

Testimony of the Greater Portland Council of Governments
In Support of
LD 1721, *An Act to Create Transitional Housing Communities for Homeless Populations in the State*
May 12, 2023

Senator Pierce, Representative Gere, and Members of the Special Select Committee on Housing, my name is Belinda Ray, Director of Strategic Partnerships at the Greater Portland Council of Governments (GPCOG). I am here today to speak on behalf of GPCOG in support of LD 1721, *An Act to Create Transitional Housing Communities for Homeless Populations in the State*.

We would like to thank Senator Jill Duson for bringing this important legislation forward in consultation with our organization and many of our member communities. It represents our best thinking about how, specifically, Maine can effectively manage an ever-increasing number of unhoused people.

According to December 2022 [data](#) from the U.S. Housing and Urban Development's Office of Policy Development and Research, Maine people have experienced a 110% increase in homelessness from 2020 to 2022, and an 85% increase in homelessness from 2010 to 2022. Although Maine's unhoused population is small compared to states like California, in Maine 32 of every 10,000 people are unhoused, placing our state among the highest ranked states in the country by this measure – for comparison, California has 43.7 unhoused people per 10,000 population.

And the numbers are growing. Since the start of 2023, almost 1000 people have arrived in our region without a place to live. Federal, state, and local resources have been stretched to the breaking point – and beyond – in efforts to house and care for everyone. And Greater Portland is not alone – many communities in Maine face similar challenges meeting the needs of the unhoused.

While we are truly grateful for the emergency shelter funding provided earlier this year by the legislature to MaineHousing, and thankful for MaineHousing's tremendous partnership, new shelters are at full capacity as soon as they open. The need continues to grow daily. We believe it's very important to craft a new state policy to meet this moment in time, with the understanding that Maine's unhoused challenge won't go away – instead, it's very likely to continue to grow.

According to the United Nations High Commissioner for Refugees ([link](#)), as of May 2022, over 100 million people had been forced to flee their homes, more than double the number from 10 years ago, and the highest number since World War II. That number is expected to exceed 117 million in 2023 ([link](#)). War, drought, famine, flooding, political persecution, and economic chaos are all contributing to a growing population of displaced people, and some of them are coming to Maine.

So, what should we be doing?

LD 1721 offers two solutions, linked together. Build more transitional housing in different parts of Maine and allocate funding for support services at those facilities.

First, we recommend establishing a new fund at MaineHousing dedicated to supporting the creation of Transitional Housing Communities. These housing communities are intended to be welcoming places equipped to house and support unhoused people as they transition to full inclusion in our communities. Transitional housing is a piece of the puzzle that is largely missing in our state. It is permanent housing that is used

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temporarily by people who are circumstantially homeless. People placed in transitional housing typically use it for up to two years before transitioning into permanent housing situations. As people who have located permanent housing move out of transitional housing units, new people move in until they, too, have gained the stability and connections they need to obtain their own permanent situations.

Once created, transitional housing can serve our state and its communities for generations to come. Transitional housing is, first and foremost, permanent housing. When it is not being used for transitional purposes, it can be used as workforce or affordable rental housing – a purpose that is written directly into this bill.

Each transitional housing community is envisioned as a cost-effective investment, far less expensive than hotel rooms (see table, page 3). With cooking facilities and community spaces, as well as dedicated places for support services, we see transitional housing communities as locations that can welcome people and set them on the path to becoming self-sufficient.

LD 1721 directs MaineHousing to create 400 new transitional dwelling units for families, with at least one transitional housing community in each of the 9 homeless response service hubs established by the State in 2021. For single individuals, the bill directs MaineHousing to create 500 units, again dispersed throughout the state in alignment with homeless response service hubs. We believe aligning these new transitional housing communities with existing response service hubs will capture further efficiencies and increase effectiveness by building on existing service and support networks.

We also believe placing transitional housing communities in all parts of the state will bring economic and social benefits to host areas. Like housed people, unhoused people are diverse and with appropriate support, they can contribute in many ways to strengthening any community.

In addition to providing the mechanism to catalyze the creation of transitional housing, LD 1721 allocates funding to the Maine Department of Health and Human Service to provide services to transitional housing communities. The bill specifically provides DHHS flexibility in accomplishing this work – we envision DHHS as funder and coordinator, not as a direct service provider.

Each transitional housing community will work with its associated homeless response service hub to identify the best way of deploying the DHHS funding to meet the needs of its residents. Services may include (among other things) health care, counseling, language learning, housing navigation, transportation, job training, and cultural brokerage.

LD 1721 represents a substantial investment of state resources. But Maine lacks a smart, effective strategy for dealing with a problem that is growing and is not going away. Municipalities, faith communities, and nonprofits cannot cope with what we face today, despite their heroic efforts to do as much as they can. We need your help, and LD 1721 offers a solution.

We believe the investment proposed by this legislation will yield many valuable benefits. Permanent transitional housing is:

- Much cheaper than hotel rooms
- Much safer than and more stable than living on the street or perpetually couch- or basement-surfing
- Much more efficient and effective for delivering support services
- Much more likely to help Maine retain the social and economic benefits that unhoused people possess

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The up-front costs on LD 1721 are high, but once established transitional housing will represent a cost savings for the state. We believe a smart, long-term investment in unhoused people across Maine will return to us manyfold, in our communities, in our economy, and in our hearts.

For all these reasons we urge you to support the passage of LD 1721. Thank you for the opportunity to share our support, and please let me know if I can do anything to advance your work on this important legislation.

Sincerely,

Belinda S. Ray

The table below illustrates the cost savings associated with using intentionally established, permanent transitional housing instead of relying on hotels to fill the gaps in our system.

COSTS BY MODEL	Transitional Housing Community	Hotels without Negotiated Rates	Contract Hotels with Negotiated Rates
Annual Rent for 200 Units	\$2,880,000	\$17,520,000	\$8,760,000
Annual Cost/Unit	\$14,400	\$87,600	\$43,800
Monthly Cost/Unit	\$1,200	\$7,300	\$3,650
Annual Meals for 200 Families	\$2,040,000	\$17,812,000	\$8,760,000
Annual Cost/Family	\$10,200	\$89,060	\$43,800
Monthly Cost/Family	\$850	\$7,422	\$3,650
Annual Rent + Meals	\$4,920,000	\$35,332,000	\$17,520,000
Annual Cost/Family	\$24,600	\$176,660.00	\$87,600
Monthly Cost/Family	\$2,050	\$14,722	\$7,300

Calculation explanations for table:

1. All units assumed to be occupied by a family of four.
2. TH Community rent based on cost to construct and operate 200 efficient homes, co-located with community space.
3. Hotels without Negotiated Rates rent based on use of 200 hotel rooms at average year-round rate of \$240/night.
4. Contract Hotels with Negotiated Rates rent based on use of 200 hotel rooms at \$120/night.
5. Meal costs in TH Community are calculated at \$850/family/month (\$7 per person per diem), based on regional General Assistance rates. Families in TH Communities would have access to kitchens to prepare their own meals.
6. Meal costs in Hotels without Negotiated Rates are calculated at \$61 per person per diem, which was found to be the typical cost of hotel meals without special rates.
7. Meal costs in hotels with Negotiated Rates are calculated at \$30 per person per diem based on costs incurred at current contract hotels in the Greater Portland region.

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