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February 19, 2026

Re: LD 2212 An Act Making Unified Supplemental Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2026 and June 30, 2027

Senator Rotundo, Representative Gattine, Senator Curry, Representative Gere, and members of the Appropriations and Financial Affairs and Housing and Economic Development committees, my name is Vickey Merrill, and I serve as Advocacy Director at Community Housing of Maine (CHOM), a statewide nonprofit developer and provider of affordable and supportive housing. CHOM develops and operates housing across Maine for individuals and families with low incomes, including people experiencing or at risk of homelessness, older adults, and individuals with disabilities. Our work integrates housing development, supportive services partnerships, and advocacy to ensure that Maine people have access to safe, stable, and affordable homes. Alongside my role at CHOM, I work in partnership with state and national leaders to advance strategic housing and homelessness policy and funding priorities. I submit this testimony in strong support of the housing initiatives included in the Governor's Supplemental Budget.

Maine is at a critical juncture. Housing costs remain high, vacancy rates are extremely low, and shelters across the state are consistently full. The strain is visible in our homelessness response system, our healthcare system, our workforce, and our communities. Addressing homelessness requires both immediate stabilization and long-term housing production. The proposals before you reflect that understanding.

I respectfully ask for your support of the following investments:

\$37.5 Million – Rural Affordable Rental Housing Program

This one-time funding to create more than 300 new affordable homes through the Rural Affordable Rental Housing Program, the Low-Income Housing Tax Credit Program, and the Affordable Homeownership Program is essential.

Rural communities face limited housing stock, aging properties, and workforce shortages. These funds will leverage federal tax credits and other financing to maximize impact while encouraging energy-efficient construction, wood fiber insulation, heat pumps, and modular building approaches. These incentives lower long-term operating costs, support Maine industries, and improve housing sustainability.

Expanding affordable housing supply is foundational to preventing homelessness and stabilizing communities statewide. Maine's rental vacancy rate remains near historic lows, while shelters across the state are consistently at or over capacity. The combination of rising housing costs and insufficient unit availability plays a significant role in driving homelessness in Maine. When supply is constrained, rents rise and lower-income households are displaced, increasing entries into shelter and prolonging stays. Increasing affordable housing production creates real exits from homelessness, reduces pressure on emergency systems, and addresses the root cause of instability. Without meaningful expansion of supply, our homelessness response system will continue to operate in crisis mode. This investment directly increases the number of affordable homes available and strengthens the long-term capacity of Maine's housing and homelessness response system.

\$10 Million – Middle-Income Housing Pilot Program



Housing instability does not stop at traditional affordability thresholds. Households earning up to 120% of AMI for rental housing and up to 150% of AMI for homeownership are increasingly unable to find attainable housing.

A healthy housing market functions along a full continuum – from deeply affordable and supportive housing, to workforce rental housing, to attainable homeownership – with the ability for households to move fluidly between options as their circumstances change. In Maine, that continuum is fractured. Gaps in workforce and middle-income housing limit mobility within the system, creating bottlenecks that ripple across all income levels.

When middle-income households are priced out, pressure shifts downward, constricting lower-cost units and deepening homelessness risk. Without housing options at every level, the entire market becomes strained. This pilot program fills a critical gap in Maine’s housing continuum, restoring balance by creating attainable options for working households, strengthening workforce retention, and reducing cascading pressure on the affordable housing system.

By pairing this investment with energy-efficient and modular incentives, the state supports both immediate affordability and long-term cost stability — reinforcing a healthier, more resilient housing ecosystem statewide.

\$7.5 Million – Mobile Home Park Pilot Program

Manufactured housing remains one of Maine’s most significant sources of naturally occurring affordable housing. Supporting infill, expansion, and new development within mobile home parks — with affordability protections — is a cost-effective strategy.

Because infrastructure often already exists, modest subsidies can stretch far, potentially facilitating hundreds of new homes. This approach strengthens an important housing sector while preserving long-term affordability.

\$2 Million – Community Aging in Place Program (CAIP)

The Community Aging in Place Program provides minor repairs, safety modifications, and accessibility improvements to low-income elderly and disabled homeowners.

These modest investments prevent injuries, reduce healthcare costs, and allow residents to remain safely housed. Housing stability for older adults is homelessness prevention. It also protects limited shelter capacity by preventing avoidable housing loss among vulnerable populations.

\$12 Million – Emergency Housing Relief Fund Program

Homelessness in Maine is driven by severe housing supply shortages and rising housing costs. Rental vacancy rates remain near historic lows, and in many parts of the state, households must earn well above minimum wage to afford a modest two-bedroom apartment. Thousands of Maine people experience homelessness each year, and thousands more are severely cost-burdened — paying more than 50% of their income toward housing — placing them at imminent risk of housing loss.

Shelters statewide are consistently at or over capacity, and the acuity of need has increased significantly in recent years. Lengths of stay have grown longer, not because people are unwilling to exit, but because there are too few affordable units available to move into. As a result, the entire homelessness response system becomes constrained, limiting turnover and reducing the system’s ability to respond quickly to new crises.

This \$12 million investment will provide critical flexibility to support emergency shelter, diversion, transitional housing, rapid rehousing, and permanent housing solutions. It will allow communities to stabilize households quickly, prevent short-term crises from becoming chronic homelessness, and reduce strain on healthcare systems, law enforcement, and municipal services.

A strong homelessness response system must have both the resources to respond immediately to crisis and the capacity to connect people to long-term housing solutions. This initiative strengthens that system at a time when demand continues to outpace available housing options.



Increased Funding for Emergency Shelters

The proposed increase in support for emergency shelters through MaineHousing's Emergency Shelter and Housing Assistance program — \$1.25 million in the current fiscal year and \$1.5 million in the next — is critically important. While LD 2124 establishes a long-term structural funding solution and I urge the Committee to pass this important bill, this investment provides essential bridge funding to ensure shelters can sustain operations and continue serving Maine people in the immediate term.

Shelters statewide are operating at or beyond capacity, while costs continue to rise due to inflation, staffing challenges, and increasing acuity of need. Without adequate state support, shelters cannot sustain operations, and communities feel the impact immediately.

Emergency shelters play a vital role in protecting health and safety, preventing further trauma, and connecting individuals and families to permanent housing solutions. They are a cornerstone of a robust homelessness response system. Sustaining them is essential while we expand long-term housing options statewide.

A Coordinated Housing and Homelessness Strategy

What makes the housing initiatives in this supplemental budget particularly strong is that combined they address the housing system comprehensively:

- Housing production to increase supply,
- Workforce and middle-income housing to relieve market pressure,
- Preservation and expansion of manufactured housing,
- Prevention through aging-in-place investments,
- Flexible emergency relief resources, and
- Stabilization through a strong shelter system.

Ending homelessness requires both immediate response and sustained production. Shelters provide safety and stabilization. Housing development creates the exits from homelessness. One cannot succeed without the other. If we don't prioritize investing in housing supply, shelters will remain over capacity. If shelters are not adequately supported, people will experience greater trauma and instability while waiting for housing to become available — often in unsheltered conditions or encampments, which carry serious human and community impacts. A balanced, well-resourced system is imperative.

Housing is infrastructure. It is economic stability. It is public health. It is workforce strategy. And it is the foundation of an effective homelessness response system.

I respectfully urge the Committee to fully fund these initiatives and continue strengthening Maine's housing and homelessness response systems.

Thank you for your leadership and commitment to ensuring that all Maine people have access to safe, stable, shelter and affordable housing.