



Testimony of
Erik C. Jorgensen
Senior Director of Government Relations & Communications
Maine State Housing Authority

Before
The Joint Select Committee on Housing

In support of

L.D. 2: An Act to Address Maine's Housing Crisis

April 4, 2023

Senator Pierce, Representative Gere, and members of the Joint Select Committee on Housing, 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 the amended LD 2, *An Act to Address Maine's Housing Crisis*.

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.

MaineHousing has supported the Housing First approach for more than a decade, and we have seen repeated evidence, both locally around the country, that it works. It's not surprising to learn that housing turns out to be the master variable in homelessness. That sounds self-evident, but we have seen that, when affordable housing is combined with some basic on-site supports and services, lives that have been in crisis can become stable. And when that happens, all sorts of real and measurable social benefits begin to accrue - both to the individual residents and the community.

The challenge of housing first has always been the need to identify ongoing service funding for these critical services. Getting a building is often the easiest part - where these programs stumble has been in the challenge of keeping the services going. That's why this bill, which identifies an ongoing

funding source in the form of the state portion of the Real Estate Transfer Tax, is so exciting. It's set up so that in the beginning, proceeds can be used to build the infrastructure, and then once the construction is done, that same funding stream can be redirected to provide sustainable ongoing support to maintain the needed services at those properties.

Over the past few weeks, we at MaineHousing have worked with both the governor's office and DHHS to work through the particulars of how this bill might actually work. We think that the draft amendment before you is a good one. MaineHousing will finance the construction of these projects, and DHHS will support the services.

Mostly, we would like to go on record as a strong supporter of both housing first and this legislative proposal.