

Good afternoon Senator Rotundo; Representative Sachs and co-chairs Representative Gere and Senator Pierce,

My name is Merritt Carey and I'm a co-founder of Maine Working Homes, a small LLC aimed at creating home ownership opportunities for year round Mainers. Our work is focused primarily in the midcoast. I'm an attorney by training, but have long worked in rural economic development and in fisheries. I formed Maine Working Homes after completing a report on the state of Maine's Working Waterfront for the Island Institute; the interviews I conducted up and down the coast for that report demonstrated what I already knew, the housing crisis was negatively impacting Maine's ability to grow. From small aquaculture farmers, to larger employers like Brooks Trap Mill and famed boat builder Lyman Morse, every business had a story about how the housing crisis was negatively impacting growth. The overarching theme was an inability to hire and or retain workers because employees, or prospective employees, could not find a place to live.

Maine Working Homes' first project was the creation and sale of condominiums in South Thomaston - one was sold to a nurse from Pen Bay Medical Center. Prior to purchasing our condo, the nurse had put in multiple offers on houses, beat out every time by cash buyers; and she was about to become a traveling nurse because she was so discouraged with her inability to purchase a home.

While our focus has been on ownership, we have recently turned our attention to rental properties. With rising interest rates many who could have become home owners 6 months ago, are now priced out. A lender in Knox County recently told me that the bulk of her pre approved buyers tap out at \$250k. Currently in Rockland and Thomaston, there are 3 houses for sale under \$250, all of which need considerable work.

Finding ways for people to live in the communities they work in is critical to the well being of every community, both in practical terms - think firefighters, EMTs etc., and in cultural terms - coastal and seasonal communities should not be places only the very wealthy can afford. The Rural Rental Affordable housing program provides the best chance we have for easing this tension both in the short and long term. The program mirrors the communities it's intended to serve: small, nimble, gritty. Like Maine's small communities, the Rural Rental program gets the job done in a straightforward and no frills fashion. That is what we need more of - programs that create incentives for getting projects done and hold developers accountable to provide reasonably priced housing.

In Maine, we are excellent doers, but private capital will not flow to affordable housing creation without support - there is too much risk and even the most frugal and best intended development projects will not succeed in creating housing that is affordable. With the cost of materials and labor, the math simply does not work. I know because we have tried multiple times to make the numbers work on prospective projects and any new build will result in rents that are too expensive for rural communities. The Rural Rental Affordable Housing Program with its straightforward and small scale approach encourages those in smaller communities to get involved in solving the housing problem, and that's the kind of skin in the game that will help Maine block and tackle its way to a solution. And because Mainers know how to get stuff done, this program will get leveraged; housing will get built, and the pressure will ease. Let's get this

funding appropriated so along with birds chirping this spring, we'll hear the sound of hammers ringing throughout rural Maine.

Thank you for your time and collective consideration.

Respectfully submitted,

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