

**Testimony of  
Brian Eng  
Principal**

55 Weston Avenue (Madison, Skowhegan, Rumford, et al.)  
Maine Cooperative Development Partners (Portland)  
3 Lincoln (Biddeford)

**The Appropriations and Financial Affairs Committee**

April 25, 2023 (1 pm)

Senator Rotondo, Representative Sachs, and Members of the Appropriations and Financial Affairs Committee, my name is Brian Eng, and I am working with my partners to build desperately needed housing across Maine.

Thank you for the opportunity to share details regarding my work. When I offered testimony to the Appropriations and Financial Affairs Committee on February 9 and to the Select Committee on Housing on March 10, I described in detail, 55 Weston Avenue, my partnership with Sam Hight and Kara Wilbur, to develop 18 new energy-efficient apartments in the heart of Madison. These 18 homes will be housed in two modular buildings manufactured at KBS Homes factory in South Paris.

This project responds to a housing study produced by the Town of Madison which identified both the urgent need for housing and the development potential of a town-owned parcel at 55 Weston Avenue. Kara, Sam and I are thrilled to collaborate with the Town of Madison on its efforts to provide housing for GoLab workers, downsizing seniors and others. This project would not have been financially feasible but for MaineHousing's launch of the innovative Rural Affordable Rental Housing Program (the "Rural Rental Program").

Without the Rural Rental Program, we would not be able to afford to build this project, in any form. We'd be unable to secure a loan because the project would not appraise and the rents would not cover the operating costs. The higher costs associated with materials, labor, interest rates, insurance, energy, and taxes mean that projects are only feasible with

luxury rents, or where projects are subsidized in order to allow for rents affordable to working Mainers.



**Madison — 55 Weston Ave — Phases 1 & 2 We are thrilled to have received a Notice to Proceed from MaineHousing. Our plan is to break ground this year and welcome residents in 2024.**

It is crucial to keep funding the Rural Rental Program and other MaineHousing programs. Kara, Sam and I have plans for a second phase in Madison as well as a multi-phase development in Rumford and two different sites in Skowhegan. These sites that we currently control could support the creation of nearly 100 homes under the Rural Rental Program. To do so would require \$15M to \$17M of funding, which equals or exceeds the total amount proposed in LD 258 for the Rural Rental Program.

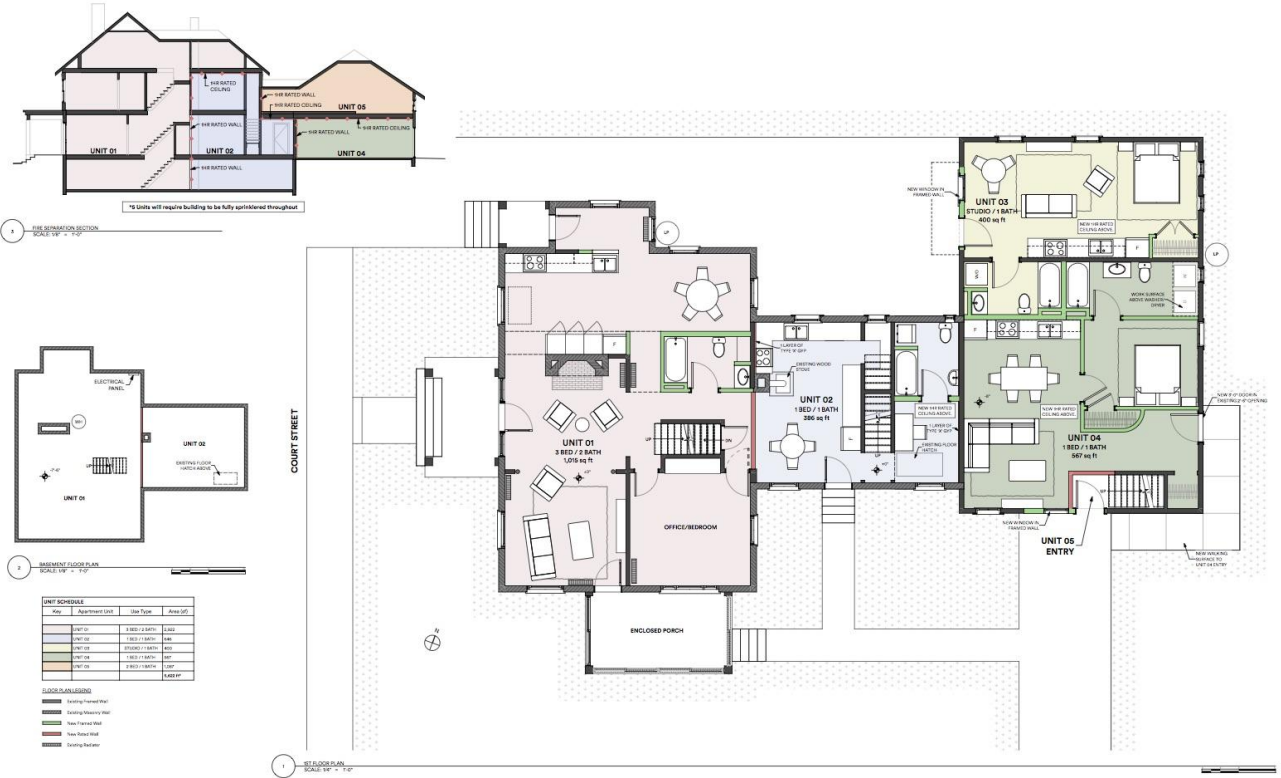
All but 5 of these homes would be manufactured at the KBS Homes factory in South Paris. Factory building creates tremendous efficiencies, taking pressure off of local trades people who are in short supply. Furthermore, the smaller scale of these Rural Rental Program projects makes it easier to efficiently utilize smaller local contractors, creating a virtuous cycle of local economic impact while increasing the capacity to build.



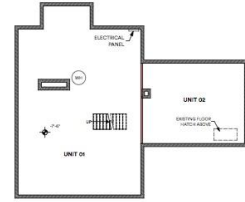
## WOODHULL

12/21/22

Skowhegan — Brickyard Hollow



SEE INFORMATION SECTION  
SCALE: 1/8" = 1'-0"



BASEMENT FLOOR PLAN  
SCALE: 1/8" = 1'-0"

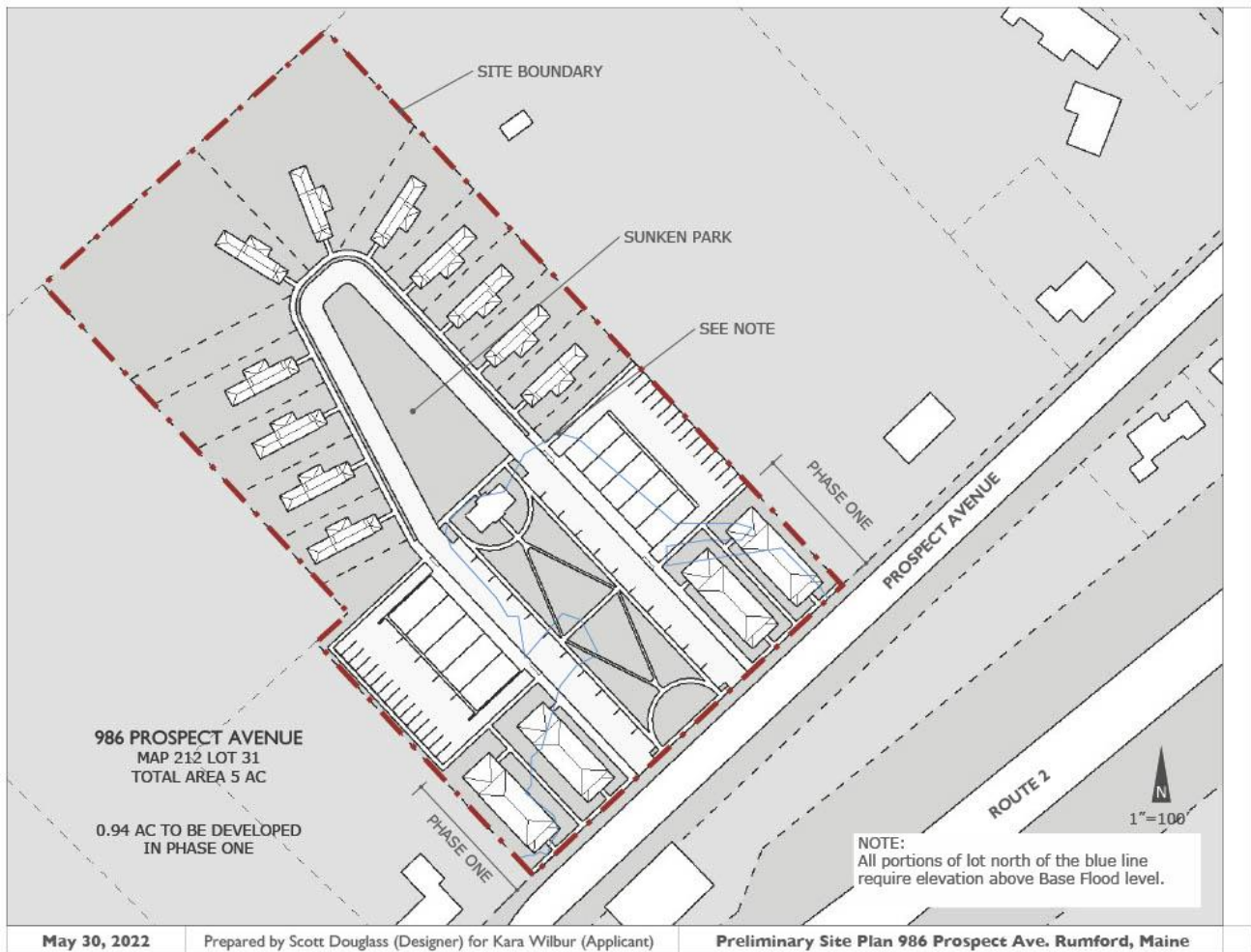
UNIT	Bedrooms	Bathrooms	Area (sq ft)
UNIT 01	3	1	1915
UNIT 02	1	1	536
UNIT 03	0	1	400
UNIT 04	1	1	567
UNIT 05	0	0	100

CALEB JOHNSON  
STUDIO

115 BUCKINGHAM ST., ANDOVER, MASSACHUSETTS 01917  
781.326.9777

BASEMENT & 1ST FLOOR PLAN  
38 COURT STREET, SKOWHEGAN, ME 04976  
PRELIMINARY DESIGN - FOR INTERNAL REVIEW ONLY 5/12/22

# Skowhegan — Court & Cross



## Rumford — Linnell

These sites in Rumford, Madison, and Skowhegan represent only a small slice of properties that Kara, Sam and I could develop using the Rural Rental Program and other MaineHousing programs. Collectively, we control properties in 22 communities across 11 of Maine's counties. And we are just one of scores of similarly situated development groups and property owners that could benefit from consistent funding of these programs at the highest level possible. Whatever funding exists will find good use in the creation of desperately needed housing.

Beyond maximizing funding for MaineHousing's existing programs, funding MaineHousing itself so that it can hire sufficient staff to continue innovating and efficiently processing

program applications is equally important. In addition to the work in smaller rural communities with Kara and Sam, I am also collaborating with larger coastal communities through Maine Cooperative Development Partners ("MCDP"), my partnership in Portland with Liz Trice and Matt Peters, and 3 Lincoln, my partnership in Biddeford with Jim Brady of Fathom Companies.

MCDP plans to use two of MaineHousing's programs, the 4% Low Income Tax Credit Walk-in Program and the Affordable Homeownership Program to build 72 income-restricted rental homes and 66 income-restricted condominium homes. We also have plans to build 90 limited-equity cooperative homes, a similar homeownership structure to the existing RaiseOp Cooperative in Lewiston and the proposed Norway Equitable Housing Cooperative. Limited equity housing cooperatives, while not yet widespread in Maine, are extremely attractive because they provide a permanently affordable home ownership opportunity for residents that does not require individual mortgages, which can prove an obstacle to many families.

MaineHousing has extensively discussed MCDP's limited equity cooperative project with us and enthusiastically supports our work. Unfortunately, it is not a perfect fit for any existing MaineHousing programs. Providing sufficient funding so that MaineHousing can continue to innovate and efficiently process program applications would go a long way towards allowing larger-scale innovative and necessary projects like MCDP's cooperative project to succeed. These larger projects are important to our larger communities like Portland and Biddeford where workforce housing issues require larger scale solutions that are not well addressed by existing MaineHousing programs.

Larger-scale projects also benefit from economies of scale. Whereas projects under the first round of Rural Rental Program (limited to 18 homes per project) averaged \$150,000 per home in required subsidy, we project that the 90-home MCDP cooperative would only require half as much subsidy per home.

This concludes my testimony. Thank you again for your time and consideration. I will be thrilled to answer any questions that you might have.

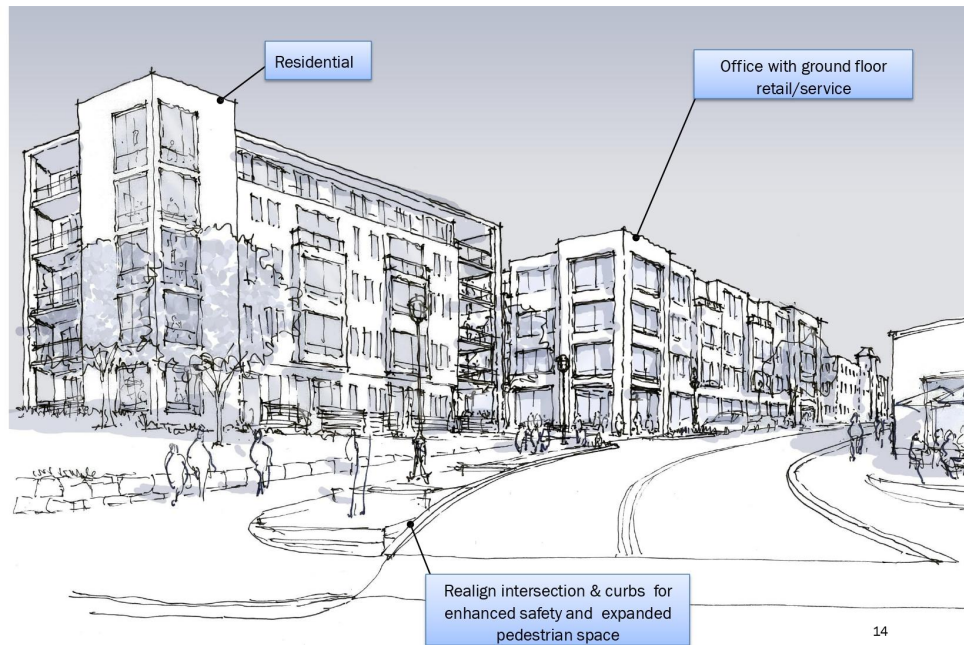


LAMBERT WOODS//MEWS-TOWNHOUSES AND ROWHOMES



**Portland — MCDP Cooperative**

**Lincoln at Elm**  
Concept



**Biddeford — 3 Lincoln**