

## **LD 2169 - An Act to Support the Development of Workforce Housing to Promote Economic Development in Maine**

Chair Pierce, Chair Gere, members of the Committee On Housing. My name is John Hodge and I am the Executive Director of the Brunswick and Topsham Housing Authorities. I appear today before you to ask your support of LD 2169. First let me thank you for all the work you have done this past year to advance the cause for needed affordable housing. Much has been accomplished, more must be done.

Today's focus is on the need for those in the middle of our economy, those who do not qualify for other income based programs such as Low income housing tax credit developments or housing choice vouchers nor do they have sufficient income to rent a decent apartment or buy a starter home. While cognizant of this need for many years, it was not until recently when we were approached by a large employer in Brunswick did we understand how this was impacting our community. They have been having great difficulty in filling jobs that pay between \$17-\$25/hour which are very critical positions needed for them to function effectively.

This employer, Midcoast Hospital, has land they are willing to donate to this cause (via a long term lease), we have a local developer willing to donate their services to permit the project and we have a contractor willing to reduce their overhead and profit yet we still cannot make the numbers work. If we go after the typical funds we use to build affordable housing, we would subject the project to strict income limits once again shutting out this target population. This is not the only employer in Maine facing employee shortages due to a lack of housing.

What we need to give this project a chance to proceed is access to low interest capital. The project can support debt but not at 5-6% interest. It can however support debt at 2.5-3% over a 30 year period. We are not seeking grants but rather an investment by the state whereby loans are repaid and the funds can be recapitalized into other projects going forward. We recognize that staff at the state are already stretched thin trying to get previous funds out the door so we are recommending these funds be accessed by banks in Maine who would perform all the underwriting necessary to ensure the funds are used in accordance with state requirements. Oversight will be required but our hope it will balance the need to safeguard funds while allowing the program to move quickly to address this critical housing shortage.

I'm sure there are many details that will need to be ironed out if this were to move forward. I know myself and others will make ourselves available as needed. I thank you for your time and I will do my best to answer any questions you may have.

Sincerely,

John Hodge, Executive Director

Brunswick & Topsham Housing Authorities