



5/12/2023

Support for LD 1710 HOME Act

Senator Pierce, Representative Gere, and honorable members of the Housing Committee,

My name is Craig Saddlemire, and I am the Development Organizer for the Raise-Op Housing Cooperative. I strongly urge your support for LD 1710, the HOME Act.

In order to truly address our housing crisis, I think there are five basic categories of policy that all need to be implemented in conjunction. Those are categories are:

- 1) Supply
- 2) Ownership
- 3) Tenant Rights
- 4) Rental Assistance
- 5) Zoning and Land Use

While all of these categories are important, I believe the most important ones that must come first - and which have the greatest immediate impact - are rental assistance and tenant rights.

On Tuesday, Raise-Op proudly cut the ribbon on 18 new units of affordable housing in Lewiston, which will offer high value, below-market, affordable units to low-income households earning below 60% AMI. I would like to use our project as an example of why rental assistance and tenant protections are so important.

While our 18 new units are affordable to low-income households making approximately 60% AMI, they are not very affordable for households making less than 50% AMI. So far we've had over 300 applications for the units, and the majority of applicants that we have denied have been those without enough income to afford the units. Even with lots of capital subsidy, the cost to operate an apartment building with little or no debt service is still going to be unaffordable to most households below 50% AMI, who are the ones experiencing the greatest level of housing crisis. So we can build lots of great units that are below market rent, but that still doesn't mean people can afford them.

Secondly, because we don't have sufficient rental assistance available for people who are eligible, nor proper tenant protections, the creation of new affordable housing can ironically become a tool of tenant displacement. Our new apartment buildings look really nice. And the quality of Raise-Op's investment in the neighborhood and streetscape is going to increase property values for other property owners. This increase in property value and desirability of the neighborhood can lead other property owners to:

1. Increase rents, evict current tenants, and replace those tenants with higher paying tenants, or,
2. Sell their property at a profit to a new landlord that will increase rents, evict tenants, and find higher paying tenants, or,
3. Convert the building to other uses that exclude low-income residents.

If every low-income household has access to rental assistance, and landlords are prohibited from discriminating against tenants who use rental assistance vouchers, that goes a very long way towards mitigating the problem I have illustrated. In that instance, landlords may increase rents as fair market



payment standards increase, and tenants with reliable vouchers can still afford to pay those increasing rents. With other tenant protections, such as rent control and the elimination of no-cause evictions, we can further limit the practice of price gouging and mass evictions that further contribute to tenant displacement and homelessness.

Lastly, rental assistance will increase the consumer power of tenants. In doing so, private housing developers and managers will become responsive to that consumer demand, and become more incentivized to develop housing that meets the needs of low-income tenants. If we want to house everyone, we need to offer everyone an ability to pay for that housing. Rental assistance achieves that.

Without rental assistance and tenant protections, new affordable housing can be weaponized against other low-income residents by the for-profit real estate market.

Rental assistance is central to addressing our housing crisis, and it should be at the top of any economically realistic housing policy agenda.

I ask that you please support LD 1710, and I thank you for your time and consideration of this issue.

Sincerely,

Craig Saddle mire
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