



## **Testimony of the Island Institute in Support of LD 1074: An Act to Authorize a General Fund Bond Issue to Fund New Affordable Housing for Low-income Households**

April 25, 2023

Senator Rotundo, Representative Sachs, and members of the Committee on Appropriations and Financial Affairs, my name is Stephanie Welch, and I offer this testimony on behalf of the Island Institute in support of LD 1074 and funding for affordable housing in Maine.

The Island Institute is a 40-year-old nonprofit organization based in Rockland, Maine. We work to sustain Maine's island and coastal communities. The Island Institute's community development work focuses on resilient economies, workforce pathways, strong leadership, and climate solutions. The availability of quality, affordable housing is foundational to the viability of all communities, and the issue of housing is even more challenging on islands and in remote coastal areas.

The Island Institute works closely with community leaders and stakeholders to understand the challenges they face, and housing consistently emerges as a key issue affecting every aspect of island and coastal life. Thriving communities need places for medical workers, teachers, town employees, carpenters, fishermen, emergency responders, small business workers and other essential service employees to live. Due to their remoteness and limited transportation options, critical community members must live on the islands or in the remote coastal community where they work.

The beauty and culture of Maine's coastline continues to attract new residents, adding pressure to an already stressed housing market, and increasing the need for essential services – and for essential service workers – in these communities. Maine Housing's Affordable Housing Initiative for Maine Islands provides some relief, in the form of forgivable loans to finance multi-family rental housing on islands. Prior investments like this have had positive impacts in terms of attracting and retaining families in some of the smallest communities along our coast. In these communities, one family, one teacher, one person, can make a huge difference.

The existing funding is simply not adequate to address the significant needs in these communities. Remote island and coastal areas, like inland communities, face challenges related to rising costs of materials and land, and a lack of capacity to manage construction projects. These communities face additional financial challenges due to limited land availability and the added cost of transporting workers and construction materials to remote islands or coastal areas. Solving these financial challenges is a good first step toward ensuring a stock of available, quality, affordable housing.

The Island Institute strongly supports investment to address the affordable housing challenges all Mainers face, which are particularly magnified on islands and along the coast. We urge you to support LD 1074.