

131st Legislature
Joint Standing Committee on Appropriations and Financial Affairs and the Joint Select Committee on Housing

Testimony of Drew Wing, Zachau Construction, February 20, 2024

in favor of the Supplemental Budget LD2214

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 Drew Wing- I'm the President of Zachau Construction located in Freeport, Maine. We are a 54-year-old family-owned company- In the last 5 years we have renovated or built over 1000 units of Affordable Housing. I can honestly say that these projects are some of the most challenging and rewarding projects that we have the opportunity to build. These projects are financially important, to us and the many Maine based sub-contractors that assist in these builds. They also align with our Core Values of – Giving back and supporting our community.

Thank you for this opportunity to speak to you in support of the Supplemental Budget lines Part GG that allocates \$10,000,000 to Maine Housing for Affordable Homeownership, and Part HH that allocates \$16,000,000 to Maine Housing for the Emergency Housing Relief Fund program. I'm also here today to advocate for the appropriation of an additional 20 million to support the LIHTC and Rural Rental Program. The overwhelming need for this housing has been established

- Maine's first comprehensive housing study found Maine is short 38,000 homes to meet current demand, and needs another 40,000 homes by 2030. More housing is needed, that is affordable across a widening spectrum of incomes, and in every community in Maine.
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The fact is that despite historic investments in housing over the past 4 years- Thank you- the available funding remains woefully inadequate to meet the unmet need and demand for housing. It is a crisis that ripples through our healthcare and social service systems, impacts our economic development and perhaps most significantly sends a demoralizing message to too many Mainers- old, young and new. "Regardless of how hard you work or have worked you may not be able to live here." I believe this is the largest issue impacting Maine and I believe how we respond to this housing crisis – Now – will have the greatest impact on the health and prosperity of Maine for decades.

The truth is we have many of the resources in place needed to address the crisis- the team at MSHA which diligently assesses projects and allocates the scarce resources, incredibly skilled developers, designers, and contractors who are ready to do the work. What is missing is the

funding needed to advance more projects. The 9% program and Rural Rental Program are oversubscribed and the 4% program often requires a complex capital stack that needs more subsidy to make the deals work. If we accept the crisis as real, if we refuse to accept the crisis- the solution is clear, we have to prioritize additional and significant funding for housing and we need to do it now. I respectfully ask that you send a clear message to the legislature and people of Maine with the appropriation of this additional funding.

Housing is not a luxury it is foundational to the health and prosperity of our communities and all Mainers.

Thank you,