



*Testimony of*  
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*Before*  
The Joint Select Committee on Housing

**LD 462 An Act to Assist Persons Experiencing Homelessness in  
Areas of High Rent by Seeking a Waiver from the Federal Government**

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 respectful opposition to **LD 462 An Act to Assist Persons Experiencing Homelessness in Areas of High Rent by Seeking a Waiver from the Federal Government**

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.

This bill seeks to address a problem that is real, which is the disparity between federal “section 8” Housing Assistance payment standards and actual rental rates. In many places, a voucher simply will not provide enough assistance to meet the cost of market rent. Nobody cares more about these sorts of issues than Representative Madigan, and I have the utmost respect for her advocacy on behalf of her constituents. But we do not believe that the proposed remedy outlined in this bill is a workable one.

First, MaineHousing does not have jurisdiction over most of the vouchers in Maine, and therefore we can’t seek a waiver on behalf of vouchers we don’t control. Voucher programs are mostly handled locally, by Maine’s public housing authorities. In areas where there is no PHA,

MaineHousing serves that role and issues vouchers, but in total we administer only about 1/3 of the approximately 12,000 vouchers in Maine.

Secondly HUD does not provide for any sort of temporary waiver of its FMR rates. There are established ways to request a permanent waiver from HUD. HUD allows all agencies with Housing Choice Voucher programs to reevaluate Fair Market Rents through a rigorously defined methodology that requires the agency to submit the request via the Federal Register and a detailed mail survey paid for by the administering agency. There are 19 FMR areas in Maine and in order to request a reevaluation the requesting agency or agencies must administer 75% of the vouchers in that area. In 2020 MaineHousing conducted a successful FMR reevaluation for Knox, Lincoln, and Waldo counties that cost over \$30,000 just for collecting the required data. A re-evaluation process requires an extraordinary amount of staff time and consultant costs, and it is by no means guaranteed to be successful.

Like many PHA's in Maine, MaineHousing already has a temporary waiver in place for its vouchers that allows us to 120% of FMR, but this will be rolling back with the end of pandemic assistance.

Finally, it is important (and this might be the most important factor) to note that successful reevaluation increases the value of the voucher, but it does not bring any extra funding from HUD. It just means that you can spend more on some vouchers but the funding has to come from other vouchers within your pool.

MaineHousing and our local public housing authority partners have long called on HUD to make FMR reevaluation easier, less of a financial burden to conduct, and to fully fund the voucher program. But at the moment, those are all just wishes. And for those reasons we do not believe that this bill will achieve what it seeks to do.