

131st Maine Legislature

Joint Standing Committee on Appropriations and Financial Affairs
With the
Joint Select Committee on Housing

Testimony of the Maine Association of Public Housing Directors 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"

09 February 2023

Senator Rotundo, Representative Sachs, members of the Joint Standing Committee on Appropriations and Financial Affairs, Senator Pierce, Representative Gere, and members of the Joint Select Committee on Housing.

I am Christopher LaRoche, Executive Director of Westbrook Housing Authority, I am here today as a member and on behalf of the Maine Association of Public Housing Directors (MAPHD). The Maine Association of Public Housing Directors is comprised of 23 public housing authorities working across the state of Maine. We support the proposal in LD 258 to transfer \$30,000,000 from the unappropriated surplus of the General Fund to the Maine State Housing Authority for the Rural Affordable Rental Housing Program and the Low-income Housing Tax Credit Program.

I will be brief, in respect of the Committee's time dedicated to this important work to discuss the urgent need for more affordable housing in our State. We believe this is an issue we can all agree on. The challenge before us is how to achieve this goal with the resources that are available to us. The magnitude of the production of affordable housing requires the attention of all parties concerned, private and public housing developers; local, county, and federal government and the State of Maine. We urge you to support the initiative to divert surplus funds to the construction of new housing units. While better zoning, thoughtful collaboration and improved construction methods can reduce the costs of building housing, it ultimately requires substantial funding to build affordable housing.

This allocation of funds continues to build upon the success of the past 20 years and the more immediate success of the last four years of the Legislature's commitment to address the shortage of affordable housing.

The 23 municipal Housing Authorities have been building affordable apartments in rural and urban communities as far south as York and as far north as Fort Fairfield. To meet this immediate need, eleven of our member Housing Authorities across the state have 1,238 apartments in their pipelines and shovel ready for construction. Additional resources at the state level will facilitate these – and many other -- projects.

The \$30 million being proposed will leverage other funds such as the State and Federal Low Income Housing Tax Credit program, State and Federal Historic Tax Credits, Community Development Block Grants, Local Community Bank loans, and other programs such as the federal Home Loan Bank's Affordable Housing Program.

We understand there is tremendous pressure on state government to be prudent and fiscally responsible with the taxpayers hard earned money. We can think of no other need greater than that of having a safe, secure, and stable place to call home that will provide an immediate response. We urge you to adopt this proposal.

Thank you.

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I am Christopher LaRoche, Executive Director of Westbrook Housing Authority, and I am testifying in Support of LD 258.

I wish to provide you an example of the impact of this \$30,000,000 will have from an economic standpoint. In the past 5 years and inclusive of new construction to commence in 2023, Westbrook Housing will have produced or preserved 365 affordable housing units in the City of Westbrook. Through the actions of the Legislature in support of bonds and the Maine Real Estate Transfer Tax, and its support of Maine Housing, \$15,496,086 of subsidy has been dedicated to create these affordable housing properties. The State funding has leveraged \$41,590,057 of funding capital that is non-interest bearing and would have otherwise been distributed to another state. In addition, Westbrook Housing and its development corporation has infused \$6,750,000 of matched funds to these properties. The State funds leverage over three times the amount of non-interest-bearing capital.

The investment by the state in my example is \$117.93 per month per household for a period of 30 years. I could go into a detailed analysis of how this offsets general assistance, or the costs related to housing immigrant families, or the added costs related to families in school systems who are homeless. We are all aware that the Social Cost to stabilize families reduces the overall present and future costs of municipal, county, and state government.

One final point, any Bill to fund Affordable Housing has a secondary impact as a Jobs Bill, as in my example \$85,118,231 is infused into the Maine economy through construction payroll, material purchases, and vendor payroll. The result is an approximate \$4,468,700 in Maine personal income tax and sales tax.

Thank you for your time and your support of this Bill to fund Affordable Housing.