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**Testimony of Frank D'Alessandro, Maine Equal Justice In Support of LD 3
“An Act to Establish the Winter Energy Relief Payment Program to Aid
Residents with High Heating Costs and to Finalize the COVID Pandemic
Relief Payment Program”**

Good Morning, Senate President Jackson, Speaker Talbot-Ross, and members of the Joint Standing Committee on Appropriations and Financial Affairs. My name is Frank D'Alessandro, and I am the Director of Legal Services at Maine Equal Justice (MEJ). We are a civil legal services organization, and work with and for people with low income, seeking solutions to poverty through legislative advocacy, administrative advocacy, and legal representation. Thank you for the opportunity to testify today in support of LD 3.

Among other reasons, Maine Equal Justice supports this bill because it will provide \$21,000,000 for emergency housing to prevent people from experiencing homelessness during the 2022-2023 winter months. These funds are necessary to prevent people who are experiencing homelessness from becoming unsheltered in the Maine winter.

Maine is in the midst of an affordable housing crisis

Even before the pandemic, thousands of Mainers struggled month in and month out to afford rent and stay housed, as well as to find housing. Currently in Maine, the National Low Income Housing Coalition estimates that Maine has 54 housing units for every 100 extremely low-income families (whose incomes are at or below the

poverty guideline or 30% of their area median income (AMI).¹ We have a shortage of 19,031 affordable rental homes,² and as of January 2020, Maine had about 2,097 people experiencing homelessness on any given day.³ Of that total, 260 were family households, 103 were Veterans, 139 were unaccompanied young adults (aged 18-24), and 248 were individuals experiencing chronic homelessness.⁴ By January 2022 that number had risen dramatically to 3,455. Of that number 815 people were under 18, 196 were veterans, 147 were unaccompanied young adults and 679 were persons experiencing chronic homelessness.⁵

The pandemic has pushed Maine's housing affordability problems to a crisis point. While Maine's low-income tenants have been suffering in the recession and the pandemic, business has been booming in Maine's real estate market. Property values have increased during the pandemic in every county across the State. The Maine Association of Realtors reported a 22% increase in median sales price between Fall 2019 and Fall 2020, with a 27% increase in the number of units sold.⁶ Recent data has shown that the typical "winter slow down" in Maine's real estate activity isn't happening this year.⁷ Gains are expected to continue, fueled in part by out-of-state buyers moving to Maine.⁸ Rent costs in Maine increased 13% from June 2021 to 2022. Maine has also seen a 39% increase in rent since the COVID-19 pandemic started.⁹

While so many people are buying new Maine homes, many Mainers are struggling to stay in theirs. Increasing property values are linked to gentrification. Gentrification is a process which displaces low-income community members, usually renters, when more affluent people move in. Gentrification is spurred by

¹ National Low Income Housing Coalition, 2021 Maine Housing Profile. (Updated on 03/16/2021). <https://legislature.maine.gov/doc/6960>

² National Low Income Housing Coalition, Housing Needs by State: Maine. Accessed on (Jan. 23, 2022).

³ United States Interagency Council on Homelessness, Maine Homelessness Statistics. Accessed on (Jan. 23, 2022). [https://www.usich.gov/homelessnessstatistics/me/#:~:text=As%20of%20January%202020%2C%20Maine,and%20Urban%20Development%20\(HUD\).](https://www.usich.gov/homelessnessstatistics/me/#:~:text=As%20of%20January%202020%2C%20Maine,and%20Urban%20Development%20(HUD).)

⁴ Id.

⁵ https://www.mainehousing.org/docs/default-source/housing-reports/2022-point-in-time-survey---statewide.pdf?sfvrsn=1aa68615_7

⁶ See Glenn Jordan, Maine Home Sales Continue to Break Records Despite Pandemic, Portland Press Herald (Dec. 22, 2020), <https://www.pressherald.com/2020/12/22/maine-home-sales-continue-to-breakrecords-despite-pandemic/>; Maine Association of Realtors, State of Maine Single Family Home Sales. (Updated Dec. 31, 2020).

⁷ Edward D. Murphy, Maine's Housing Market Defies Typical January Drop, Builds on Red-Hot 2020, Portland Press Herald. (Feb. 19, 2021). <https://www.pressherald.com/2021/02/19/maines-housing-marketposts-more-big-gains-in-january/>.

⁸ Id.

⁹ <https://www.newscentermaine.com/article/money/economy/rent-costs-are-increasing-nationwide-and-maine-is-no-exception-bangor-portland-apartment-list-redfin-costar-group-prices/97-27bf2f5e-3b5e-4ac5-92e3-50616bde31dd>

speculation in the real estate market which incentivizes landlords to raise rents and/or evict tenants to pursue higher-end development. This is occurring not only in Maine's cities, but also in rural parts of the State.¹⁰ We must confront the fact that gains for some result in losses for others and take steps to end the rental housing crisis.

Maine's tenants are in desperate need of affordable housing. The largest rental assistance program in the U.S., the Section 8 Housing Choice Voucher Program, only funds vouchers for 1 in every 5 families who are eligible for it. In Maine, there are 25,742 families on the waitlist for the program. The patchwork of other state and federally funded voucher programs serve only narrow subsets of Maine's renter population. Keeping Mainers in shelter is critical to support their economic security and personal wellbeing.

Homelessness is a Racial Justice Issue

Black people make up 34.6% of the homeless population in Maine¹¹, while they less than 2% of Maine's population.¹² This means that the percentage of black people who experience homelessness in Maine is 19 times the percentage of Black people in the general population. This is in comparison to the data in the U.S., where Black people make up 13% of the general population and 40% of the homeless population,¹³ nationwide Black people who experience homelessness is 3 times the percentage of Black people in the general population.

Statewide, 58% of renters are Black, 40% are Asian while 27.8% are White, and 70% of Black people rent as opposed to 30% of Black people that own. Approximately 27% of renter households are extremely low income). Over 40% of households who rent pay more than 30% of their income in housing related costs. Maine renters' median household income is 51% below homeowner households (\$35,103 renter vs. \$71,913 owner). Severely cost burdened poor households are more likely than other renters to sacrifice other necessities like healthy food and

¹⁰ University of Maine School of Marine Sciences, Fishing Communities Need to Prepare For Gentrification Challenges. (Aug. 23, 2016). <https://umaine.edu/marine/2016/08/23/fishing-communities-need-preparegentrification-challenges-say-umaine-researchers-2/>; Megan Mayhew Bergman, 'We Have No Market But Lots of Lobsters': A Maine Lobsterwoman Fights For Her Livelihood, The Guardian. (July 23, 2020). <https://www.theguardian.com/environment/2020/jul/23/maine-lobsterwoman-coronavirus-climatechange>

¹¹ https://www.mainehousing.org/docs/default-source/housing-reports/2022-point-in-time-survey---statewide.pdf?sfvrsn=1aa68615_7

¹² <https://www.census.gov/quickfacts/ME>

¹³ <https://my.neighbor.org/demographics-statistics-homelessness/#:~:text=and%20unsheltered%20locations.-,Race,homelessness%20at%20even%20higher%20rates.>

healthcare to pay the rent, and to experience unstable housing situations like evictions.¹⁴

CONCLUSION

As we all know the consequences of lack of shelter are severe, both to the family and to society. They include the exacerbation of problems which may have caused being without shelter in the first place. Unsheltered people have less access to housing, jobs, health care, education and basic needs like food and clothing. Isolation and lack of social support are well-documented aspects of people who lack shelter, particularly for people living with mental health or substance abuse disorders. Women, men, and children without shelter have significantly less family support and this often limits opportunities for recovery and prevention. Once someone becomes unsheltered, it is likely they will need additional government assistance to return to stable housing.

The funds in this bill that are dedicated to keeping people sheltered are not enough. Nonetheless they are critically needed. These funds will not be sufficient to solve Maine's homelessness problem, much less our affordable housing crisis. These funds may not even count as a first step in solving a housing crisis that has been decades in the making. What these funds can do is stop unsheltered people from freezing to death in the middle of a Maine winter.

For the foregoing reasons Maine Equal Justice strongly urges the passage of LD 3.

¹⁴ National Low Income Housing Coalition, 2021 Maine Housing Profile. (Updated on 03/16/2021). <https://legislature.maine.gov/doc/6960>