

**TESTIMONY
OF HEATHER JOHNSON, COMMISSIONER
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT**

Before the Joint Standing Committee on Appropriations and Financial Affairs,
the Joint Standing Committee on Labor and Housing
and the Joint Select Committee on Housing

Hearing Date: January 26, 2023

Hearing Time: 1:00 p.m.

“An Act to Make Supplemental Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2023.”

Good afternoon, Senator Rotundo, Representative Sachs and members of the Joint Standing Committee on Appropriations and Financial Affairs; Senator Tipping, Representative Roeder and members of the Joint Standing Committee on Labor and Housing; Senator Pierce and Representative Gere and members of the Joint Select Committee on Housing. My name is Heather Johnson, and I am the Commissioner of the Department of Economic and Community Development. I am here today to testify in support of LD206, the Supplemental Budget.

For the Department of Economic and Community Development (DECD), the supplemental budget does not request any additional funding, but requests remaining funds be carried forward to be used for the same intended purpose in the Housing Opportunity Program, General Fund Account. These funds will ensure municipalities have the financial assistance necessary to implement zoning policies, to support increased housing development.

PART L

Sec. L-1. Carry provision; Department of Economic and Community Development. Notwithstanding any other provision of law to the contrary, at the end of fiscal years 2022-23 and 2023-24, the State Controller shall carry forward into the next fiscal year any unexpended balance remaining of the \$2,756,126 appropriated in Public Law 2021, chapter 635 in the All Other line category in the Housing Opportunity Program, General Fund account for the purpose of supporting and encouraging the development of additional housing units in the State.

PART L SUMMARY

This Part authorizes the State Controller to carry forward to fiscal year 2023-24 and fiscal year 2024-25 any unexpended balance of the \$2,756,126 appropriated in in the Housing Opportunity Program, General Fund account, All Other line category in fiscal year 2022-23 to be expended for the same purposes.

HOUSING OPPORTUNITY PROGRAM

The Housing Opportunity Program was established in DECD in 2022 through Public Law 2021, chapter 672 which provided program guidance and chapter 635 which provided funding for two limited period positions as well as operating funds and grant funds to meet program requirements. While I am pleased to report that we are working collaboratively with the Maine State Housing Authority to establish statewide housing production goals and providing technical assistance to regional planning organizations and municipalities implementing zoning and land-use policies, it is the grant programs that have been delayed. The statute requires that the grant programs have established rules for administration, and it is this process that has caused the delays. The first round of grant funds will be released before the end of the fiscal year, but we will require the remaining funds after July 1st to complete the grant programs.

Pursuant to statute, a report will be provided by January 15, 2024, to the Joint Standing Committee on Labor and Housing relating to the development of additional housing units in Maine, including housing units that are affordable to low- and moderate-income people and housing units targeted to community workforce housing needs.

LANGUAGE SECTION

Part L of the Language Section may be found on **Page 7** of the budget document.

Part L authorizes the State Controller to carry forward to fiscal year 2023-24 and fiscal year 24-25 any unexpended balance of the \$2,756,126 appropriated in Public Law 2021, chapter 635 in the All Other line category in the Housing Opportunity Program, General Fund account for the purpose of supporting and encouraging the development of additional housing units in the State.

This concludes my testimony for the Department of Economic and Community Development.

