



***Testimony of John Egan, on behalf of the Genesis Community Loan Fund, before the Joint Standing Committee on Appropriations and Financial Affairs and Joint Select Committee on Housing, in support of LD 258, "An Act Making Unified Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2023, June 30, 2024 and June 30, 2025."***

February 9, 2023

Good afternoon Senator Rotundo, Representative Sachs, Senator Pierce, Representative Gere, and members of the AFA Committee and the Joint Select Committee on Housing. My name is John Egan. I am the Senior Program Officer for Strategic Initiatives at the Genesis Community Loan Fund.

The Genesis Fund is a critical link and a proven guide in the development of affordable housing and community facilities in Maine. We're a nonprofit Community Development Financial Institution with a mission to bring together resources to create housing and other economic and social opportunities in communities across Maine. We have a 30-year track record of providing financing and technical

assistance to nonprofit organizations and mission-oriented project developers throughout the state.

Affordable housing is a primary focus of our work.

As a mission-driven lender, we provide financing that project developers are not able to get from other sources--often for projects that might not happen without our involvement.

In addition, Genesis has a team that provides technical assistance—that is, expert guidance in many areas of financing and project development. We work directly with communities and project developers to help them put plans in place and secure funding for housing development and preservation.

We recently expanded this technical assistance work through a contract with MaineHousing that is allowing us to assist communities all over the state, especially in rural places. We are guiding local municipalities, coalition groups, and newer local developers through the steps it takes to plan and finance projects to create local housing.

Genesis sees strong need statewide to build affordable rental units in Maine's rural towns and large cities.

We are particularly focused now on rural communities, where limited rental options are forcing Maine people into situations such as those recently reported in Washington County. A series of articles reported by the *Maine Monitor* at the end of last year describes a stark situation of rental shortages and soaring rents in that beautiful part of our state. It verified reports of working people living in rent-to-own storage sheds never intended for housing.

From outreach and assistance that Genesis is providing now, we know there is highly commendable work happening at the local level of rural Maine communities.

We are hearing from, and working with, dozens of communities, including folks in Sanford, Kittery, Bowdoinham, Thomaston, Rockport, Winslow, Skowhegan, Ellsworth, Machias, Carrabassett Valley, and Rangeley. We have identified at least 8 tangible projects already that will be well-suited to, and will need funding from, the Rural Affordable Rental Program. We expect others to come together this spring. With funding, these groups will be able to move forward on affordable rental housing projects critically needed now, and also planned with a vision of their towns' futures.

They know what can work in their communities—it is critical that there is funding to support them.

Genesis will continue to identify new rural projects and partners that can benefit from programs like the Rural Affordable Rental Program. We are committed to advising and coaching developers and communities that may be new to the development process and/or matching communities with developer partners.

**The need is great.** No one should be living in a rented shed.

Maine must build more housing all over the state, and smaller-scale projects in rural communities will have a huge impact. Genesis and local groups and project developers statewide have plans and solutions ready. What we need is funding. We're grateful that the Governor has included \$30M for affordable housing in the proposed state budget, and we ask you to support that.

Thank you for the opportunity to testify.