



Connecting Communities to Capital

*Testimony of John Egan, on behalf of the Genesis Community Loan Fund, before the Joint Select Committee on Housing, in support of LD 2209, "An Act to Increase the Cap on Bonds Issued by the Maine State Housing Authority to Reflect Current Housing Production Needs in the State." February 20, 2024*

Good afternoon, Senator Pierce, Representative Gere, and honorable members of the Joint Select Committee on Housing. My name is John Egan, and I am the Senior Program Officer for Strategic Initiatives at the Genesis Community Loan Fund, which has been a community development lender for over 30 years.

Genesis supports the development of affordable housing throughout Maine by providing loans directly and by connecting communities to resources. We often engage with potential projects in their early stages, offering project-planning expertise at no cost to communities. Our work with developers and community partners helps build momentum and attracts additional support and community participation. Genesis is deeply committed to solving Maine's housing crisis.

Today, I am here to express my organization's strong support for LD 2209, to adjust the cap on bonds issued by the Maine State Housing Authority. Increasing the statutory limit on the total principal of moral obligation bonds will eliminate a threat to MaineHousing's ability to provide financing.

Through our work across the state, the Genesis Fund sees how vital that financing is. In fact, in partnership with MaineHousing, Genesis provides guidance to smaller-scale Maine developers, particularly in rural areas. All over the state, developers and communities are putting plans in place and creating affordable housing projects that can move to the next stage with MaineHousing financing.

The fact is, MaineHousing's request to increase the cap comes at a time when Maine communities are showing us that, with resources, they can create housing solutions. And members of this committee are champions of those solutions. Your work can support Maine people's health and stability as well as help Maine address worker shortages and related threats to our state's economic well-being.

As you are hearing today, there are compelling reasons why MaineHousing needs the cap to be adjusted. They include the pressures of economic changes, rising construction costs, and increased demand for housing. Without an increase of the cap, the future of planned projects could become at risk, ultimately hindering the statewide efforts we are seeing to address Maine's housing crisis.

The proposed adjustment to raise the cap is a necessary step to ensure MaineHousing can continue its important work without interruption. The impact of not making this adjustment will be felt immediately. The adjustment has no budgetary impact on the state and is crucial for maintaining the agency's ability to finance affordable housing projects for years to come.

On behalf of the Genesis Community Loan Fund, I urge you to support LD 2909. MaineHousing's financing is indispensable for addressing Maine's housing needs, and increasing the cap is a proactive measure to ensure the agency can continue its vital mission.

Thank you for considering the Genesis Fund's perspective, as we support this important request.