



April 14, 2023

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Good afternoon, Senator Pierce, Representative Gere, and members of the Joint Select Committee on Housing. My name is Nate Howes. I'm a development officer with Avesta, a former MaineHousing employee, a MAHC board member, and a Portland renter. As a reminder to those unfamiliar with our work, Avesta Housing is a non-profit developer and manager of affordable housing in Maine and New Hampshire.

I want to leave you with three central thoughts today:

1. We have a housing crisis in the state of Maine.
2. Avesta has hundreds of affordable units in the pipeline to help alleviate the issue.
3. Significant additional funding is required if we are to make any serious reduction in the crisis.

On the crisis itself, I don't want to repeat too much of what's already been said at various hearings over the last couple of months. However, I would like to reiterate Avesta's perspective on current housing challenges.

#### **Avesta Housing Stats:**

1. We had **9,000** applications in **2022**, **30%** more than **2021** and **double 2020**.
2. The number of applications was **12x** the number of homes that came available during that same period.
3. Available vacant units are sometimes only online for 24 hours because we're inundated with applications; A recent vacancy at Pearl Place in Portland received 40 complete applications in less than 24 hours.
4. We receive approximately **80-100 phone and email** inquiries per day.
5. We received **1,000 applications** for a recent **52-unit project**.
6. **Just below half (43%)** of our applications processed in 2022 were from households that identified as **homeless**.
7. Additional state directed funding, via MaineHousing, is critically needed to increase the production of more safe, affordable housing in **both rural** and **urban** areas across the state.
8. These funds are also essential to **leveraging** federal **resources** such as the low-income housing tax credit, Federal Home Loan Bank below market financing, federal and state historic credits, and other subsidies to fund the construction of new affordable housing.

#### Avesta Production:

1. Avesta has **200 units** in pre-construction right now, meaning we are in the process of obtaining municipal approvals and funding.
2. These units are **not currently funded**. They are applications, some with highly detailed conceptual drawings, pending new MaineHousing programs. These MaineHousing programs, for example the 4% tax credit program, will require additional funding.
3. Without the requested additional funding, these units will either **never come to fruition** or will be **massively delayed**, thus prolonging the suffering of those without homes or those who are rent burdened.
4. If the funding were made available in this budget cycle, construction could start within a year.
5. In addition to these units already in pre-development, Avesta is evaluating new land leads daily.
6. Currently, the parcels that we are pursuing could lead to another **200 units** with the **next 3-5 years**.
7. However, our appetite for pursuing such leads requires that we have confidence that programs will be available when we are ready to apply to MaineHousing for financing. The State is therefore a critical partner in ensuring that there is money available for affordable housing development.

#### Solutions:

1. We need direct investment in affordable housing.
2. We have not met the housing needs in decades; 2008 was an inflection point but the lack of public investment has been an issue for a while.
3. This can and should be a bipartisan process. Affordable housing means jobs, affordable housing allows our state's population to grow, and affordable housing means a healthier more stable population.

Sincerely,

*Nathaniel Howes*

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Avesta Housing