

# Genesis

Connecting Communities to Capital

*Testimony of John Egan, on behalf of the Genesis Community Loan Fund, before the Joint Standing Committee on Appropriations and Financial Affairs, and the Joint Select Committee on Housing, in support of: LD 2214 "An Act to Make Supplemental Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2024 and June 30, 2025." February 23, 2024*

Good afternoon, Senator Rotundo, Representative Sachs, and honorable 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 John Egan, and I am senior program officer for strategic initiatives of the Genesis Community Loan Fund, which has been a community development lender for over 30 years.

Genesis is deeply committed to addressing Maine's housing crisis by providing loans directly and offering project-planning expertise at no cost to communities. Our work helps attract additional support and build momentum. My colleagues and I witness, time and time, again, that Maine communities know how to develop creative housing solutions when they have the resources.

Today, I am here on behalf of Genesis to urge you to support funding for Mainers to own homes, rent homes, and find access to emergency housing when they need it.

The Legislature has made historic, essential investments in housing over the last four years, supporting Maine people's health and stability as well as helping Maine address worker shortages and related threats to our state's economic well-being.

Yet Maine remains decades behind in creating housing supply. It is a top priority to get reliable and substantial funding to those who can create quality housing that's affordable.

Genesis has a history of supporting homeownership projects statewide. We support the administration's request to dedicate \$10 million in the supplemental budget (Part GG) to MaineHousing's Affordable Homeownership program. As a bridge lender, we have seen how important this program is for making affordable homeownership possible.

An example is Heritage Woods, an affordable subdivision spearheaded by the Kennebunkport Housing Heritage Trust. With early project financing from Genesis and funding through a previous round of MaineHousing's homeownership program, families who live, work, volunteer, or go to school in Kennebunkport were able to purchase affordable single-family and duplex homes. Now the Kennebunkport Housing Heritage Trust aims to construct six new affordable ownership homes through its Landon Woods project. New funding for MaineHousing's Affordable Homeownership Program is needed to make projects like this possible,

Currently, Genesis is partnering with 14 municipalities across Maine, from Kittery to Rangeley to Bar Harbor, where developers are exploring homeownership projects that require funding to progress further. With accessible funding, these projects will entail the construction of modest, high-quality, energy-efficient homes, attainable for first-time homebuyers and others.

Without the subsidy provided by the Affordable Homeownership program, numerous cost factors and external pressures combine to hinder the construction and sale of these homes at affordable prices.

In the Supplemental Budget, Genesis also urges support for Part HH allocating \$16,000,000 to MaineHousing for the Emergency Housing Relief Fund program. You are hearing today that record numbers of people in Maine, including students, are experiencing homelessness.

Finally, Genesis requests that the Joint Committee support an additional allocation of \$20 million for affordable housing initiatives from the unspent \$100 million in the proposed Governor's budget. This investment would be split between two programs for which there is extremely high demand: MaineHousing's Rural Affordable Rental Program and Low Income Housing Tax Credit program.

Genesis is working in partnership with MaineHousing across rural Maine to provide guidance to smaller-scale Maine developers who can and want to create affordable rental housing. They are lining up projects that are ready to go.

In December, MaineHousing' received 16 applications for projects seeking \$45 million to create new affordable homes through the Rural Affordable Rental Housing Program. These are just some of the many projects Genesis is connected to in communities across Maine that are ready to move to the next stage as soon as funds are available.

Please continue building this Legislature's legacy of prioritizing homes for all people in Maine. Invest now, to support far-reaching changes for Maine people's health and stability, and to ensure Maine communities thrive for decades to come.

Thank you. And I am available to provide any additional information or answer any questions you may have.