



United Way  
of Southern Maine

**LIVE UNITED**

## **Testimony 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 honorable members of the Joint Standing Committee on Appropriations and Financial Affairs. My name is Ninette Irabaruta, and I am the Director of Public Policy and Advocacy at United Way of Southern Maine (UWSM). I send this written testimony today on behalf of UWSM to support LD 1074: An Act to Authorize a General Fund Bond Issue to Fund New Affordable Housing for Low-Income Households.

UWSM is an organization that mobilizes the caring power of community by bringing people, organizations, and resources together to address immediate needs and find long-term solutions to the challenging problems of our times. And one of our most challenging problems today and the foreseeable future is the housing shortage across the State of Maine.

This bill seeks to provide funding to increase the affordable housing stock for low-income households in our State.

The housing crisis was a problem in Maine even before the pandemic, but the pandemic has shed a brighter light on our housing shortage. The price of buying a house rose 25% from April 2021 to April 2022<sup>1</sup>. Both buyers and renters have found themselves competing for the limited supply of housing. This is even more difficult for low-income households, who struggle to find safe and affordable housing.

A study published last year by Harvard University's Joint Center for Housing Studies found 41.1 percent of tenants in the State to be cost-burdened by rent, with almost 20 percent being 'severely' cost-burdened<sup>2</sup> and spending more than 30 percent of their gross income on housing. The study shows that rent has become unaffordable for nearly half of all Maine tenants. In Southern Maine alone, more than 61,000 households and 47% of all renters spend more than 30% of their income on housing costs (including rent, home loans, taxes, insurance, homeowners' association fees, and utilities).

When an individual spends more than 30% of their income on housing, it means they may not be able to afford medicine, health care, healthy food, or save for unexpected expenses or retirement. Without these necessities, people cannot thrive.

At UWSM, we understand that there are multiple factors as to why there is a shortage of affordable housing for low-income households. Maine has an aging population, workforce shortages, and supply chain issues that are barriers to constructing more affordable housing. Maine also has few financial incentives that encourage the development of affordable homes. Passing this bond will not completely solve the housing shortage, but it is a critical step that should be taken.

We encourage you to support and pass this bill so that those in much need in our state can thrive, not just survive.

Respectfully, thank you for your service and time.

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<sup>1</sup> LeClaire, Hannah. "April Home Sales Fell 21% in Maine, but Prices Went through the Roof." *Portland Press Herald*, 19 May 2022. <https://www.pressherald.com/2022/05/19/april-home-sales-fell-20-in-maine-but-prices-went-through-the-roof/>

<sup>2</sup> <https://www.jchs.harvard.edu/state-nations-housing-2022>