



Testimony of

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Before

The Joint Standing Committee on Housing and Economic Development (132nd)

In support of

LD 1453: Resolve, to Establish the Innovative Factory-made Housing Working Group

Senator Curry, Representative Gere, and members of the Joint Standing Committee on Housing and Economic Development, I am Erik Jorgensen Senior Director of Government Relations and Communications at the Maine State Housing Authority (MaineHousing) and I am submitting this testimony in support of *LD 1453: Resolve, to Establish the Innovative Factory-made Housing Working Group*.

MaineHousing has been helping Maine people own, rent, repair, and heat their homes since 1969. We are an independent state authority (not a state agency) created to address the problems of unsafe, unsuitable, overcrowded, and unaffordable housing. We are authorized to issue bonds to finance single family mortgages for first time homebuyers and for affordable multi-family housing.

We are also authorized to administer a number of state and federal programs, including rental subsidies, weatherization, fuel assistance, two housing block grants,

the low-income housing tax credit program, and homeless grant programs. We receive state general fund revenue for homeless programs and receive a dedicated portion of the real estate transfer tax for the Housing Opportunities for Maine (HOME) Fund.

LD 1453 is a resolve proposing that a working group be established to study the potential of innovative factory-made housing technologies to reduce costs and accelerate production of housing in Maine. MaineHousing is enthusiastic about such a study group. As an agency we have seen increasing use of factory manufacturing techniques for projects in our production pipeline. We welcome this and agree with the sponsors that a better understanding of this type of technology would be very helpful for both affordable housing production, and more broadly understanding and supporting the factory-built housing industry in Maine.

Our experience has shown that units constructed in factories can be deployed in a fraction of the time needed for equivalently sized site-built projects, at no loss of quality. We also feel that there is a potential for significant cost savings with those techniques, though that has yet to be fully realized.

The LD 1453 working group could provide a far firmer understanding of the industrial and economic factors that come together in producing factory-assisted housing. While the current working group structure of 36 members might prove unwieldy, we do have confidence in Senator Bennett's plan to refine the membership if this proposal moves forward.

Regardless of how this task force is comprised, MaineHousing would be honored to participate in it. We are especially glad to see that this proposal is for a task force that will sit outside of our agency, as the particular research duties enumerated in

section 5 extend well beyond MaineHousing's purview and expertise. These duties are appropriately broad and will draw from resources across state government as well as private industry. We feel this resolve has the potential to create significant new knowledge and generate a new State strategy concerning this type of housing technology.

Creating housing in factories is a concept that occupies an important place in Maine's industrial history, and this bill has the potential to ensure that this history carries full-strength into the future.

We are grateful to Senator Bennett for bringing this bill forward.