



Home Builders Association of Fargo-Moorhead

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March 17, 2021

Dear Chairperson and Members of the House Industry, Veterans and Military Affairs Finance and Policy Committee,

The Home Builders Association of Fargo-Moorhead represents approximately 750 builders and related businesses in Moorhead and Dilworth, Minnesota and their borderline neighbor, Fargo, North Dakota. Thank you for accepting this letter urging you to improve housing affordability in Minnesota border cities by supporting House File 1402.

First, House File 1402 is exclusive to border cities. It does not change the Minnesota State Building Code. Instead, it would provide border cities like Moorhead and Dilworth the legal opportunity to match only its frost depth footing to the depth required across the river in Fargo.

The Minnesota State Building Code hurts Moorhead and Dilworth by requiring that every new home have a frost footing depth of at least five (5) feet. This mandate pushes families out of those cities and into Fargo where 4-1/2 feet is required, and homes are just as safe. These three cities share the same climate, soil density, river, and ecosystem, but the mandated 6-inch discrepancy imposes substantial, diverse, and unnecessary burdens on border cities. Unfortunately, the most impactful variable of this 6-inch discrepancy is how it makes homes in Moorhead and Dilworth substantially more expensive than homes built in Fargo.

During 2020, HBA of F-M reviewed data collected from home builders operating on both sides of the Red River. The data revealed that Minnesota's current frost footing depth code alone makes a single-family home in Moorhead up to \$3,000 more expensive, but no more safe, healthy, or efficient than the same home built in Fargo.

Further unfortunate for Moorhead and Dilworth is how for every \$1,000 that homebuilding costs increase, 118 people are excluded from the local housing market, according to a study by the National Association of Home Builders.

Building codes are essential to home safety and structural integrity, but housing is market-driven: builders follow the buyers, and buyers choose communities according to what they can afford. Arbitrary and unnecessary burdens like the 5-foot frost footing depth mandate, increase construction costs to levels that families cannot afford and reduce the housing stock communities need.

Home buyers may prefer Moorhead or Dilworth over Fargo but mandating a 5-foot frost depth footing reduces buying options by making new homes thousands of dollars more expensive than those just across the river in Fargo. As a result, many families choose Fargo and take what could be Moorhead's or Dilworth's economic potential with them.

House File 1402 is your chance to apply competent engineering to a municipal building ordinance, facilitate uniformity for Minnesota-based businesses, and enable more families to make border cities like Moorhead and Dilworth home. We urge you to support this bill.

Thank you for your time.

Respectfully,

Bryce Johnson
Chief Executive Officer

Kim Hochhalter
President

HBA of F-M's vision is to nurture a thriving, innovative and diverse housing industry in our community.