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**Testimony of Nancy Smith, CEO of GrowSmart Maine
In Support of LD 2169, An Act To Support The Development Of Workforce Housing To
Promote Economic Development In Maine**

February 6, 2024

Senator Pierce, Representative Gere and Honorable Members of the Joint Select Committee on Housing,

My name is Nancy Smith, I live in Ellsworth, and I am the CEO of GrowSmart Maine. We are a statewide non-partisan non-profit organization helping communities navigate change in alignment with smart growth. We advocate for comprehensive policies and funding for smart growth practices and outcomes. I apologize that I cannot attend today, and have instead submitted this testimony electronically.

As you know, our advocacy is usually centered in land use, and we've been before this committee many times highlighting those opportunities for strategically increasing additional housing. But we know that financing is another challenge toward achieving this shared goal. We support this bill's focus on providing 0% interest loans to developers who will build workforce housing as a sensible and sustainable strategy to increase the development of workforce housing in Maine.

In conversation with municipal staff here in Ellsworth, I would also suggest three changes to the bill language:

- Targeting this loan fund to incentivize development of properties where it makes sense in the long term; such as those eligible for a land bank (slum, blight, derelict); properties that are on water and sewer or within an urban core or village type setting; municipally owned/acquired property; and other "best suited" locations. If not incorporated into the state-level rulemaking, then allowance for municipal or regional focus along these lines would encourage growth where it makes sense in the long term, rather than adding to sprawling growth, which increases municipal obligations to provide ongoing services outside of areas where the community has determined they want to see growth.
- Allow for municipality and/or regional definitions for "attainable" or "affordable workforce housing." The 60-120% median income as determined by HUD could inadvertently price out those in the workforce in certain areas of the State. Perhaps providing proof of a wage inventory based on their major employers, or some other factor to establish what is in fact "affordable" in their area? For instance, Bar Harbor ordinances state that "moderate income" is family income which is between 80-150% of median family income for Hancock County.
- Finally, perhaps as part of the competitive application process could require the community bank to form a local committee that establishes criteria for smart and healthy developments before the banks start to release funds to developers.

With gratitude,

CEO, GrowSmart Maine