



Testimony of
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Before
The Joint Select Committee on Housing

In Support of
LD 1844 (HP 1176) "An Act to Support Emergency Housing Facility Construction, Renovation
and Acquisition Statewide by Creating a Matching Grant Program"

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 LD 1844 "An Act to Support Emergency Housing Facility Construction, Renovation and Acquisition Statewide by Creating a Matching Grant Program"

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.

It is my pleasure to speak in favor of LD 1844, through which MaineHousing would establish a grant program to support capital improvements, repairs, expansions and modernization in our state's homeless shelters. It is our understanding that the sponsor, Rep. Arford, has presented an amendment to refine and simplify the bill. We have worked with her on that, and think her proposed changes don't materially change the purpose of the bill, but make it much clearer and easier to follow. We feel that this bill is designed in such a way to expand or contract depending on the amount of funding available.

I think it's fair to say that never before have Maine's shelters been so centered in the public consciousness. Homelessness is burgeoning here in our state, as it is across the country, with the housing landscape caught in a moment where inadequate supply of units means escalating rents,

often caused by the simple economics of property sales at a time of unprecedented real estate values. Add to that factors such as the opioid crisis and a steady influx of those seeking a new start in life in Maine, and the homelessness system is now being stressed more than ever before. What might have once been a problem confined to the state's larger cities is now a truly state-wide problem, one that is complex and not easily solved.

Shelters in Maine are operated by non-profit organizations and, in at least one case, by a municipality. MaineHousing's Emergency Shelter support program (Called ESHAP) provides funding to subsidize shelters supporting operations and navigation services, but our funding only covers a portion of what's needed for a shelter to run. Shelters are already strapped to raise the rest of their operating costs, and MaineHousing funds don't pay for capital improvements, expansions, or acquisitions. That's where this bill comes in. Shelters tend to be hard to raise funds for. Their constituency, by definition, is not one that has a lot of money to spare, and so fundraising is often a challenge. These grants would provide a meaningful source of capital to these organizations to help them improve their facilities to better meet the need.

Recent developments, such as Maine's homeless system redesign, have made significant strides toward helping different regions manage their own homelessness challenges while adopting a statewide coordinated approach to the problem. And while the goal of this work is to get to functional zero in terms of actual homelessness that goal is predicated on having a well-functioning emergency shelter system. This bill, if passed and funded, would provide another tool in the box to help these critical local organizations advance and meet their missions.

MaineHousing's role in this program would be to develop the guidelines, solicit and score applications, and make grants. We have experience in this, and would be able to do it quickly. We appreciate Representative Arford's focused interest in helping to improve Maine's homeless service infrastructure.