



*Testimony of*

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*Before*

The Joint Standing Committee on Housing and Economic Development (132<sup>nd</sup>)

*In support of*

**LD 1287: An Act to Support Workforce Development  
by Establishing the Housing Stability Fund**

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 1287 An Act to Support Workforce Development by Establishing the Housing Stability Fund*.

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 1287 is a bill that proposes to provide rental assistance for low income households payable to landlords in the amount of \$300 per month up to a total per household of \$3,000. Like LD 1522, which is also being heard today, it offers a potential solution to the difficult challenge of rental affordability, this one at a lower level of cost to the state than with the other bill. Many of the themes you will hear around both of these bills will be similar, and regardless of what your policy decision is concerning how much funding the legislature might provide, our experience has shown that rental assistance can be a valuable tool in reducing evictions and keeping people housed.

My understanding is that this bill builds on successful work completed under the 131<sup>st</sup> legislature's Emergency Housing Relief fund, and helps to bridge a gap between what a household can afford to pay, what other programs provide, and what the household owes for rent. Between 2023 and 2024, a version of this program was being operated in Southern Maine, serving a total of 240 low-income households who received security deposits, and 109 families who accessed short-term rental assistance to serve as a bridge to employment and self-sufficiency. We understand that these households accessed an average of just 4 months of support. We know, therefore, that this is a concept that can work.

Whatever the best policy is really depends on both the priorities of this committee and the level of funding that is available. Rental affordability is a very difficult and real problem in Maine, and we do know that extremely low-income households in

our state (at or below 30% of area median income, which this bill focuses on) almost all face a severe housing cost burden. This means that they are spending more than 50% of their household income on direct housing costs (mostly rent).

If funding becomes available, MaineHousing, who is named in the bill, would be willing and able to administer this program on behalf of the state.

Thank you.