

Joint Standing Committee on Appropriations & Financial Affairs
Testimony of Laura Mitchell, Executive Director of the Maine Affordable Housing Coalition
April 1, 2024
in favor of the Governor's Change Package to LD2214 (The Supplemental Budget)

Good afternoon, Senator Rotundo, Representative Sachs, and members of the Joint Standing Committee on Appropriations and Financial Affairs. 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 Governor's Change Package to LD2214, the Supplemental Budget that allocates \$11,000,000 for the Low Income Housing Tax Credit program, and \$11,000,000 for the Rural Affordable Rental Housing Program.

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. Maine has made unprecedented investments in housing over the last four years. But Maine is decades behind in investing in housing. **We applaud this budget proposal, because Maine simply can't wait any longer to prioritize housing.**

There are housing projects across Maine that are ready to begin construction, if this funding is made available. 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. In the latest round of Maine Housing's LIHTC funding in December 2023, several projects with over 100 units were left unfunded.

Rural Rental projects are ready, but not getting built as well. For example, the December 2023 **\$17.5 million Rural Rental fund, had 16 project applications in need of \$45 million.** Last week it was announced that only six of the proposed projects were able to be funded. **Due to the limited funding and strong capacity to build, only 105 of the proposed 244 units will receive funding.** This additional funding will get more of these units built. And that matters, because **Rural Rental projects are not only essential for housing in small towns, but for spurring rural economies.** Many of these projects use general contractors and builders from right in the small towns – like Rumford, Hallowell, Newcastle, Rockport, and more.

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.

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.

Data Source: Maine Housing