



Good afternoon, my name is Larissa Crockett and I am the executive director of the Kennebunkport Heritage Housing Trust. Thank you for providing an opportunity to express my support for the proposed \$10M allocation to the Affordable Homeownership program.

The Kennebunkport Heritage Housing Trust is a 501c3 nonprofit that builds homes affordable to households earning up to 80% of the area median income, AMI, in an area with a median home price of over \$1M. The money we receive from MaineHousing through the Affordable Homeownership program is vital to the success of our work and this \$10M appropriation is needed to make sure that our next project succeeds.

We are in the Planning Board approval stage of a project that will bring six affordable homes to households that are at the core of any community. In our first neighborhood our homeowners include artists who also own a local storefront, a delivery driver, a barista, a bartender, a social worker, a disabled veteran, a public works employee, a cook, and an administrative assistant. These homeowners work, volunteer and send kids to school in our community. We expect the homeowners in our new neighborhood to be a similar mix of workers who contribute to the businesses and services we all rely on.

We are building modestly sized homes, three that are 1,000 sq. ft. and three that are under 1,400 sq. ft. The average price per unit, not including infrastructure, land cost, or soft costs, is estimated to be \$336K. We expect the total cost per unit to be between \$405K and \$425K dependent on final infrastructure costs including a road built across land that is heavy on ledge and light on any flat ground. In order for a home to be affordable to a homeowner earning up to 80% of AMI with current interest rates we need to subsidize our permanently affordable homes to sell for \$275K. The \$70K subsidy currently provided through MaineHousing's Affordable Homeownership program represents only half of what is needed to make this work.

The \$10M requested is a good start, but I hope that future discussions include a larger allocation and an increase in the subsidy for homes being built for moderate income households to purchase. The current subsidy through the Rural Affordable Rental Housing program is between \$100K and \$185K per unit. The surge in applications to the Rural Affordable Rental Housing program proves that when the financial incentive is there our for-profit development community is eager and able to help us address our housing crisis. We need rental housing in every area of the state and I am not suggesting that there be any change to that program. But by focusing a higher allocation and a higher per unit subsidy on rental housing, we are creating a reality where we will meet the 40,000 housing units shortage through rental housing only and create a generation of Maine people that are denied access to the starter homes that have allowed access to homeownership for every previous generation. Homeownership has been and continues to be the largest wealth generator, especially for lower and middle income households. I am asking that given the higher cost of building for-purchase homes and the benefit that comes from stable homeownership and opportunity for generational wealth creation, that the Affordable Homeownership program subsidy match that of the Rural Affordable Rental Housing program and that future allocations reflect this need with even greater money coming to support a necessary program.