

Testimony, LD 258

February 9, 2023

Anne B. Gass

Good afternoon Chair Rotundo, Chair Sachs, Chair Pierce and Chair Gere, and distinguished members of the AFA and Housing Committees.

I am writing to support LD 258, and in particular a proposed \$30 million appropriation for affordable housing.

Further, I am requesting that funding be set aside for use by Maine community land trusts (CLT) and housing trusts (HT).

CLTs/HTs have existed in Maine since the 1970s. They are nonprofits that remove land from the speculative real estate market, and provide housing owners with a 99-year, inheritable ground lease.

There is growing interest in this model because it creates permanent affordable housing, most often for homeownership but it can also be used for rental. This can be thought of as “attainable” housing, a midway point between rental and conventional homeownership. It provides almost all of the advantages of conventional homeownership, except that there are restrictions on resale and on equity appreciation. Still, nationally, about 60% of CLT/HT homeowners are able to save sufficient funds to buy into the conventional real estate market.

While I unequivocally support efforts to increase affordable rental housing in Maine there are many working people who are priced out of the current real estate market, and there simply isn't enough public subsidy to help them.

With public subsidy growing ever scarcer, CLTs/HTs are the most efficient way to ensure that subsidies are used to benefit not just a lucky few, but many people over time.

Maine's CLTs/HTs are looking for recognition of the validity and necessity of this model as one tool in the affordable housing "toolbox" of programs, and for operating and development resources.

To strengthen their capacity, Maine's CLTs/HTs have begun working together to form a statewide entity to provide resources and technical assistance to new and existing organizations.

As you consider uses of the \$30 million in housing assistance under discussion today, we request that CLTs/HTs be included as eligible applicants, or that you appropriate additional funding to support the CLT/HT providers in Maine.

Thank you for your attention.