



# Maine People's Alliance

Senator Pierce, Rep. Gere, and members of the Joint Select Committee on Housing. My name is Cate Blackford and I am the Public Policy Director of the Maine People's Alliance. MPA is Maine's largest community action organization, with over 32,000 members across the state.

Thank you for the opportunity to express our support for LD 226, An Act to Address Maine's Affordable Housing Crisis.

Last session, MPA advocated for Rep. Millett's bill to invest \$100M in affordable housing built with project labor agreements and maximum energy efficiency standards. Thank you to all of you who voted to support that effort, which ultimately raised the energy efficiency standards for all housing funded by Maine Housing<sup>1</sup> and invested \$20M specifically in building housing developments with Project Labor Agreements. At the time, the \$20M was paired with another \$50M in housing development funds from ARPA and there were concerns that there would be little interest in the funding that came with the PLA requirements because of a lack of development capacity in the state and workforce shortages.

Thankfully, these concerns were unwarranted, and the funding was rapidly committed to eligible developments in the pipeline. We quickly saw that there is growing capacity by developers in the state and an urgent need to provide additional state funds to scale up our affordable housing developments. The lack of state funding to do so is a primary barrier.

As you all know well, Maine is short over 22,000 affordable rental units<sup>2</sup> and there is a general agreement that we must add at least 1000 affordable homes every year if we are to significantly reduce our unmet need. That will take high levels of additional funding and is why we support LD 226. This bill's cost may seem high compared with existing funding levels but is necessary.

Maine People's Alliance strongly urges the state to invest in the creation of those homes while simultaneously passing additional measures to increase our housing supply overall, and reform and fund rental assistance to create housing stability for the tens of

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<sup>1</sup> [https://www.mainelegislature.org/legis/bills/display\\_ps.asp?id=1656&PID=1456&snum=130](https://www.mainelegislature.org/legis/bills/display_ps.asp?id=1656&PID=1456&snum=130)

<sup>2</sup> <https://nlihc.org/housing-needs-by-state/maine>

thousands of Mainers who are burdened by high rent costs.<sup>3</sup> Even in our existing subsidized affordable housing programs, many Mainers are still cost burdened, as rents are set based on AMI, not their individual ability to pay.

According to a recent study by the Urban Institute, zoning changes alone do not have a significant impact on housing affordability.<sup>4</sup> They must be combined with investments in affordable housing, anti-displacement measures and other means of creating housing stability in the short term.

Housing is a human right. To fully treat it as such, we urge you to fight for all three of these components for solving our housing crisis together. Yes, the price tag for investing in new construction and rental assistance is high, but compared with the scale of the crisis and the effects it has on Maine families every day, it is an investment well worth making.

Thank you for your time and the thoughtful work you are doing.

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<sup>3</sup> According to Maine Housing, in Maine 41.5% of renters are cost-burdened, paying more than 30% of their income on housing. Low income renters are hit hardest by cost burden. Extremely low-income renters paying over 50% of their income on housing comprise 16% of all renters. 45% of all renter households are below 50% Area Median Income. 54% of extremely low-income renters have substandard housing (defined as lacking complete plumbing or kitchen facilities

<sup>4</sup><https://www.urban.org/research/publication/zoning-change>