	3.9%
Williams County	491	662	34.9%	696	972	1,246	88.1%
Bismarck city	1,912	2,132	11.5%	2,724	3,357	3,937	84.6%
Devils Lake city	488	518	6.2%	544	619	714	37.7%
Dickinson city	651	645	-1.0%	617	763	924	43.3%
Fargo city	2,957	3,336	12.8%	4,673	5,824	6,839	105.0%
Grand Forks city	1,004	1,330	32.5%	1,629	1,892	2,091	57.2%
Jamestown city	666	721	8.2%	809	900	986	36.8%
Mandan city	491	631	28.4%	723	856	960	52.2%
Minot city	996	1,122	12.6%	1,064	1,233	1,400	24.8%
Valley City city	448	487	8.6%	543	594	633	30.1%
Wahpeton city	226	149	-34.1%	171	190	203	36.3%
West Fargo city	398	731	83.7%	1,025	1,273	1,422	94.5%
Williston city	392	558	42.5%	455	632	798	42.9%
Fort Berthold Reservation	63	111	76.2%	120	128	137	23.4%
Spirit Lake Reservation	65	49	-24.6%	49	49	49	0.0%
Standing Rock Reservation	65	96	47.6%	101	107	118	23.0%
Turtle Mountain Reservation	78	63	-19.2%	65	67	69	9.5%
Region 1	638	939	47.2%	1,060	1,450	1,881	100.3%
Region 2	1,923	2,111	9.8%	2,227	2,554	2,861	35.5%
Region 3	1,075	1,169	8.7%	1,280	1,449	1,596	36.5%
Region 4	1,753	2,154	22.9%	2,470	2,790	3,004	39.5%
Region 5	4,616	5,299	14.8%	6,845	8,384	9,625	81.6%
Region 6	2,062	2,060	-0.1%	2,196	2,386	2,530	22.8%
Region 7	3,332	3,740	12.2%	4,479	5,371	6,105	63.2%
Region 8	1,050	1,025	-2.4%	1,100	1,335	1,564	52.6%

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Table 2.45 Numeric and Percent Change in North Dakota Renter-Occupied Housing Unit Projections by Age of Householder, 2014 to 2029

Sources: U.S. Census Bureau and the Center for Social Research at NDSU

Area	Change in Renter-Occupied Housing Units by Age of Householder									
	Total		Less than 25		Ages 25 to 44		Ages 45 to 64		Ages 65 and older	
	Numeric	Percent	Numeric	Percent	Numeric	Percent	Numeric	Percent	Numeric	Percent
North Dakota	25,664	22.9%	1,001	4.0%	13,466	31.4%	526	2.0%	10,670	57.7%
Adams County	62	20.1%	23	28.6%	44	45.7%	-11	-22.8%	7	8.1%
Barnes County	45	3.0%	-13	-4.5%	-41	-9.6%	-55	-21.5%	154	29.6%
Benson County	-73	-8.9%	6	12.9%	-37	-11.0%	-85	-28.1%	43	32.8%
Billings County	-3	-3.1%	1	6.5%	-6	-20.1%	-1	-2.0%	4	30.7%
Bottineau County	75	10.2%	98	86.0%	-20	-10.8%	-51	-21.0%	50	25.6%
Bowman County	35	9.8%	17	37.0%	7	5.6%	-13	-14.9%	23	25.1%
Burke County	23	6.5%	49	51.5%	-12	-8.1%	-11	-15.6%	-3	-5.3%
Burleigh County	3,648	31.7%	643	27.4%	1,060	27.2%	202	6.6%	1,742	80.5%
Cass County	9,822	28.2%	680	7.5%	4,343	29.9%	838	12.1%	3,962	92.1%
Cavalier County	-28	-12.2%	-2	-8.5%	8	17.2%	-27	-51.2%	-7	-6.1%
Dickey County	-16	-2.5%	52	31.4%	-54	-32.0%	-32	-23.4%	19	12.3%
Divide County	59	31.1%	1	14.8%	63	77.2%	-5	-8.6%	0	0.6%
Dunn County	96	30.8%	26	50.2%	61	41.3%	-6	-7.2%	16	60.4%
Eddy County	-30	-10.5%	3	9.0%	-11	-10.0%	-31	-42.0%	9	13.8%
Emmons County	-4	-1.4%	-9	-11.7%	17	32.3%	-26	-43.4%	14	12.0%
Foster County	-11	-2.7%	-7	-8.0%	0	0.2%	-19	-26.4%	16	16.3%
Golden Valley County	30	13.5%	-1	-10.2%	20	24.5%	16	21.9%	-5	-9.1%
Grand Forks County	1,191	8.2%	-1,054	-21.5%	1,871	34.1%	-410	-15.4%	784	53.1%
Grant County	-22	-8.7%	4	10.6%	-16	-22.1%	-24	-42.2%	14	15.4%
Griggs County	-40	-15.0%	3	18.5%	-9	-12.3%	-33	-39.3%	-1	-1.4%
Hettinger County	59	27.7%	26	69.3%	39	52.1%	-2	-4.6%	-5	-9.0%
Kidder County	4	1.8%	1	2.5%	-1	-1.5%	-12	-37.3%	17	27.6%
LaMoure County	-7	-1.8%	10	12.1%	2	1.9%	-44	-41.2%	25	20.7%
Logan County	8	5.3%	3	6.1%	21	54.8%	-6	-20.9%	-10	-27.9%
McHenry County	-2	-0.3%	12	21.1%	-28	-14.6%	-4	-3.2%	18	12.7%
McIntosh County	-21	-8.9%	-3	-15.3%	1	0.8%	-16	-42.3%	-2	-2.6%
McKenzie County	1,563	100.0%	36	53.1%	742	99.3%	427	82.7%	358	155.0%
McLean County	128	13.3%	61	37.5%	30	11.1%	-44	-16.4%	82	31.0%
Mercer County	118	17.9%	28	26.5%	73	32.7%	-58	-32.7%	75	49.9%
Morton County	536	18.1%	30	5.5%	127	13.4%	-3	-0.4%	382	54.4%
Mountrail County	430	38.6%	14	22.4%	201	39.0%	76	19.5%	140	92.8%
Nelson County	-5	-1.9%	3	9.8%	27	22.3%	-36	-47.6%	1	1.1%
Oliver County	25	19.7%	-4	-20.9%	21	61.6%	-12	-51.3%	20	36.9%
Pembina County	-34	-4.5%	-4	-5.9%	-20	-7.8%	-81	-43.1%	71	29.6%
Pierce County	26	5.1%	-2	-3.6%	16	13.5%	-35	-33.2%	47	21.0%
Ramsey County	195	10.4%	-2	-1.6%	78	11.9%	-123	-24.7%	242	42.6%
Ransom County	-10	-1.5%	-6	-8.8%	52	30.9%	-66	-26.8%	9	4.5%
Renville County	-24	-9.1%	3	9.5%	-16	-15.2%	-18	-27.0%	7	10.6%
Richland County	208	11.8%	6	1.3%	185	33.1%	-113	-29.0%	130	40.5%
Rolette County	220	15.2%	63	36.9%	65	9.5%	-29	-7.3%	120	61.6%
Sargent County	18	4.6%	-5	-8.4%	20	16.7%	-33	-28.8%	36	39.5%
Sheridan County	-13	-14.5%	0		4	39.6%	-13	-33.9%	-3	-8.2%
Sioux County	147	23.1%	8	23.8%	71	28.5%	46	17.9%	22	23.0%
Slope County	6	11.5%	0	1.4%	5	15.9%	-1	-15.5%	1	15.9%
Stark County	1,510	39.2%	386	49.7%	401	27.8%	224	24.0%	499	71.6%
Steele County	2	0.9%	-6	-15.3%	-26	-39.3%	-28	-50.1%	62	73.0%
Stutsman County	-32	-1.0%	20	4.4%	-62	-6.6%	-254	-26.2%	264	33.9%
Towner County	-5	-2.3%	6	39.5%	3	5.6%	-34	-51.2%	20	19.1%
Traill County	0	0.0%	-12	-9.6%	-61	-20.4%	-53	-30.6%	127	42.9%
Walsh County	-72	-5.9%	-3	-1.6%	63	21.7%	-127	-35.7%	-5	-1.4%
Ward County	2,622	24.1%	-368	-13.0%	2,229	48.9%	269	12.2%	491	38.2%
Wells County	-3	-0.8%	6	10.0%	31	35.4%	-47	-37.1%	6	3.9%
Williams County	3,213	61.9%	181	31.2%	1,884	77.3%	564	37.4%	584	88.1%
Bismarck city	3,416	30.7%	551	23.3%	1,003	27.2%	58	2.0%	1,805	84.6%
Devils Lake city	125	7.6%	-4	-2.7%	56	10.3%	-122	-27.5%	196	37.7%
Dickinson city	1,215	35.6%	328	46.3%	497	38.5%	111	14.4%	279	43.3%
Fargo city	8,342	28.1%	689	8.3%	3,574	29.2%	576	10.1%	3,503	105.0%
Grand Forks city	900	6.8%	-1,022	-21.6%	1,661	35.1%	-500	-20.4%	761	57.2%
Jamestown city	-6	-0.2%	32	7.8%	-51	-6.6%	-252	-28.4%	265	36.8%
Mandan city	401	16.0%	6	1.2%	103	12.6%	-38	-6.7%	329	52.2%
Minot city	1,808	21.8%	-330	-15.6%	1,787	55.7%	72	3.9%	278	24.8%
Valley City city	49	3.8%	8	3.0%	-53	-16.1%	-52	-24.7%	146	30.1%
Wahpeton city	126	9.8%	25	5.8%	149	36.3%	-102	-34.3%	54	36.3%
West Fargo city	1,159	27.7%	-3	-0.5%	426	23.7%	44	4.4%	691	94.5%
Williston city	2,151	48.9%	148	29.6%	1,455	71.5%	309	23.7%	2,405	42.9%
Fort Berthold Reservation	254	23.1%	16	22.5%	111	23.0%	101	23.3%	26	23.4%
Spirit Lake Reservation	2	0.3%	0	0.0%	1	0.4%	1	0.4%	0	0.0%
Standing Rock Reservation	147	23.1%	8	23.8%	71	28.5%	46	17.9%	22	23.0%
Turtle Mountain Reservation	75	8.9%	7	9.6%	38	8.8%	24	8.8%	6	9.5%
Region 1	4,835	69.7%	218	33.3%	2,689	82.3%	986	47.4%	942	100.3%
Region 2	3,151	21.9%	-196	-6.0%	2,371	40.7%	226	7.0%	750	35.5%
Region 3	278	5.7%	74	16.6%	106	5.6%	-329	-23.7%	427	36.5%
Region 4	1,079	6.4%	-1,059	-20.3%	1,942	31.6%	-655	-20.0%	850	39.5%
Region 5	10,040	25.9%	656	6.6%	4,513	28.7%	544	6.9%	4,326	81.6%
Region 6	-78	-1.1%	69	5.6%	-110	-5.4%	-507	-27.9%	470	22.8%
Region 7	4,566	25.8%	762	22.8%	1,384	23.6%	55	1.2%	2,365	63.2%
Region 8	1,793	33.2%	477	46.9%	571	28.0%	205	15.5%	539	52.6%

**Table 2.46 North Dakota Household Projections for Extremely Low Income Households, 2019 to 2029**

Sources: U.S. Census Bureau and the Center for Social Research at NDSU

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Area	Extremely Low Income Households - Earning 0% to 30% of the Median Family Income (MFI)					
	2014	Projections				% change: 2014 to 2029
		2019	2024	2029		
North Dakota	50,607	54,703	58,249	62,538	23.6%	
Adams County	149	153	160	162	9.0%	
Barnes County	760	789	799	809	6.5%	
Benson County	626	623	620	611	-2.3%	
Billings County	64	61	65	71	11.6%	
Bottineau County	587	589	614	643	9.6%	
Bowman County	203	204	228	235	15.6%	
Burke County	217	207	207	218	0.4%	
Burleigh County	4,710	5,292	5,965	6,665	41.5%	
Cass County	11,307	12,623	13,659	14,900	31.8%	
Cavalier County	229	216	207	193	-15.8%	
Dickey County	374	365	385	392	4.7%	
Divide County	182	174	179	187	2.8%	
Dunn County	236	266	296	319	35.4%	
Eddy County	226	233	229	217	-4.1%	
Emmons County	380	375	378	381	0.4%	
Foster County	288	278	288	296	2.6%	
Golden Valley County	196	200	200	211	7.4%	
Grand Forks County	6,332	6,508	6,370	6,745	6.5%	
Grant County	270	275	273	265	-2.0%	
Griggs County	149	146	144	139	-6.4%	
Hettinger County	141	143	139	141	0.0%	
Kidder County	196	208	219	213	8.7%	
LaMoure County	354	379	387	377	6.4%	
Logan County	159	152	137	129	-18.7%	
McHenry County	461	468	479	487	5.6%	
McIntosh County	313	293	284	276	-11.9%	
McKenzie County	606	897	1,075	1,265	108.6%	
McLean County	709	756	796	814	14.9%	
Mercer County	635	684	755	794	25.1%	
Morton County	1,662	1,826	2,034	2,207	32.8%	
Mountrail County	541	647	730	813	50.2%	
Nelson County	311	292	290	279	-10.2%	
Oliver County	123	138	151	153	24.5%	
Pembina County	498	502	510	503	1.0%	
Pierce County	428	428	444	473	10.6%	
Ramsey County	1,056	1,106	1,183	1,264	19.8%	
Ransom County	363	358	353	348	-4.2%	
Renville County	167	166	165	164	-1.6%	
Richland County	1,107	1,184	1,209	1,251	13.0%	
Rolette County	1,796	1,955	2,070	2,186	21.7%	
Sargent County	252	274	283	284	12.8%	
Sheridan County	111	107	103	97	-12.4%	
Sioux County	307	348	364	380	23.8%	
Slope County	57	65	69	65	13.6%	
Stark County	1,744	2,004	2,304	2,635	51.0%	
Steele County	120	127	143	166	38.4%	
Stutsman County	1,561	1,613	1,655	1,726	10.6%	
Towner County	180	189	191	182	1.0%	
Traill County	565	592	615	640	13.3%	
Walsh County	950	922	909	901	-5.1%	
Ward County	3,495	3,842	4,078	4,368	25.0%	
Wells County	398	385	389	394	-1.0%	
Williams County	1,759	2,076	2,470	2,904	65.1%	
Bismarck city	4,458	4,976	5,599	6,284	41.0%	
Devils Lake city	928	951	1,005	1,076	15.9%	
Dickinson city	1,403	1,533	1,707	1,903	35.7%	
Fargo city	9,598	10,757	11,513	12,583	31.1%	
Grand Forks city	5,898	6,017	5,847	6,191	5.0%	
Jamestown city	1,226	1,274	1,302	1,363	11.2%	
Mandan city	1,246	1,345	1,504	1,628	30.7%	
Minot city	2,846	2,989	3,127	3,337	17.2%	
Valley City city	571	605	600	610	6.8%	
Wahpeton city	657	711	680	696	6.0%	
West Fargo city	1,258	1,459	1,662	1,799	43.0%	
Williston city	1,366	1,431	1,656	1,918	40.4%	
Fort Berthold Reservation	513	552	592	631	23.0%	
Spirit Lake Reservation	409	409	409	409	0.0%	
Standing Rock Reservation	307	348	364	380	23.8%	
Turtle Mountain Reservation	1,118	1,151	1,183	1,217	8.9%	
Region 1	2,547	3,147	3,724	4,356	71.0%	
Region 2	5,896	6,347	6,717	7,166	21.5%	
Region 3	4,112	4,322	4,500	4,653	13.1%	
Region 4	8,090	8,224	8,079	8,428	4.2%	
Region 5	13,714	15,158	16,262	17,589	28.3%	
Region 6	4,356	4,400	4,468	4,538	4.2%	
Region 7	9,101	10,009	11,038	11,969	31.5%	
Region 8	2,790	3,096	3,461	3,839	37.6%	

**Table 2.47 North Dakota Household Projections for Very Low Income Households, 2019 to 2029**

Sources: U.S. Census Bureau and the Center for Social Research at NDSU

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Area	Very Low Income Households - Earning 31% to 50% of the Median Family Income (MFI)				
	2014	2019	Projections		% change: 2014 to 2029
			2024	2029	
North Dakota	49,919	55,178	58,929	62,579	25.4%
Adams County	194	196	202	205	5.8%
Barnes County	795	832	837	855	7.5%
Benson County	445	442	437	428	-3.8%
Billings County	26	26	28	29	11.2%
Bottineau County	480	495	518	537	11.8%
Bowman County	161	164	178	185	14.6%
Burke County	141	141	140	136	-3.9%
Burleigh County	5,452	6,108	6,848	7,581	39.1%
Cass County	12,682	14,540	15,849	17,150	35.2%
Cavalier County	260	246	234	215	-17.4%
Dickey County	414	400	396	391	-5.7%
Divide County	154	153	150	158	2.3%
Dunn County	214	237	263	283	32.4%
Eddy County	144	147	148	144	0.0%
Emmons County	361	354	348	350	-3.1%
Foster County	182	179	184	188	3.4%
Golden Valley County	154	156	158	174	12.9%
Grand Forks County	5,098	5,554	5,743	5,898	15.7%
Grant County	173	173	164	160	-7.7%
Griggs County	225	216	208	198	-12.2%
Hettinger County	201	214	215	219	8.8%
Kidder County	165	168	163	158	-4.5%
LaMoure County	254	266	264	252	-0.9%
Logan County	159	153	141	136	-14.3%
McHenry County	435	442	445	448	3.1%
McIntosh County	301	293	278	266	-11.7%
McKenzie County	668	967	1,208	1,511	126.3%
McLean County	696	758	795	807	15.9%
Mercer County	362	391	431	451	24.7%
Morton County	1,874	2,043	2,245	2,407	28.4%
Mountrail County	399	487	550	609	52.5%
Nelson County	217	210	211	205	-5.6%
Oliver County	93	105	114	114	22.1%
Pembina County	570	562	562	550	-3.5%
Pierce County	365	365	372	387	6.2%
Ramsey County	886	895	913	929	4.9%
Ransom County	391	389	398	403	3.0%
Renville County	131	127	125	125	-4.6%
Richland County	908	965	1,001	1,032	13.6%
Rolette County	680	735	763	793	16.7%
Sargent County	227	257	262	259	13.9%
Sheridan County	89	88	87	86	-3.3%
Sioux County	194	215	228	237	22.2%
Slope County	55	62	63	59	6.8%
Stark County	1,867	2,173	2,421	2,683	43.7%
Steele County	147	143	148	158	7.8%
Stutsman County	1,522	1,538	1,559	1,567	2.9%
Towner County	157	169	166	151	-3.6%
Traill County	509	524	521	520	2.2%
Walsh County	761	727	697	675	-11.3%
Ward County	4,949	5,503	5,779	6,126	23.8%
Wells County	348	339	336	338	-3.0%
Williams County	1,583	2,146	2,435	2,653	67.6%
Bismarck city	4,872	5,435	6,094	6,764	38.8%
Devils Lake city	621	621	617	617	-0.6%
Dickinson city	1,450	1,652	1,816	1,978	36.4%
Fargo city	10,293	11,951	12,959	14,076	36.8%
Grand Forks city	4,318	4,674	4,814	4,921	14.0%
Jamestown city	1,306	1,319	1,335	1,343	2.8%
Mandan city	1,431	1,532	1,683	1,800	25.8%
Minot city	3,792	4,073	4,284	4,533	19.5%
Valley City city	567	610	597	612	7.9%
Wahpeton city	467	514	525	535	14.6%
West Fargo city	1,806	1,993	2,197	2,338	29.5%
Williston city	1,238	1,617	1,775	1,881	52.0%
Fort Berthold Reservation	238	257	275	292	22.7%
Spirit Lake Reservation	211	211	211	211	0.0%
Standing Rock Reservation	194	215	228	237	22.2%
Turtle Mountain Reservation	393	404	416	428	8.9%
Region 1	2,405	3,266	3,793	4,322	79.7%
Region 2	6,900	7,560	7,929	8,368	21.3%
Region 3	2,571	2,634	2,661	2,660	3.4%
Region 4	6,645	7,053	7,213	7,328	10.3%
Region 5	14,864	16,818	18,179	19,522	31.3%
Region 6	4,202	4,216	4,203	4,191	-0.3%
Region 7	9,460	10,403	11,423	12,351	30.6%
Region 8	2,872	3,228	3,528	3,837	33.6%

**Table 2.48 North Dakota Household Projections for Low Income Households, 2019 to 2029**

Sources: U.S. Census Bureau and the Center for Social Research at NDSU

Area	Low Income Households - Earning 51% to 80% of the Median Family Income (MFI)					% change: 2014 to 2029
	2014	2019	Projections			
			2024	2029		
North Dakota	68,690	75,587	79,668	83,184	21.1%	
Adams County	300	305	311	315	4.9%	
Barnes County	1,118	1,119	1,112	1,088	-2.7%	
Benson County	580	570	558	544	-6.3%	
Billings County	89	93	93	89	0.4%	
Bottineau County	596	600	619	635	6.6%	
Bowman County	264	270	271	275	4.3%	
Burke County	200	195	190	186	-6.9%	
Burleigh County	8,007	8,860	9,815	10,760	34.4%	
Cass County	16,494	18,850	20,284	21,712	31.6%	
Cavalier County	377	362	347	326	-13.5%	
Dickey County	519	505	493	481	-7.2%	
Divide County	210	228	236	243	15.6%	
Dunn County	285	309	346	374	31.4%	
Eddy County	274	256	235	218	-20.4%	
Emmons County	402	384	368	345	-14.2%	
Foster County	369	361	346	336	-8.9%	
Golden Valley County	124	125	120	129	4.0%	
Grand Forks County	6,611	7,225	7,535	7,582	14.7%	
Grant County	274	262	241	225	-18.0%	
Griggs County	265	240	222	203	-23.5%	
Hettinger County	306	337	337	341	11.3%	
Kidder County	236	239	231	221	-6.6%	
LaMoure County	461	475	449	424	-8.1%	
Logan County	215	216	202	204	-5.3%	
McHenry County	592	598	587	582	-1.8%	
McIntosh County	295	291	270	256	-13.3%	
McKenzie County	789	1,176	1,398	1,616	104.9%	
McLean County	946	1,008	1,020	1,019	7.7%	
Mercer County	712	743	779	801	12.5%	
Morton County	3,087	3,289	3,453	3,592	16.3%	
Mountrail County	625	758	803	845	35.2%	
Nelson County	361	352	353	346	-4.1%	
Oliver County	163	155	151	150	-8.1%	
Pembina County	836	813	787	756	-9.6%	
Pierce County	400	395	380	370	-7.5%	
Ramsey County	1,085	1,099	1,121	1,141	5.1%	
Ransom County	514	506	499	494	-3.8%	
Renville County	242	242	231	217	-10.5%	
Richland County	1,492	1,518	1,580	1,606	7.6%	
Rolette County	959	1,024	1,032	1,045	8.9%	
Sargent County	430	455	450	436	1.4%	
Sheridan County	188	183	171	163	-13.4%	
Sioux County	237	263	277	290	22.2%	
Slope County	34	34	31	33	-1.6%	
Stark County	2,306	2,688	2,931	3,239	40.4%	
Steele County	258	259	246	222	-13.8%	
Stutsman County	2,428	2,415	2,410	2,394	-1.4%	
Towner County	202	208	197	177	-12.3%	
Traill County	734	752	737	726	-1.1%	
Walsh County	1,217	1,196	1,170	1,150	-5.5%	
Ward County	6,133	7,177	7,679	7,980	30.1%	
Wells County	503	493	480	468	-7.0%	
Williams County	2,344	3,111	3,484	3,814	62.7%	
Bismarck city	6,917	7,594	8,400	9,227	33.4%	
Devils Lake city	776	780	788	803	3.5%	
Dickinson city	1,650	1,909	2,038	2,188	32.6%	
Fargo city	12,699	14,638	15,620	16,681	31.4%	
Grand Forks city	5,386	5,840	6,095	6,096	13.2%	
Jamestown city	1,914	1,882	1,870	1,855	-3.1%	
Mandan city	2,327	2,424	2,522	2,600	11.7%	
Minot city	4,445	5,249	5,641	5,798	30.4%	
Valley City city	667	676	664	657	-1.4%	
Wahpeton city	693	699	731	729	5.2%	
West Fargo city	2,496	2,729	2,991	3,203	28.3%	
Williston city	1,666	2,034	2,222	2,417	45.1%	
Fort Berthold Reservation	499	537	575	614	23.0%	
Spirit Lake Reservation	264	264	264	264	0.0%	
Standing Rock Reservation	237	263	277	290	22.2%	
Turtle Mountain Reservation	573	590	606	623	8.7%	
Region 1	3,343	4,515	5,118	5,673	69.7%	
Region 2	8,789	9,965	10,489	10,815	23.1%	
Region 3	3,477	3,519	3,490	3,451	-0.8%	
Region 4	9,025	9,586	9,845	9,834	9.0%	
Region 5	19,922	22,340	23,796	25,196	26.5%	
Region 6	6,173	6,115	5,984	5,854	-5.2%	
Region 7	14,254	15,386	16,506	17,566	23.2%	
Region 8	3,707	4,161	4,440	4,795	29.3%	

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**Table 2.49 North Dakota Household Projections for Lower Moderate Income Households, 2019 to 2029**

Sources: U.S. Census Bureau and the Center for Social Research at NDSU

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Area	Lower Moderate Income Households - Earning 81% to 115% of the Median Family Income (MFI)					% change: 2014 to 2029
	2014	2019	Projections		2029	
			2024	2029		
North Dakota	35,211	39,247	41,168	42,632	21.1%	
Adams County	128	133	138	140	9.8%	
Barnes County	641	641	636	616	-4.0%	
Benson County	203	200	198	195	-3.9%	
Billings County	26	28	27	27	3.6%	
Bottineau County	257	250	250	248	-3.6%	
Bowman County	148	156	156	155	4.6%	
Burke County	91	88	85	86	-5.2%	
Burleigh County	4,530	4,970	5,456	5,944	31.2%	
Cass County	8,427	9,699	10,381	10,996	30.5%	
Cavalier County	164	151	137	122	-25.5%	
Dickey County	264	257	233	217	-17.9%	
Divide County	112	134	143	145	29.8%	
Dunn County	127	136	147	158	24.9%	
Eddy County	143	143	133	121	-15.6%	
Emmons County	107	99	92	83	-22.3%	
Foster County	188	186	180	176	-6.3%	
Golden Valley County	67	65	68	77	14.6%	
Grand Forks County	2,885	3,126	3,234	3,245	12.5%	
Grant County	78	80	71	63	-19.4%	
Griggs County	113	101	92	83	-26.4%	
Hettinger County	120	138	143	146	22.2%	
Kidder County	129	129	122	115	-10.8%	
LaMoure County	228	233	213	197	-13.7%	
Logan County	91	95	97	98	8.1%	
McHenry County	335	333	337	336	0.3%	
McIntosh County	99	94	84	76	-23.5%	
McKenzie County	614	904	1,043	1,183	92.8%	
McLean County	436	464	466	464	6.4%	
Mercer County	391	405	411	413	5.6%	
Morton County	1,403	1,497	1,539	1,578	12.4%	
Mountrail County	408	511	537	554	35.6%	
Nelson County	196	184	174	165	-15.8%	
Oliver County	77	85	88	84	9.6%	
Pembina County	381	364	340	320	-16.1%	
Pierce County	254	246	232	219	-13.8%	
Ramsey County	477	489	500	505	5.9%	
Ransom County	313	309	307	308	-1.6%	
Renville County	132	127	123	121	-8.4%	
Richland County	752	759	784	793	5.5%	
Rolette County	373	396	400	403	8.1%	
Sargent County	239	268	262	250	4.8%	
Sheridan County	69	67	59	55	-20.7%	
Sioux County	104	120	125	129	24.0%	
Slope County	48	55	54	49	1.4%	
Stark County	1,546	1,852	1,975	2,107	36.3%	
Steele County	99	96	90	80	-19.5%	
Stutsman County	1,113	1,082	1,055	1,028	-7.6%	
Towner County	135	142	129	112	-17.1%	
Traill County	417	412	390	364	-12.6%	
Walsh County	617	585	556	539	-12.6%	
Ward County	3,135	3,732	4,024	4,152	32.4%	
Wells County	189	187	186	185	-2.1%	
Williams County	1,593	2,244	2,466	2,607	63.7%	
Bismarck city	3,655	3,972	4,356	4,762	30.3%	
Devils Lake city	288	302	310	318	10.4%	
Dickinson city	1,287	1,538	1,630	1,717	33.4%	
Fargo city	5,481	6,369	6,784	7,189	31.2%	
Grand Forks city	2,283	2,482	2,599	2,587	13.3%	
Jamestown city	784	754	732	724	-7.7%	
Mandan city	912	965	998	1,018	11.7%	
Minot city	2,163	2,550	2,747	2,824	30.5%	
Valley City city	425	432	420	410	-3.6%	
Wahpeton city	338	345	360	361	6.9%	
West Fargo city	1,976	2,127	2,302	2,422	22.6%	
Williston city	1,120	1,554	1,672	1,726	54.1%	
Fort Berthold Reservation	207	223	238	256	23.7%	
Spirit Lake Reservation	72	72	72	72	0.0%	
Standing Rock Reservation	104	120	125	129	24.0%	
Turtle Mountain Reservation	210	217	222	230	9.5%	
Region 1	2,318	3,282	3,652	3,935	69.8%	
Region 2	4,613	5,287	5,588	5,716	23.9%	
Region 3	1,495	1,521	1,497	1,458	-2.5%	
Region 4	4,079	4,259	4,304	4,269	4.7%	
Region 5	10,246	11,543	12,214	12,791	24.8%	
Region 6	2,926	2,876	2,776	2,676	-8.5%	
Region 7	7,324	7,916	8,429	8,928	21.9%	
Region 8	2,209	2,563	2,708	2,859	29.4%	

**Table 2.52 North Dakota Household Projections for Tax Credit Households, 2019 to 2029**

Sources: U.S. Census Bureau and the Center for Social Research at NDSU

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Area	Tax Credit Income Households - Earning 0% to 60% of the Median Family Income (MFI)				% change: 2014 to 2029
	2014	2019	Projections		
			2024	2029	
North Dakota	115,438	126,203	134,390	143,168	24.0%
Adams County	407	413	425	431	6.0%
Barnes County	1,738	1,805	1,822	1,851	6.5%
Benson County	1,201	1,193	1,184	1,163	-3.1%
Billings County	104	101	108	117	12.2%
Bottineau County	1,174	1,194	1,249	1,311	11.7%
Bowman County	430	430	467	484	12.5%
Burke County	415	404	401	402	-3.1%
Burleigh County	11,752	13,156	14,751	16,368	39.3%
Cass County	27,674	31,353	34,036	36,933	33.5%
Cavalier County	574	544	520	484	-15.7%
Dickey County	868	845	858	856	-1.4%
Divide County	390	376	380	398	2.0%
Dunn County	495	550	608	654	32.1%
Eddy County	431	436	429	410	-4.8%
Emmons County	817	803	796	799	-2.2%
Foster County	559	542	552	562	0.6%
Golden Valley County	410	417	414	443	7.9%
Grand Forks County	12,924	13,722	13,863	14,394	11.4%
Grant County	502	498	489	476	-5.2%
Griggs County	449	427	411	388	-13.5%
Hettinger County	396	414	411	415	4.7%
Kidder County	416	433	439	426	2.4%
LaMoure County	695	734	739	716	3.1%
Logan County	366	352	320	311	-15.0%
McHenry County	1,066	1,083	1,093	1,103	3.5%
McIntosh County	698	667	642	620	-11.1%
McKenzie County	1,382	2,021	2,471	2,997	116.8%
McLean County	1,618	1,743	1,828	1,858	14.8%
Mercer County	1,260	1,351	1,481	1,555	23.4%
Morton County	4,173	4,546	4,984	5,348	28.2%
Mountrail County	1,034	1,249	1,401	1,550	49.9%
Nelson County	632	605	602	585	-7.5%
Oliver County	246	269	287	290	18.0%
Pembina County	1,235	1,230	1,232	1,206	-2.3%
Pierce County	885	883	902	946	6.9%
Ramsey County	2,231	2,301	2,410	2,520	13.0%
Ransom County	860	854	857	857	-0.3%
Renville County	334	330	325	322	-3.7%
Richland County	2,300	2,452	2,534	2,620	13.9%
Rolette County	2,690	2,919	3,062	3,208	19.2%
Sargent County	546	602	612	607	11.1%
Sheridan County	231	226	222	211	-8.5%
Sioux County	552	624	652	681	23.3%
Slope County	116	130	135	129	10.8%
Stark County	4,156	4,810	5,430	6,101	46.8%
Steele County	305	308	323	350	14.8%
Stutsman County	3,642	3,717	3,778	3,864	6.1%
Towner County	368	388	385	358	-2.6%
Traill County	1,295	1,346	1,360	1,384	6.9%
Walsh County	1,962	1,893	1,846	1,814	-7.5%
Ward County	9,901	10,992	11,609	12,343	24.7%
Wells County	869	841	836	840	-3.3%
Williams County	3,666	4,681	5,419	6,109	66.6%
Bismarck city	10,768	11,980	13,421	14,940	38.7%
Devils Lake city	1,775	1,803	1,864	1,945	9.6%
Dickinson city	3,309	3,715	4,104	4,510	36.3%
Fargo city	22,850	26,094	28,096	30,563	33.8%
Grand Forks city	11,421	12,029	12,073	12,508	9.5%
Jamestown city	2,951	3,011	3,047	3,120	5.7%
Mandan city	3,216	3,433	3,763	4,023	25.1%
Minot city	7,677	8,214	8,650	9,170	19.4%
Valley City city	1,230	1,312	1,295	1,322	7.5%
Wahpeton city	1,230	1,339	1,334	1,360	10.6%
West Fargo city	3,552	4,010	4,483	4,816	35.6%
Williston city	2,750	3,252	3,653	4,028	46.5%
Fort Berthold Reservation	849	914	980	1,046	23.2%
Spirit Lake Reservation	695	697	697	697	0.3%
Standing Rock Reservation	552	624	652	681	23.3%
Turtle Mountain Reservation	1,643	1,692	1,738	1,789	8.9%
Region 1	5,438	7,078	8,270	9,504	74.8%
Region 2	14,809	16,135	16,980	17,977	21.4%
Region 3	7,494	7,781	7,990	8,143	8.7%
Region 4	16,754	17,450	17,543	17,999	7.4%
Region 5	32,980	36,915	39,722	42,751	29.6%
Region 6	9,882	9,930	9,958	10,008	1.3%
Region 7	21,567	23,649	25,929	28,012	29.9%
Region 8	6,515	7,265	7,998	8,774	34.7%

Testimony in Support of SB 2302  
**Finance and Taxation**  
Chairman: Senator Dwight Cook  
January 22, 2019

Submitted by: Dan Madler, Chief Executive Officer - Beyond Shelter Inc. (BSI),  
701-730-2734, [dmadler@beyondshelterinc.com](mailto:dmadler@beyondshelterinc.com), Lobbyist #8

Chairman Cook and members of the Committee, my name is Dan Madler, I live in ND District 27 and I am the CEO of Beyond Shelter, Inc. (BSI), a mission driven North Dakota nonprofit developer of affordable housing. I would like to express support of Senate Bill 2302 and the requested \$10,000,000 to fund the Housing Incentive Fund (HIF).

HIF has been be a great tool for Community and Economic Development and I have found its design to be very nimble as it relates to the financing of affordable housing. Because of this, BSI has been able to put awarded HIF funds to work quickly; leveraging approximately \$12M in HIF's to produce \$79.6M in long-term quality affordable housing assets. Essentially, for every \$1 of HIF investment, BSI has been able to produce \$6.63 in long-term affordable housing assets. These affordable housing assets are and/or will be serving the communities of Bismarck, Burlington, Dickinson, Fargo, Minot, and West Fargo and are and/or will be providing 416 HIF homes to elderly and physically disabled households, victims of domestic violence, homeless individuals, law enforcement, and essential service workers.

In addition, I would say that homes are where "Jobs" sleep at night, and if a community and state want to be strong economically, they need to provide a balance of housing stock to their residents. There needs to be housing for all income levels and the HIF program helps ND communities and the state of ND provide this balance.

In closing, I respectfully request your support for \$10M of HIF funding. This funding would be a continued long-term investment in ND communities, offering great financial leverage, while providing needed quality affordable housing options that will enable local families, longtime residents, and those on fixed incomes to affordably live in the ND community that they call home.

Thank you for your time and consideration.

Written Testimony in Support of SB 2302  
Finance and Taxation  
Chairman: Senator Dwight Cook  
January 22, 2019

Submitted By: M. Blake Strehlow, Executive Director = Housing Authority of Cass County  
(701) 282-3443, [forent@ideaone.net](mailto:forent@ideaone.net)

Chairman Cook and Members of the Committee, my name is Blake Strehlow and I am the Executive Director of the Housing Authority of Cass County. The Housing Authority of Cass County is the first Housing Authority established in the State of North Dakota. That being said, we have the oldest public housing units in the State. Just recently, we were awarded funding through the Low Income Housing Tax Credit Program for 84 units of senior housing. What really makes this project exciting is that we will be demolishing a physically obsolete 60 unit public housing project in West Fargo to make this happen!

As you can image, this is not an easy task to complete. In fact, in order to make this project a reality, we were required to tap many resources to fill the “gap” in our financing to make this project affordable. One key component was the Housing Incentive Fund. Without the leverage that this program offered, this affordable housing project would not have been possible. In addition, it will be necessary for us to use this valuable resource again next year when it is our plan to raze the oldest public housing project in North Dakota located in West Fargo. Our intent is to demolish 24 public housing units and replace them with a 45 unit Low Income Housing Tax Credit project designed for families. As you can see, the HIF is a great tool for the affordable housing industry to ensure that low income residents have a nice place to call home.

So many times as administrators for housing, we speak in terms of “units.” This can’t be further from the truth. In actuality, it’s about the seniors that will have been given an affordable home where they can live out their lives without having to worry about having enough money to purchase their prescriptions, food, or rent.

Testimony from Erin Prochnow, CEO, YWCA Cass Clay  
North Dakota Senate Finance and Taxation Committee  
January 22, 2019  
SB 2302

**Introduction:**

Good morning Chairman Cook and members of the committee, my name is Erin Prochnow, CEO at YWCA Cass Clay. Our agency offers the largest Emergency Shelter serving women and children in the state of North Dakota and northwestern Minnesota. We have been providing services in our community for over 110 years, spending the past 40 years providing emergency shelter and housing services to women and their children escaping domestic violence and abusive situations.

If SB 2302 is approved, the North Dakota Hosing Incentive Fund (HIF) will help women and families served by YWCA escape abuse, move out of homelessness, and live independent lives.

**Private - Public Partnership Project:**

In early 2016 Pastor Joel Baranko from Lutheran Church of the Cross in West Fargo reached out to YWCA inquiring about areas of community need where vacant land owned by the church may be most useful. The most significant unmet need for women and children served at YWCA, as documented in the YWCA Cass Clay Strategic Plan is supportive affordable housing.

Together with our private, public and non-profit partners YWCA is developing a housing initiative, Grace Garden, that includes 30 apartments ranging in size from one to four bedrooms; two office spaces for our support services staff, a community room, playground, and patio are included in the construction that is in progress thanks in part to HIF investment appropriated through previous legislative sessions. Equity from HIF helped propel Grace Garden from a planning and development phase to a reality that is under construction, scheduled to open later this year and become home to an estimated 75 people.

The demand for the YWCA Housing Program is significant. Last year alone, 162 women and children were eligible for the program, but only 22 women and children were able to be accepted (14% were able to be accepted). We simply don't have enough affordable homes to meet the growing need. Permanent supportive housing is a strategy that has proven successful and documented to be the most cost-effective prevention to chronic homelessness.

**Changing the Course of Her Life: From Crisis to Independence:**

When a woman arrives at the YWCA, she often lacks the building blocks to independence: a living wage, adequate credit, childcare and transportation. At the YWCA we provide comprehensive programs and services to help each woman to overcome these barriers.

In 2018, the average length of stay at our Emergency Shelter was 39 days. While women can make significant progress in just over a month, this is typically not enough time to gain lasting financial security and independence. Often a woman's road to independence is longer because she is recovering physically or mentally from abuse, has a disability, is going back to school, or working hard to regain her financial footing.

To help a woman move from crisis to independence and extend the amount of time she has to rebuild, the YWCA's Supportive Housing Program provides ongoing support and advocacy for women and their families. The reality is the women we serve are just like all of us – to live independently and provide for their families.

On average, a woman stays in our Supportive Housing Program just 24 months. The YWCA Supportive Housing Program is a proven solution for helping families break the cycles of poverty and violence. A

woman who participates in the program earns more money, is healthier, and is better equipped to live independently and create an environment for her children to thrive.

- 72% of women increase their education or income while in the program
- 88% of women improve their physical and/or mental health while in the program
- 96% of women that moved out of YWCA housing in 2016 remain stably housed today

Wherever a woman may be on her journey, together we must walk alongside her to ensure she has access to the tools and resources necessary to heal, reach her goals and ultimately, build a future free from violence for her family.

Thank you.

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## YWCA Cass Clay: Supportive Housing Story

eliminating racism  
empowering women  
**ywca**

**No one served by YWCA ever planned to be homeless.  
Even those living closest to the edge.**

Kayla had her happiness stolen by a very violent abuser. She bravely sought freedom by moving into an apartment of her own - wanting safety too for her baby and school-aged boys. Their newfound calm was soon upended by tough life circumstances.

The business where she worked was sold. Her position ended. Her last paycheck came in. With nothing in savings, already used for a security deposit, there was no way to cover another month's rent. It took everything Kayla had to provide food for her family, and gas to search for a new job.

Soon they were evicted, and homeless. Rather than going back to her abuser, Kayla and her children came to YWCA Emergency Shelter.

I tell you this story because your past decision to support YWCA helped make us ready with resources that Kayla would need, and we are asking your help again.

Our shelter has been over capacity almost every night last year, including 35 to 40 children at any time, making our need for support particularly urgent.

Kayla came with her baby and 10- and 13-year-old boys, Thomas and Malik, because of sudden homelessness. They needed a place to stay and sort out plans for their future. Other moms who came last spring had swiftly fled their abusers to find safety after the school year ended.

From safety, life can change from struggle to a life of possibilities and create a new pathway forward.

Possibilities are what Kayla hoped for. She wanted her boys to have a stable home. They finished the school year as two of the hundreds of invisible homeless children in Fargo-Moorhead. At YWCA, Thomas and Malik had homework help in our Study Buddies program and the presence of a supportive YWCA team. They kept up their studies and grades stayed on track.

Last July, the YWCA housing team readied a YWCA supportive housing apartment that would become a stable home for Kayla and her family: filling it with donated furniture. The final touch was placing teddy bears onto the children's beds. (A generous community donor has given these bears in loving remembrance of her daughter so all children moving into our housing program find a source of joy and comfort waiting for them.)

Our YWCA team was prepared for the children's excitement upon seeing their apartment, but tenderly taken aback by 13-year-old Malik's enthusiastic hugging of his new stuffed bear.

"They are a very close family and the boys are so sweet. Malik is never bothered that his younger brother is his constant tag-along, and they're both so helpful with the baby," says her advocate.

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Kayla's children thrived over the summer. Our Study Buddies coordinator saw to it they joined in outings to parks, swimming pools and places like Thunder Road through donated passes. She helped Kayla enroll them in day recreation programs so twice weekly the boys could play basketball and make friends with others their ages. The boys are in new schools but already met some of their classmates through their summer programs. Kayla tells us that Thomas and Malik talked daily about the arrival of that first day of school, excited to begin a new year from a safe and stable home.

YWCA here is when abuse is too much, when rent has run out, when women doubled up with friends have overstayed their welcome. Your support brings safety when experiences at motels, campgrounds or vehicles used for overnight shelter prove too frightening and dangerous.

Children without a regular night time residence experience emotional toil and stress to their grades. Children facing homelessness think about survival, old clothes, lack of supplies, and live in constant anxiety about their family's security. Their likelihood of developmental delays are four times the rate of their peers. They are more likely to miss days, repeat grades, drop out early and more. Homeless children isolate themselves from friendships, fearing their circumstances will be discovered by classmates. Hunger is a constant presence.

You can see that housing crisis means life crisis.

YWCA brings safety when abuse and poverty have caused homelessness. Last year, 784 children were served with shelter and housing.

Each child came with different circumstances. Not one deserves to be homeless. It's a chaotic life experience that can end with your support.

YWCA helps children stay on track. But we need your help to do it. We cannot overlook children who need resources to bring future success. Children served by YWCA are counting on you, on us, to give them hope and I know we won't let them down.



**Testimony of Mason Sisk**

**Economic Development Association of North Dakota**

**In Support of SB 2302**

**January 22, 2019**

Chairman Klein and Members of the Senate Industry, Business and Labor Committee:

The Economic Development Association of North Dakota represents more than 80 large and small and rural and urban economic development organizations on the front line of growing businesses and communities in North Dakota. The primary purpose of the organization is to promote the creation of new wealth throughout North Dakota to develop more vibrant communities and improve quality of life. It is for these reasons our organization and its members want to express support for SB 2302

Workforce and affordable housing continues to be a priority for expansion of North Dakota's businesses and communities in all areas of North Dakota. The Housing Incentive Fund capitalizes contributions from state taxpayers developing affordable multi-family housing for essential service workers, main street employees and fixed-income households. A major stumbling block to attracting businesses that would diversify the economy or to attracting workers to fill the thousands of basic service jobs open in the state is a lack of affordable housing.

A recent high impact example of the housing incentive program's benefit is in the Beulah/Hazen area, where a housing study of the region identified a need for additional apartments. The community came together and utilized the fund to create new housing for a variety of its citizens. An abandoned piece of land where mobile homes stood in the 1980s is now home to New Energy Apartments. These one to three bedroom units are open to a range of families, including low-income and essential workers. The Hazen community also identified a need for Hazen seniors to have housing to age in place. Through a Housing Incentive Fund grant, the community was able to tear down an old, abandoned hospital and build a new, 18-unit senior facility. This is one of the many examples where these funds return investment into the rural and urban communities throughout North Dakota.

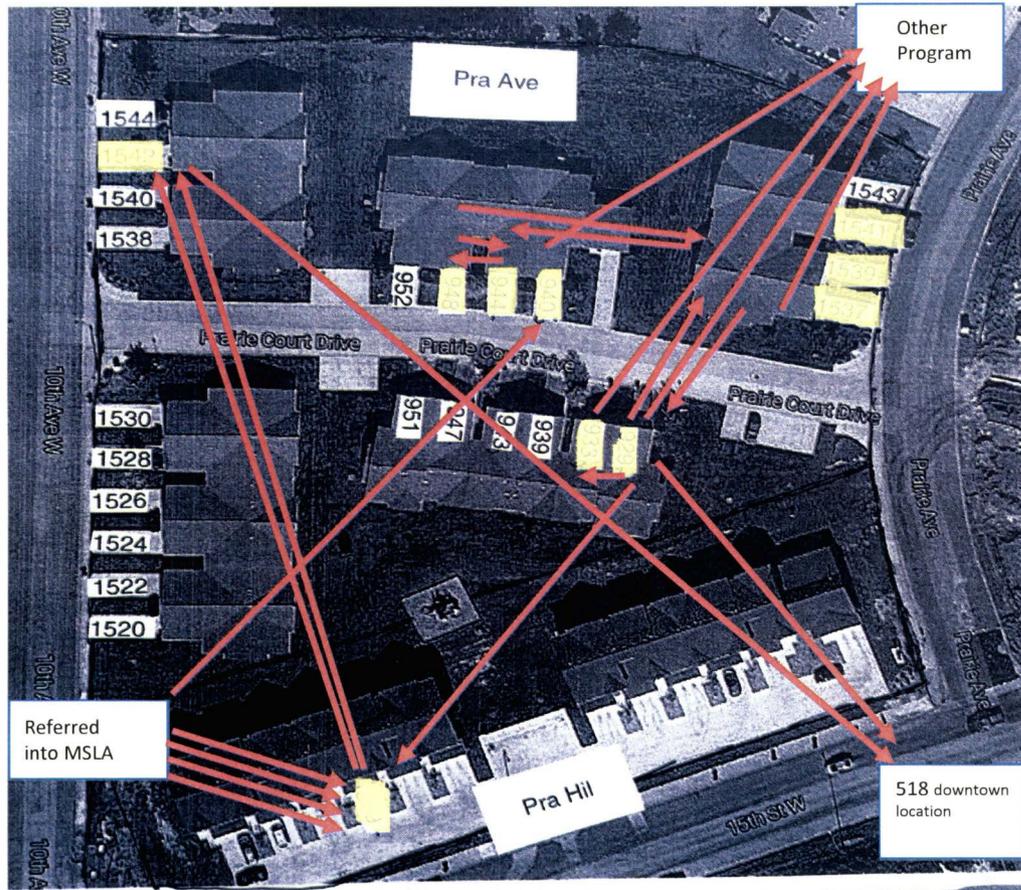
In order to diversify our economy, we need to partner with our communities to create livable spaces. A part of this formula is affordable housing, and this fund creates an economic 'win-win' for both the employees and the communities.

Thank you for the opportunity to express our support for SB 2302 and for your continued commitment to keeping North Dakota globally competitive to recruit and retain the state's workforce.

# ABLE, Inc Presentation---Housing Incentive Funds (HIF) 2019



PRE HIF: Moves made 2006-2015

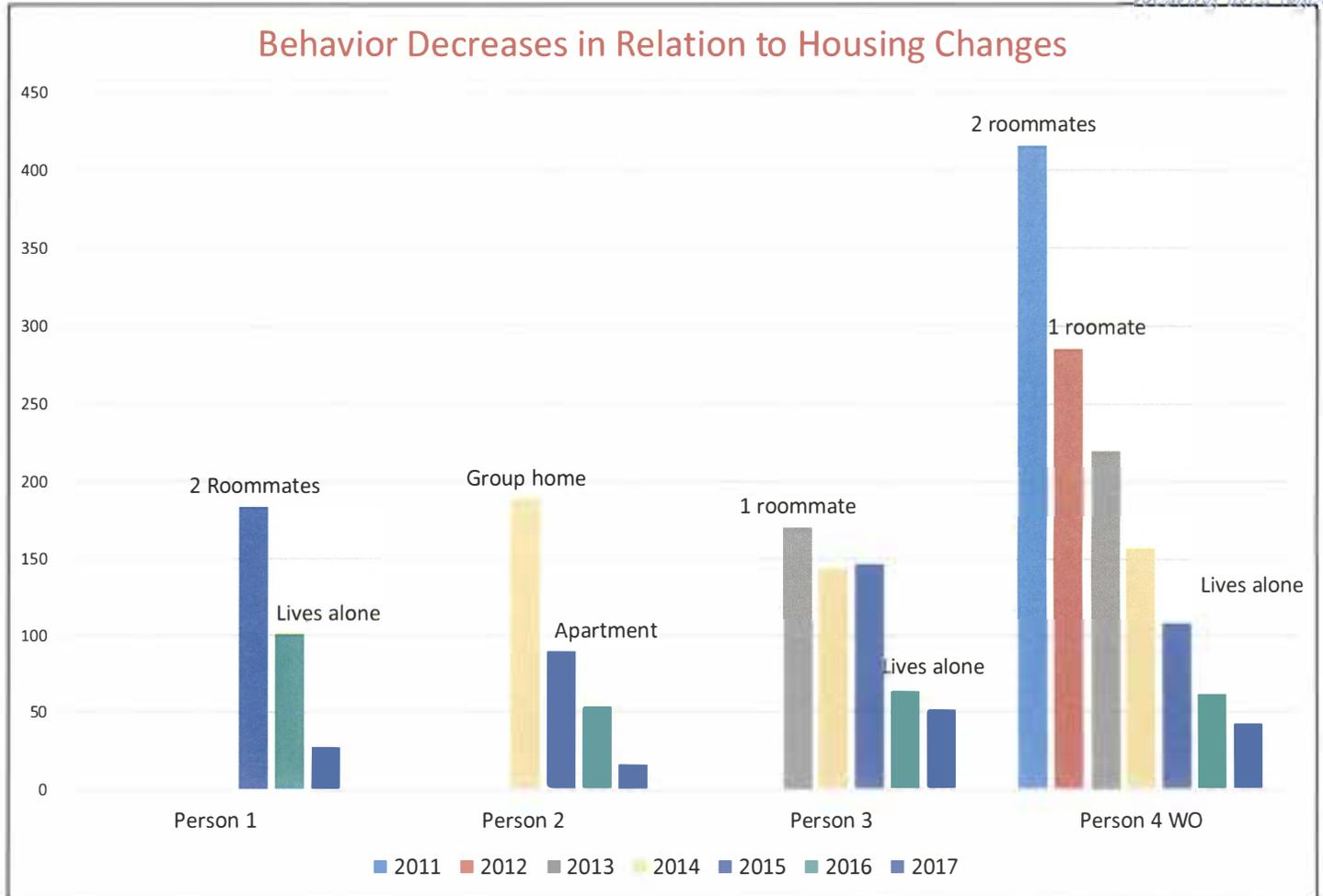


- Each arrow represents one move by 1 person.
- 21 moves completed

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**POST HIF: 2015-Current  
 Sample of 4 people**

- **ZERO MOVES NECESSARY**
- Behavioral data
  - Person 1 time periods with aggression
  - Person 2 physical guidance needed
  - Person 3 days w/high anxiety
  - Person 4 # incidents crying/screaming



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1-22-2019

## Proposals by ABLE, Inc.

### I. NDHFA (HIF) needs funding per their bills.

### II. NDHFA (HIF) needs permanent funding to do more!

- ❖ PEOPLE supported by ABLE, Inc. benefitted tremendously from Money Follows the Person's (MFP) funding. This allowed for gap subsidies until we could get vouchers and property based subsidies. MFP is not available to the general population. HIF needs to have something like this for people. This could be accomplished with permanent funding for temporary housing assistance/subsidies while waiting for other funding to come through.
- ❖ Please consider this for 2019 funding cycle.

### III. INTENTIONAL HOUSING FUNDING

- ❖ I also want you to understand the complexity of housing people. ABLE, Inc. supports **MANY** people who need specialized housing. It is not just a matter of finding an apartment. We have to be intentional about their needs. This translates into more expensive building/renovation projects:
  - High impact sheetrock
  - Noise reducing/canceling products
  - Extreme accessibility; we platformed a bathtub and added a flushing system into the bathtub
  - Monitoring systems for greater independence.
  - Generators and special outlets for people who use mechanical ventilators

### IN CONCLUSION:

1. NDHFA has the right people and the right programs.
2. HIF is unique to the United States.
3. HIF is a ND program that can meet ND priorities.
4. ABLE, Inc. can attest to the success. Let's help others experience the difference!!!
5. Please continue to support this program and
6. Please permanently fund it

Call us if questions; Mary Anderson, Executive Director 701-456-3000;  
[manderson@ableinc.net](mailto:manderson@ableinc.net)

North Dakota Senate Bill No. 2302  
Senate Standing Committee  
Finance and Taxation

Chairman Dwight Cook and respected committee members,

My name is Dwight Barden. I am the Executive Director at Burleigh County Housing Authority here in Bismarck. I am here to provide support for Senate Bill No 2302.

I will try to express to you the need for this funding of the Housing Incentive Fund (HIF) that is administered by the North Dakota Housing Finance Agency. I am sure that Senators Mathern, Heckman, Roers and Representatives Hanson and Zubke could give you examples of how this program has impacted their Districts.

Burleigh County Housing Authority has been fortunate enough to utilize these funds on two projects. At the rise of the oil impact activity we utilized the HIF program to build a 4-plex for special needs populations. During that time when land and building cost went sky high we were able to use HIF funds to bridge the finance gap. Without these funds this project would not have been built. We are the landlord and 24 hr. Services are provided by local non-profits such as HIT, Inc., Pride, Inc. and Enable.

We are in the process of building in Bismarck a 40 unit permanent supportive housing project for the homeless with developer Beyond Shelter. Most of these tenants deal with mental illness and drug or alcohol addiction. This project is similar to Cooper House in Fargo and LaGrave on 1<sup>st</sup> in Grand Forks. We are fortunate to be able to use the HIF program also on this project. As you are aware the HIF program was not funded in the 2017 session. We received these funds only because there was another project that could not secure enough funding. This project, Edwinton Place, has six different funding sources. They are Low Income Housing Tax Credits, Federal Housing Trust Fund, Two different allocations of Neighborhood Stabilization Program, Federal Home Loan Bank and HIF. With the rent restrictions on these programs it makes it virtually impossible for us to support debt service. We also pay a local Payment In Lieu of Taxes (PILOT) property tax based on formula to cover local provided services.

With guidelines established by North Dakota Housing Finance Agency, funding from the HIF program is meant to provide affordable and assessable housing for low to moderate income, special needs populations and the elderly.

The state currently receives enough Federal Tax Credit funding to do about five projects a year. The problem is that there are between 8 to 15 projects that submit applications for this funding. Along with support of SB 2271 and SB 2302, the equity generated for the HIF program would help in establishing these assets for affordable housing in our State. And they would be assets for populations in our state that are in need of this type of housing with an investment into the future.

Again I ask for your support of SB 2302 with the Housing Incentive Fund program and will answer any questions that you may have.

Dwight Barden  
Executive Director  
Burleigh County Housing Authority  
410 S. 2<sup>nd</sup> Street  
Bismarck, ND 58504                      701-255-2540    Dwight@bchabis.com

Finance and Taxation Committee,

The housing incentive funds plays an important role in developing affordable housing solutions across the state, and can also help secure existing federally funded housing programs. Great Plains Housing Authority administers HUD voucher programs in six counties (Stutsman, Wells, Foster, Logan, Dickey, and Sargent). Between 2011 and 2016, 275 units of HUD and USDA subsidized properties converted to market rate programs. HUD replaced those units with vouchers, however, only 34 clients from that amount remain. HUD subsidized units may have all utilities included, zero tenant portion, and work with clients that had poor rental history. Owners left those programs in order to capture on hot rental markets and hopefully improve their properties.

HUD and USDA restrict the rents participating landlords can charge. Additionally, those federal agencies also restrict any equity or loans to improve properties and make them marketable. These massive changes did not help the owners or communities as intended, instead the mass exodus increased the vacancy rates and the number of outdated housing units.

Federal inspection requirements are also changing. Units that receive federal funds will need to meet International Building Code for today, not when it was built. Some federal programs may eliminate any housing units (single or multi-family) that were built prior to 1980 because of lead-based paint issues.

This also had a negative impact of the most vulnerable and hard to house. These units became market rate, which means although they had housing subsidies, the landlord can screen out clients with assistance for any reason and say no. There are more people searching and trying to find housing that get screened out, yet they need a safe roof over their head. The State Hospital and housing authorities have had a tougher time placing individuals. Between September 1, 2018 and December 31, 2018; Great Plains Housing Authority issued nearly 180 vouchers - guaranteeing rent. Only 66 households found housing and entered into a lease. Meanwhile, there were 40 terminations by landlords and tenants during that same time. Where did the 110+ other households go? Housed with families or in unsafe structures, or continuing to re-apply hoping a landlord will give them a chance.

HIF could help current owners who have HUD subsidies improve their properties and keep their subsidies. These properties help the most vulnerable who have behavioral health issues, those with poor credit, and some homeless. HIF can make a difference in maintaining those units. Our region can illustrate the damaging effects when the subsidies end and the safety net is removed.

---

David Klein  
Executive Director  
Great Plains Housing Authority  
Dickey Sargent Housing Authority  
[www.greatplainsha.com](http://www.greatplainsha.com)

Testimony Presented on Senate Bill 2302 to the

Senate Finance and Taxation Committee

Senator Dwight Cook, Chair

for the City of Fargo

by Jim Gilmour, Strategic Planning Director

January 22, 2019

Mr. Chairman and Members of the Committee:

The Fargo City Commission supports programs that assist with maintaining existing lower income housing and the development of new housing for lower income households, especially the elderly and very low-income individuals and families.

Existing programs do not meet the need for lower income housing in North Dakota. Programs through the US Department of Housing and Urban Development have been reduced over the past decade, while the costs of housing has increased. Federal Low Income Housing Tax Credits do not meet the need, as tax credits available in North Dakota were only sufficient to approve less than half the applications.

The City of Fargo has an aging public housing high rise building with 248 housing units. The building is 47 years old and needs more than \$20 million in renovation work. Without renovation, the building will have to close. Housing Incentive Funds are needed to assist with the replacement of these housing units or assist with renovation of the existing building.

A major housing need in Fargo is for people over the age of 65. Population projections indicate the growth of elderly households (those over age 64) is 519 households per year. Many of these newly-retired households have lower incomes and cannot afford market rate apartments.

We encourage your committee to recommend a "Do Pass" on SB 2302.

Thank you for your consideration.