



***Joint Standing Committee on Appropriations & Financial Affairs & the Joint Select Committee on Housing
Testimony of Laura Mitchell, Executive Director of the Maine Affordable Housing Coalition, February 20, 2024
in favor of the Supplemental Budget LD2214, with Additional \$20 Million Allocation***

Good afternoon, Senator Rotundo, Representative Sachs, and members of the Joint Standing Committee on Appropriations and Financial Affairs; and Senator Pierce, Representative Gere, and members of the Joint Select Committee on Housing. My name is Laura Mitchell. I am the Executive Director of the Maine Affordable Housing Coalition. MAHC is a nonprofit organization with 140 member businesses and nonprofits working to design, develop, engineer, finance, and build affordable homes for all Maine people.

Thank you for this opportunity to speak to you in support of the Supplemental Budget lines Part GG that allocates \$10,000,000 for Affordable Homeownership, and Part HH that allocates \$16,000,000 for the Emergency Housing Relief. Maine has made unprecedented investments in housing over the last four years. But Maine is decades behind in investing in housing. And Maine can't wait any longer.

Please allocate an additional **one-time \$20 million investment in housing** split between Maine Housing's Low Income Housing Tax Credit Program and the Rural Affordable Rental Housing program. This would come from the \$107 million unallocated portion of the Supplemental Budget. There are housing projects across Maine that are ready to begin construction, if this funding is made available. **As legislators you want to solve Maine's greatest problems with evidence-based strategies that stand the test of time, make an immediate impact, and help Maine people for the long-term. Housing is the answer.**

MAHC recently hosted a forecast of the 2024 affordable housing investment market. Six financial institutions all spoke to **the need for state funding as the catalyst for outside investment to build housing in Maine.** Without this relatively small investment from Maine, the external investment doesn't happen, and the homes don't get built.

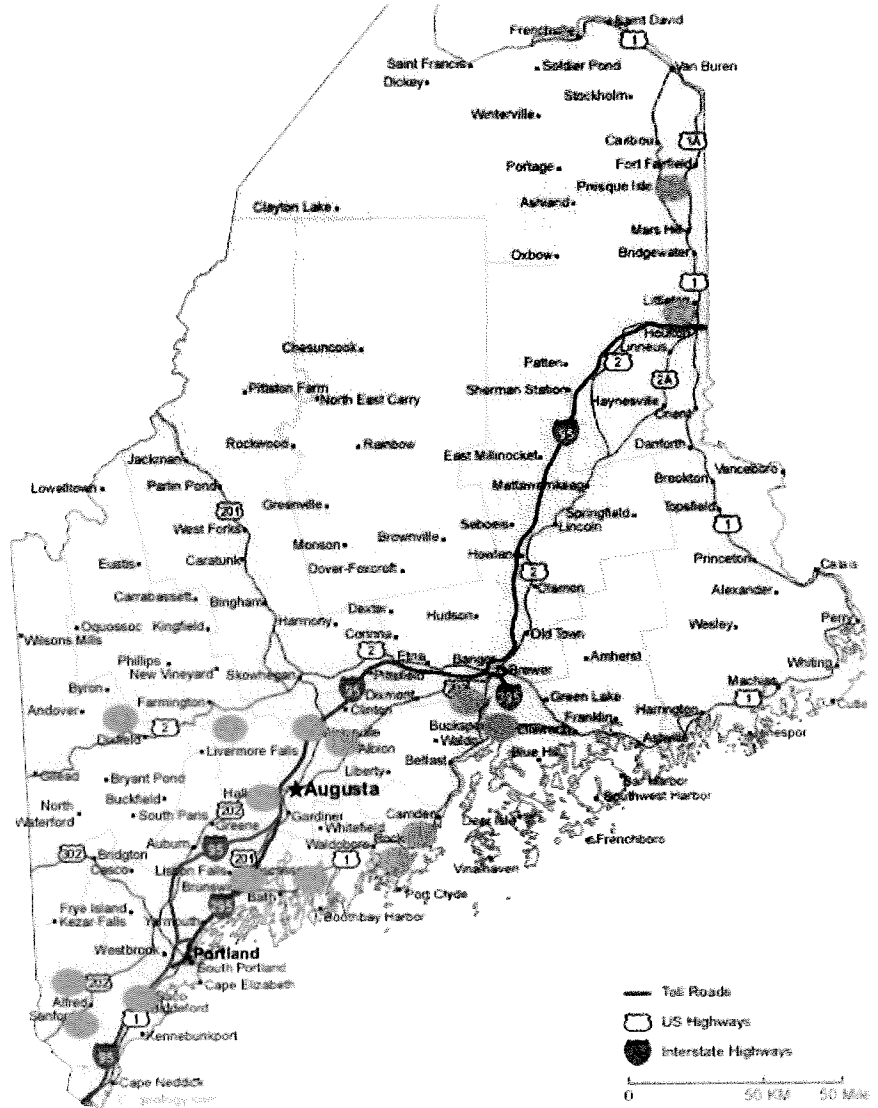
Maine is short 84,000 homes to meet demand by 2030. Addressing our housing supply crisis requires a sustained, and focused commitment to record levels of investment. Compared to other New England states, Maine invested the lowest percentage of federal ARPA funds in building housing.

With the current capacity of developers, Maine Housing has been able to distribute the funding it has received and proposed developments are left unfunded and unbuilt. This is true for LIHTC projects, as well as Rural Rental. For example, the December 2023 **\$17.5 million Rural Rental fund, had 16 project applications in need of \$45 million.** Proposed projects are located in Rockport, Newcastle, Rockland, Jay, Waterville, Rumford, Winslow, Bucksport, Sanford, Presque Isle, Orland, Biddeford, Springvale, Houlton, Hallowell and Brunswick. **Due to the limited funding and strong capacity to build, likely only about 1/3 of the proposed 244 units will receive funding.** Even with the second budget year of funding, the unfunded projects and newly proposed projects will leave homes unbuilt across rural Maine.

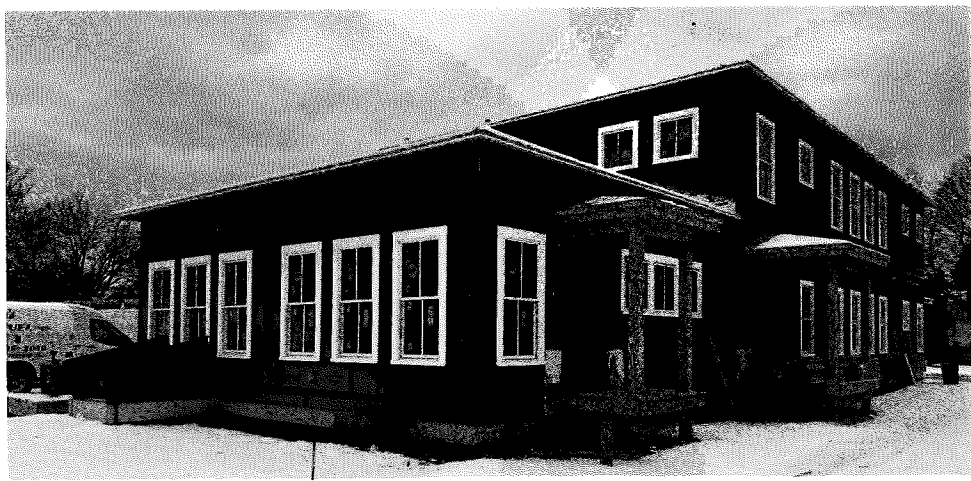
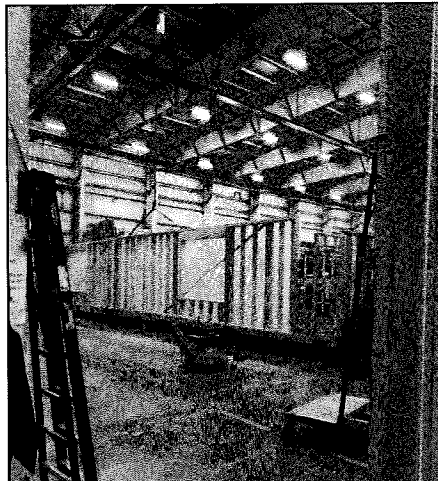
Rural Rental projects are essential for housing in small towns, and for spurring rural economies. In Madison, an all Maine-based development, consulting, and contracting team is building 36 apartments using KBS Builders, a modular residential builder in South Paris. The funding provided by the state enabled all these Maine workers and businesses to come together for the first time. The developer also has 100 more units in central and western Maine, waiting for state investment.

We know there are competing demands on the budget, but **housing is the foundation for addressing many of these needs. Housing means health and economic opportunity.** Not having housing creates far greater and costly demands on our state. I hope you take this opportunity to leave a legacy of homes for generations of Maine people. Thank you.

December 2023 Rural Affordable Rental Housing Program Proposed Project Locations (map). Sixteen Projects in Total Asked for \$45 Million in Funding, but Only \$17M in Funding is Available so Homes will Be Left Unbuilt.



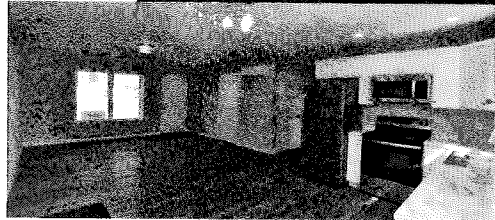
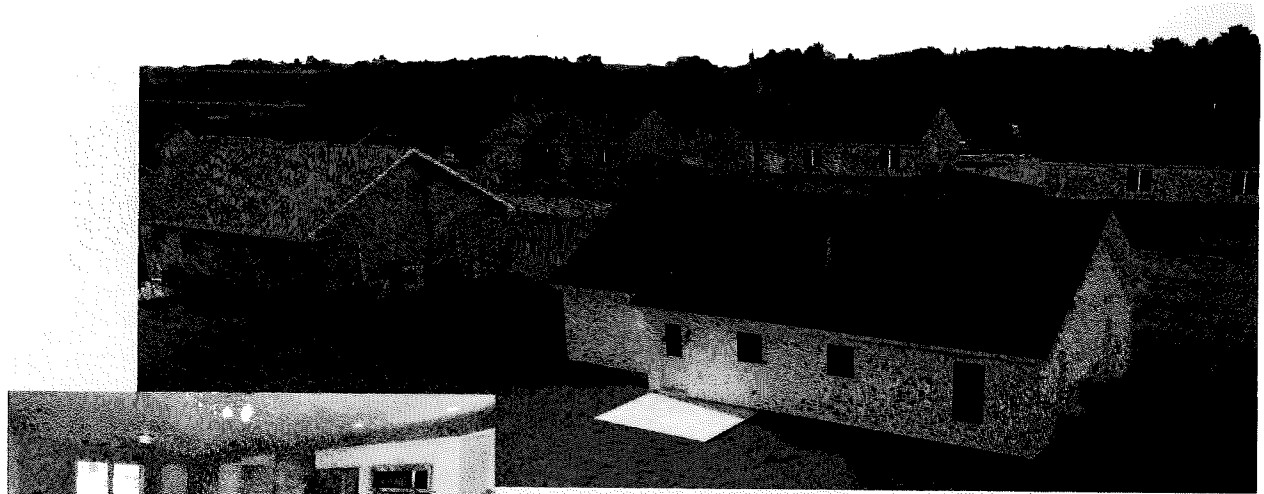
June 2022 Rural Affordable Rental Housing Project Built at KBS Modular Housing Builders in South Paris, ME (Left). On site in Madison, ME (Right).





MAINE AFFORDABLE
HOUSING COALITION

2022 Affordable Home Ownership Program, Hampden, ME



\$249,900

2 bds | 1 ba | 1,400 SF