



Testimony of
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Before
The Joint Select Committee on Housing
IN SUPPORT OF
LD 470: "An Act to Support Lead Abatement in Older Residential Properties"

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 strong support of LD 470: "An Act to Support Lead Abatement in Older Residential Properties"

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.

We are very grateful that Representative Cloutier submitted this important bill. As this Committee well knows, the health hazards posed by lead contamination in Maine's older housing stock are well documented, as are the daunting challenges of responding to the scope of this issue. MaineHousing has been working on lead remediation for many years. Our lead program provides low or no cost funding to low and middle income homeowners and landlords for lead remediation. To do this, we have used a series of Federal lead abatement grants, and in more recent years we have paired these with funds made available from the 128th Maine Legislature, which provided a total of four million dollars that we've used over the course of the past four years. That funding is now fully allocated. The federal funding has also been fully used, but we expect to be applying for a new federal grant this year.

The important part of our ability to combine state funding with federal funding is that not only does it provide additional resources to complete more projects, the state funding is much more flexible

and allows us, by layering funding sources, to better meet the needs of more people. Just one example of this is that the Federal lead program is limited to people at or below 80% AMI – and sometimes lower. The state program provides remediation assistance for folks who are up to 100% AMI. This is important, because someone making a little more than 80% AMI is still going to be heavily cost burdened – they are not likely to have the resources to do a full home abatement themselves. In other cases, we are able to combine federal and state funding in the same project to allow a larger remediation project than the federal funds alone would allow for

Almost all of the projects that run through our programs have been referred to us by the Maine Center for Disease Control (MECDC). Maine law requires children be tested for lead at 2 and 3 years of age. Healthcare providers report to the MECDC any child with high blood lead levels. The MECDC investigates and will issue an order to abate if lead is found. Through an MOU with MECDC, MaineHousing's lead program assists these property owners, and by leveraging the federal funds, we have made over 400 units (both Fed and State Lead funded) safe for children to live in.

A typical profile of a program participant is a single-family owner occupied home with three children (one child had lead poisoning and the other 2 had high levels of lead in their blood). The family was over income for the federal program, they did not have any funds to pay the owner match, and the cost exceeded the per unit limit due to the number of windows. The family qualified for the state lead program, MaineHousing was able to waive the owner match and allowed the project to exceed the per unit limit. This is important – the federal program simply does not provide any flexibility to deviate from its guidelines.

There is nothing we do in our agency that is more important than this. LD 470 would allow us to continue to work with the CDC to approach lead remediation with this layered state and federal approach. With this bill, Rep. Cloutier is proposing to provide ongoing funding of a million dollars per year, which is approximately what the program has been shown to use. To have a predictable source for this funding would be a great benefit to us and would allow us to almost double the amount of funding available each year, assuming we get more federal lead remediation money. I should add that should the legislature decide to go with another single appropriation to last several years, that would be fine with us too, but the ongoing need suggests the real utility of ongoing funding, and this would be the right level.

I am attaching a table from our website that shows the two lead programs side by side so you can get a better idea of how they line up. The State program, in the left-hand column, is what this bill would be funding.

Thank you for your interest in this issue.

Lead Paint Remediation Program Comparison: State & Federal

MaineHousing receives funding from State and Federal sources to offer programs that provide funding to single-family households and owners of rental properties in Maine to help make their homes and rental properties lead safe. Priority for program funds will be granted to abatement projects for housing in which a child resides and who has been determined to have an elevated blood lead level.

Program Component	State-funded Program	Federally-funded Program
Grants	<ol style="list-style-type: none"> 1. Owner-occupied single-family homes. 2. Owners of multi-family rental units; and Owners of multi-family rental units must commit for a four-year period to lease units to households with incomes at or below <u>100% of the Area Median Income (AMI)</u> and to keeping rents affordable, not to exceed HUD's published <u>Fair Market Rents</u>. 	<ol style="list-style-type: none"> 1. Owner-occupied single-family homes. 2. Owners of multi-family rental units; and Owners of multi-family rental units must commit for a three-year period to rent at least 50% of units assisted with Federal Lead Program funds to households with incomes at or below <u>50% AMI</u> and the remaining units to households with incomes at or below <u>80% AMI</u>; and Owners of multi-family rental units must prioritize renting to households with children under 6 years of age.
Owner Match Requirements	At least 10% of the costs of abatement if not under abatement order; and at least 25% of the costs of abatement if the building is under abatement orders.	No owner match requirement.
Amount of funding available per project	<p>Up to \$30,000 for an owner-occupied, single-family home; and up to \$15,000 per unit for rental units, with no limit on the number of units that can be enrolled in the program.</p> <p>Outbuildings needing to be addressed per a Lead Design Plan may receive up to an</p>	<p>Up to \$16,000 for an owner-occupied, single-family home; and up to \$10,000 per unit for rental units, up to 10 units per building.</p> <p><u>Note:</u> units funded through the federal lead program may be eligible to receive up to \$3,238 of Healthy Homes funding per unit to address a</p>

	additional \$15,000 to abate or demolish.	variety of health and safety issues.
Funding available to reimburse landlords for the cost of materials to do their own lead abatement work	<p>Owners who are licensed lead abatement contractors may seek pre-approval from MaineHousing for reimbursement of materials only.</p> <p>Note: Owners who are licensed lead abatement contractors must receive pre-approval from MaineHousing in order to seek reimbursement for costs related to materials for lead abatement projects.</p>	No funding is available to reimburse owners for materials or labor to do their own lead abatement work.

ELIGIBILITY

Program Component	State-funded Program	Federally-funded Program
Income Eligibility	Income of households being served must be at or below <u>100% AMI</u> .	<p><u>Owner-occupied, single-family homes</u>: households must have incomes at or below <u>80% AMI</u>.</p> <p><u>Multi-unit rental buildings</u>: owners must rent at least <u>50%</u> of the units being assisted with program funds to households with incomes at or below <u>50% AMI</u> and the remaining units to households with incomes at or below <u>80% AMI</u>.</p>