



Maine Equal Justice
People Policy Solutions

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Testimony of Frank D'Alessandro
Maine Equal Justice
Regarding LD 206

**“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
(Committee on Health and Human Services)**

Good morning, Senator Rotundo, Representative Sachs, and distinguished members of the Committee on Appropriations and Financial Affairs. My name is Frank D'Alessandro, and I am the Legal Services Director of Maine Equal Justice. We are a civil legal services organization, and we work with and for people with low income seeking solutions to poverty through policy, education, and legal representation. Thank you for the opportunity to offer testimony in support of LD 206.

In particular, Maine Equal Justice is testifying in support of the allocation of funds set forth in line 0130 in the amount of \$5,029,408 to provide one-time funding to cities and towns to meet projected obligations in the General Assistance program.

Approximately 80% of general assistance expenditures are spent on housing assistance. The funding set forth in line 0130 is necessary to provide municipalities with the resources they need to assure that Maine's most vulnerable residents have shelter.

**WHY MAINE EQUAL JUSTICE SUPPORTS THE FUNDING PROPOSAL
SET FORTH AT LINE 0130**

This Funding is Required to Address Maine’s Affordable Housing Crisis.

Everyone in Maine deserves a safe, affordable place to call home, and the opportunities to fulfill their potential that comes with it. Even before the pandemic, Maine’s rental housing market was among the least affordable in the nation, and our state has not done enough to protect people who are being priced out of their homes. Nearly 60% of extremely low-income households pay more than 50% of their monthly income towards rent, a threshold which HUD deems *severely* rent burdened. These families continuously face the threat of eviction for non-payment. Finding affordable housing has become so difficult, many Mainers become homeless because they simply cannot find an apartment that meets their budget. According to MaineHousing’s 2020 annual report Maine needs about 25,000 more affordable housing units to respond effectively to the need.¹

This Funding Will Help Address the Racial Inequality That Has Been Highlighted by Maine’s Housing Crisis

This is a racial equity issue as well. In Maine as in the rest of the country, people of color are disproportionately harmed due to the lack of affordable housing. According to Pine Tree Legal Assistance, between 2017 and 2019, 12% of households they represented in eviction court were non-white, though only 5% of Maine’s population is non-white. Significantly, according to a study conducted by the Maine State Housing Authority in 2019, 26% of Maine’s homeless population is Black or African American even though they make up only 1% of Maine’s population.²

This Funding is Required to Address Changes in Maine’s Real Estate Market Resulting from the Pandemic

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

¹ <https://bangordailynews.com/2021/07/26/news/the-pandemic-made-maines-affordable-housing-problem-worse/#:~:text=Maine%20needs%20about%2025%2C000%20more,to%20MaineHousing's%202020%20annual%20report>.

² https://www.mainehousing.org/docs/default-source/housing-reports/2019-point-in-time-survey.pdf?sfvrsn=6d6fb415_4#:~:text=The%202019%20survey%20respondents%20were,in%20those%20who%20experience%20homelessness.&text=Over%201%2F3%20of%20the,2019%20survey%20were%20under%2018.

2019 and Fall 2020, with a 27% increase in the number of units sold.³ Gains are expected to continue, fueled in part by out-of-state buyers moving to Maine.⁴

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 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.⁵

Keeping Mainers in their homes is critical to support their economic security and personal wellbeing. Of all the things we can do to support families and individuals trying to rebuild their economic security post-pandemic, housing is at the top of the list.

Maine's tenants are in desperate need of affordable housing. The Emergency Rental Assistance has ended and 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.

Why Providing Adequate Funding for General Assistance is so Important

With the end of the Emergency Rental Assistance Program, General Assistance is the only source of rental assistance that many families are eligible for, and it is the only program that provides housing assistance that does not have a waiting list. Even if GA is not a perfect program and even though there are other critical steps needed to solve our housing crisis, the proposed funding contained in the

³ 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-break-records-despite-pandemic/>; Maine Association of Realtors, *State of Maine Single Family Home Sales*, <https://www.mainerealtors.com/wp-content/uploads/2021/02/StateofMaine20Data.pdf> (last updated Dec. 31, 2020).

⁴ *Id.*

⁵ See 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-prepare-gentrification-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-climate-change>.

supplemental budget is a key step to ensure that Maine's most vulnerable residents receive the help they need to remain housed and avoid homelessness.

While this bill is not the answer to everything, it is a critical first step in ensuring at least a modicum of housing security for our State's most vulnerable residents.

For these reasons, MEJ strongly urges the committee to pass the General Assistance funding set forth at Line 0130 of LD 206.