

Testimony of
Timothy Reinken

In Support of
The Governor's Biennial Budget Change Package to LD 258

Before
The Joint Standing Committee on Appropriations and Financial Affairs
May 18, 2023

Good afternoon, Senator Rotundo, Representative Sachs, and members of the Joint Standing Committee on Appropriations and Financial Affairs. My name is Tim Reinken, and I am here today representing ReinCorp. We are a real estate development, construction, and property management company based in Sanford, Maine. We have been in business since 1986 and have focused on residential, multi-family, and commercial development.

I am here today to speak in support of the Governor's Biennial Budget Change Package to LD 258. York County is currently experiencing a housing crisis unparalleled to anything our company has experienced. We are seeing an overall lack of housing availability, but most noticeable is the lack of affordable housing. You will hear testimony from several organizations this afternoon focusing on the numbers and extent of the housing shortage. I would like to focus on solutions.

Historically, our business has catered to market rate housing. But today, we are seeing hard working individuals like teachers, service workers, and government employees who cannot afford market rate rents. We have seen unprecedented inflation in operating costs on our existing housing units including utilities, maintenance, and increased interest payments. These costs translate to rent increases that outpace wage growth and cause hardships for our tenants. Newly constructed market rate housing units will necessitate even higher rents due to increases in construction costs and high interest rates. We see this trend continuing for the foreseeable future stifling our local economies.

Our company would like to commend the efforts by MaineHousing to address these issues. We believe the Rural Affordable Rental Housing Program is an excellent opportunity to provide housing units across the state in a timely manner. Any solution to the housing crisis will require an extensive investment from the State. The systems currently in place are based on a private public partnership. MaineHousing leverages the local knowledge, relationships, and capital of developers to provide cost efficient housing construction. MaineHousing can provide a subsidy to reduce the debt service of a project allowing a developer to reduce rents from market rate to an affordable rent.

Our company has prepared an 18-unit workforce housing development that is shovel ready. We are prepared to submit an application to MaineHousing as soon as funding is available and are equipped to break ground immediately. Our company, and others throughout the state, have committed extensive resources to develop solutions addressing the housing crisis. State funding is the final step to make these housing units a reality. The Governor's Biennial Budget Change Package to LD 258 is a major step towards addressing the housing needs in Maine and will provide a real impact on thousands of people's lives.

Thank you for your time. I would be happy to answer any questions.