



Testimony to the Joint Standing Committee on Appropriations and Financial Affairs

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 Committee on Appropriations and Financial Affairs:

My name is Amy Winston and I live in Edgecomb. I am submitting this testimony in support of LD 1074, *An Act to Authorize a General Fund Bond Issue to Fund New Affordable Housing for Low-income Households*, on behalf of [Coastal Enterprises, Inc. \(CEI\)](#). Founded in 1977, CEI is a community development corporation (CDC) and community development financial institution (CDFI) working to build a just, vibrant, and climate resilient future for people in communities in Maine and other rural regions. We do this by integrating financing, business and industry expertise, and policy solutions. CEI envisions a world in which communities are economically and environmentally healthy, enabling all people, especially those with low incomes, to reach their full potential.

CEI has had a long history of engagement in the affordable housing space. While we no longer manage affordable housing properties, we continue to finance projects that create new housing units, catalyze economic activity, create jobs, and revitalize downtowns. Affordable workforce housing is a key economic challenge for the businesses we finance, affecting their ability to recruit and retain workers. CEI is a member of the Maine Alliance for Smart Growth and of the Maine Affordable Housing Coalition. CEI's Financial Development Services team provides direct counseling services, focusing on foreclosure prevention counseling for distressed borrowers and consumers throughout the state.

On April 14<sup>th</sup>, 2023, I submitted testimony in support of LD 226, *An Act to Address Maine's Affordable Housing Crisis*. This bill, which was recently tabled during a work session in the Housing Committee, would appropriate \$200 million in much needed funding to Maine Housing State Housing Authority ("Maine Housing") over a two-year period. Therefore, at this time, Maine is without the funding that is necessary to develop and construct new affordable low-income housing in the state.

The need for affordable housing for low-income individuals and the growing population of people currently living in this state is well documented. The [Commission to Increase Housing Opportunities in Maine by Studying Land Use and Regulations and Short-term Rentals](#) was established in 2022 to continue the work of a 2021 [Commission](#) created to address Maine's housing shortage. The Commission has documented the *humanitarian crisis* of homelessness and the growing number of people who are living in Maine unhoused. In testimony to the Commission, [the Maine State Housing Authority \(Maine Housing\)](#) noted the pre-pandemic disparities that existed and continue to persist, with many lower-income households facing eviction or foreclosure due to economic pressures and a tight housing market.



Affordable rental availability and vacancies have declined and limited inventories continue to drive rental prices up. As a result, the average Maine renter, whose median income is nearly half of that of the average Maine homeowner, cannot afford a 2-bedroom apartment at fair market rates (as established by HUD – the Department of Housing and Urban Development) anywhere in Maine. While recent trends reflect growing interest in homeownership, the median house price in the State is unaffordable for the median income household in all State counties except in Aroostook County.

Members of essential professions and occupations making up the backbone of Maine’s communities, such as firefighters, teachers, day care providers, and those working in the construction trades and natural resource industries, qualify for Maine Housing-financed affordable housing given the lack of adequate inventory. And there are persisting disparities between white and Black homeownership rates that urgently need to be addressed. As a state, to sustain our communities, to address the pernicious workforce shortage, we need to address the chronic shortage of affordable housing.

Funding for housing development has been identified by the Maine Affordable Housing Coalition as the primary barrier to addressing the housing crisis in Maine. There is a significant need for housing in Maine, and there are developers who are ready to build, but Maine Housing currently does not have the financial capacity to invest in the development of more affordable housing. Affordable units are typically built by non-profit developers, who finance their developments for people with low incomes by leveraging federal, state, and local funds. They are limited by the available funding and the process for receiving those funds and using tax credit programs is complex. LD 1074 will enable voters to increase the financial and technical resources available to developers through Maine Housing through a voter-approved \$100 million bond that would be used specifically for the construction and development of affordable housing.

We urge you to vote **Ought-to-Pass on LD 1074** in support of the creation of affordable housing in Maine. Thank you for considering our testimony.