



Testimony in Support of LD 2214-An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for Fiscal Years Ending June 30, 2024 and June 30, 2025
Housing Initiatives and Language Parts

Joint Standing Committee on Appropriations and Financial Affairs
February 22, 2024

Senator Rotundo, Representative Sachs and members of the Committee on Appropriations,

I am Eamonn Dundon, the Director of Advocacy of the Portland Regional Chamber of Commerce. We represent 1,300 businesses in our region who employ over 75,000 Mainers. We are submitting this written testimony today to express our organization's qualified support for Language Part GG and the associated initiative and strong support for Language Part HH and the associated initiative in LD 2214.

Affordable Homeownership Program and Language Part GG

We offer qualified support for the Affordable Homeownership Program initiative that will provide \$10,000,000 for this program started by MaineHousing in 2022. While the intentions of this program are no doubt good, this initiative has questionable effectiveness and pales in comparison to the actions necessary from the Legislature to respond to our critical and growing shortage of housing units.

First funded with a \$10,000,000 appropriation from the Maine Jobs and Recovery Plan, this program has completed just 134 units of housing with the same level of state funding that is now being proposed for replenishment. The projects funded were all worthy and necessary, but a program that funds just 134 units of housing at a per unit subsidy of \$75,000 is well short of the action needed to build the 84,000 homes by 2030 that we now know are necessary. At this level of appropriation and per unit subsidy, it would take 627 years to meet the goal that we have set for ourselves for the next 6 years.

A far better approach from the Legislature would be to remove municipal barriers to housing construction that persist throughout our state. These barriers do far more to stand in the way of market driven efforts to address our housing shortage than a lack of funding or subsidy. Despite worthy efforts of the Legislature like LD 2003, municipalities remain obstinate in their opposition to growth and development. This approach must change before we continue to pump more state dollars into a broken regulatory scheme that is needlessly burdensome and micromanaged by municipalities.

Around the state, single development projects are being forced to referendum by municipal officials, tying their fate to the whims of NIMBY opposition efforts and not the dire economic need of our state to produce more housing units. On March 5th alone at least three municipalities, Kingfield, Kennebunk, and Cumberland, will face referendum votes on affordable housing developments that are facing strong opposition efforts from entrenched groups of homeowners. This level of exhaustive review on a project-by-project basis discourages housing providers from proposing projects in Maine communities and empowers the vocal minority who are opposed to change, but who can wield localized decision-making processes to halt progress.



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Municipal officials cater to this culture of no through actions small and large that persistently send the message that Maine towns are not willing to expand to meet our well identified need to boost housing production. In our region, the Town of Falmouth recently rolled back the number of zones where multifamily housing is allowed to avoid complying with new requirements in LD 2003. The Town of Cape Elizabeth rescinded their initial LD 2003 compliance amendments and replaced them with a more restrictive version. Finally, just on Wednesday night, the Scarborough Town Council voted down a small zoning request for one single family home, even though they agreed it was consistent with the nearby zoning and the comprehensive plan, just because they have made a resolution to their constituents that they will arrest much needed housing production through any means possible.

Until this culture is changed through legislative action that preempts municipalities' ability to steamroll housing production, no amount of money can dig us out of our decades of inaction. Solutions exist at your fingertips that cost nothing and simply remove local barriers to housing. Lowering minimum lot sizes, removing discretionary reviews of projects in compliance with local zoning ordinances and comprehensive plans, and removing arbitrary municipal growth caps are all steps this Legislature could take. These solutions will unleash far more units of housing through increased market interest in constructing housing than continued state subsidies which give the illusion of progress but end in paltry sums of units produced and no fundamental change to the way housing is regulated and stopped.

We ask that you strongly consider if this program is indeed the most effective way for the Legislature to address Maine's housing needs this year.

Emergency Homelessness Initiative and Language Part HH

We offer our support for the emergency homelessness initiative that will provide \$16,000,000 in one-time funding to supplement or establish programs addressing the needs of people experiencing homelessness. This initiative is essential progress toward our members' goals of avoiding unsheltered homelessness and ensuring adequate shelter capacity. Sheltering our unhoused population must continue to be a top priority of state and local government if we are to avoid another summer of the unchecked chaos that results from unmanaged public encampments. Our members were put under considerable strain due to the lawlessness rooted in these carnival-like environments last summer, and businesses in service provider communities cannot stand another summer of law and disorder.

The impacts of unsheltered homelessness effect nearby businesses, their staff and customers, neighbors, and most importantly those who are unhoused. These encampments engendered incredibly unsafe situations for all parties impacted including numerous instances of rape, assault, theft, vandalism, and fatal overdose. Since communities have had adequate resources to provided sustained shelter capacity, the number of tents in Portland has dropped over 80% and January marked the first month in years that Portland Police and EMS did not respond to a single fatal overdose. This progress is encouraging, but it must be sustained through further investment from the state. If we lose even one existing shelter due to financial difficulties, we will guarantee that this level of lawlessness and tragedy will return to our streets and public parks in the summer of 2024.

Finally, it is our hope that given the ongoing nature of this identified need in Maine communities, the Legislature strongly consider making this appropriation ongoing in either this supplemental or when you consider the next biennial budget next session.