



Creating and supporting quality housing opportunities for those in need in Maine.

Testimony in support of LD 1540
April 21, 2023

Dear Senator Pierce, Representative Gere, and esteemed members of the Joint Select Committee Housing:

Please accept this testimony in support of LD 1540. Quality Housing Coalition (QHC) carries out its mission through Project HOME programming and the Maine Housing Equity Project. Since 2018, Project HOME has provided over 550 households, over 1265 adults and children who have experienced homelessness and housing insecurity, with permanent housing with a 99% success rate. The Maine Housing Equity Project educates communities about the existing systemic barriers to creating affordable housing and works closely with community partners on proven solutions at the local and state level in the areas of housing supply, zoning reform, preservation of naturally occurring affordable housing, and housing stability policies.

Maine's Housing Crisis Landscape:

Maine Household Incomes:

- Maine has 593,000 primary residences (households) and approximately 194,000 second homes. U.S. Census, American Community Survey
- 39% of all Maine primary residences, 231,270 households, earn below \$50,000 per year. U.S. Census, American Community Survey.

Renters:

- According to MaineHousing's Affordability Indices, out of the total 163,185 renter households, 55%, 89,820 households, were unable to afford a median priced two bedroom at \$956/month in Maine. 89,820 housing insecure households is 15% of total Maine households.
<https://mainehousing.org/policy-research/housing-data/affordability-indices> (2020 data)
- According to MaineHousing's 2023 Outlook Report, "rental home costs are expected to continue to rise in 2023, compounded by both inflationary pressures on landlords and property managers and a private and public housing development pipeline that is being dramatically constricted by workforce shortages and supply chain troubles."
<https://mainehousing.org/docs/default-source/policy-research/research-reports/outlook-reports/2023-mainehousing-outlook-report.pdf>



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Housing Supply

- Maine needs 20,000 - 25,000 new affordable rental housing units to meet the current need. <https://nlihc.org/oor/state/me>
- Maine successfully built 156 units of affordable rental housing in 2022. MaineHousing January 17, 2023 Report.

2022 Production

Below are the new units that achieved occupancy in 2022.

Project Name	Developer	Program	City	Family/ Senior	Total # of Units
Gauvreau Place	Avesta	9%	Lewiston	Family	35
Front Street Phase 1	Portland HA	9%	Portland	Family	13
Hillside at Village Square	Avesta	4%	Gorham	Senior	27
Hartland Senior	KVCAP	4%	Hartland	Senior	30
Oriole Senior Housing	Bunker	4% Sr. Bond	Ellsworth	Senior	29
30 Mellen St.	Shalom	HTF	Portland	Family	6
34 Ohio Street	CHOM	HTF	Bangor	Family	6
89 Olive Street	Penquis CAP	HTF	Bangor	Family	6
Livermore Falls Rd.	Safe Voices	HTF+ESG-CV	Farmington	Family	2
Elena's Way	Preble St. Resource	ESG-CV	Portland	Family	Shelter
17 Warren Street	Knox County HC	SHP	Rockland	Family	2
Total Units					156

Rental Assistance

- 17,000 households renting above their affordability are currently on the Section 8 waiting list in Maine, the majority making 30% Area Median Income and below. <https://legislature.maine.gov/doc/8866>
- Approximately 12,000 housing vouchers exist between Section 8 and BRAP vouchers through DHHS. <https://legislature.maine.gov/doc/8866>

Evictions

- According to a recent study by the Maine Affordable Housing Coalition analyzing pre and post pandemic data, 73% of pre pandemic evictions were for nonpayment of a small amount of rent in the range of \$1,235. <https://mainehousingcoalition.org/wp-content/uploads/2020/09/Evictions-in-Maine-February-2021.pdf>

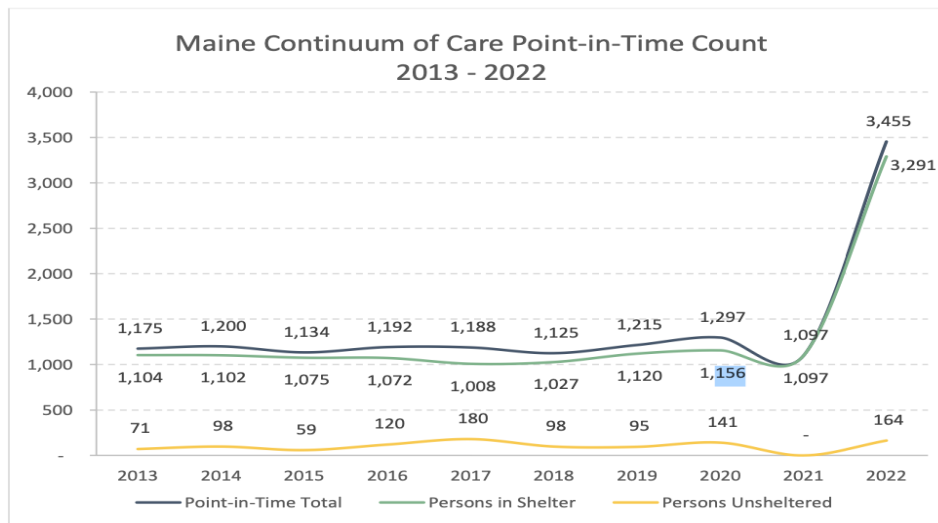


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- Since emergency rental assistance programs have now ended and there are no longer eviction moratoria in place, evictions have begun to rise back above 5,000 per year in 2022 and in 2023, and are now higher per month than they have been for the last 10 years. <https://www.courts.maine.gov/about/reports/fed-monthly15yr-report.pdf>

Homelessness Count

- Maine’s Homeless Count, which is conducted by service providers on one day in January as required by the U.S. Housing and Urban Development Department, demonstrates a dramatic increase in 2022. *This method does not account for those who are outside but have found shelter not in plain view.



Foreclosure

- Maine’s foreclosure rate rose 23.1% over the last three months of 2021, and 81.1% over the first quarter of that year. Maine’s foreclosure rate ranks 17th-highest in the U.S. and third-highest in the Northeast. <https://www.mainebiz.biz/article/maine-home-foreclosures-just-soared-23-rank-high-in-the-us-but-it-could-be-worse>

Older Adults

- “The median income for Maine women age 65+ who live alone is \$22,059, compared to \$27,008 for men.† **Therefore, it is likely that half of older Maine women who live alone would have difficulty covering their basic needs** for food, housing, transportation, healthcare, and other miscellaneous expenditures, especially if they were in less than excellent health or did not own their own home. There are over twice as many women age 65+ who live alone (50,000) compared to men (23,400).”



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<https://mainecouncilonaging.org/wp-content/uploads/2022/02/Economic-Security-Older-Women-in-Maine-Report-FINAL.pdf>

Employment Needs

- According to Amanda Rector, Maine's Economist, by 2030, Maine must attract 75,000 new employees to meet its goal to "be an international leader with a vibrant, sustainable, environmentally- responsible economy."
https://www.maine.gov/dafs/economist/sites/maine.gov.dafs.economist/files/inline-files/032823_InclusionMainePresentation.pdf

Rental Assistance Must be a Part of Maine's 2 year Housing Stability Strategy

It is very clear that **without a stable and affordable home, employees, students, patients, and entrepreneurs cannot achieve their potential.** And, the repercussions of having unstable and unaffordable housing are crushing debt, eviction, homelessness, and mental and health care crisis, which are all devastating for individuals and children as well as extremely expensive for taxpayers for emergency rooms, shelters, and jails at the deepest end of this crisis.

The dire housing situation facing Maine people, employers, and tax payers for the next 3-7 years cannot be understated. As we know from the Maine Affordable Housing Coalition report cited above, evictions dropped significantly during the time that Maine residents were receiving Federal Emergency Rental Assistance (ERA) funding and have increased to pre pandemic levels and beyond since ERA funding began ending in September 2022 and finally ended in December 2022. While the Legislature passed LD 3 to continue funding hotels and motels, other than the limited number of federal Section 8 vouchers, there is no program to assist the crisis facing Maine's renter workforce. Accordingly, QHC supports an approach that funds limited rental assistance that is tailored to Maine's needs and takes into account the important lessons we have learned from the administration of ERA.

The Stable Home Fund is designed to be temporary in nature to reduce the high number of low income Maine renter households facing eviction for nonpayment of rent while Maine is working hard to ramp up its production efforts. Although only 156 units of affordable housing were built to completion in 2022, MaineHousing predicts that nearly 1000 units will be built to completion in 2023 and 2024, and that another 2500 will be built in 3-5 more years. This means that rental assistance in this form is a temporary fix to prevent households from falling into the deep end of crises while the State is working on permanent solutions that increase the supply of housing.



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The Stable Home Fund is designed to provide current low income renters with an additional \$300/month, paid directly to their landlords on their existing lease. Additionally, the Fund is designed to be simple to administer to existing low income tenants who are not otherwise receiving rental assistance or living in subsidized housing. There is great urgency to enact this policy at a level this Committee deems appropriate.

Thank you for the opportunity to provide this testimony.

A handwritten signature in black ink that reads "Vict Morales".

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A handwritten signature in black ink that reads "Rod Mahoua" with a large circular flourish on the left side.

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