



Testimony of
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Before
The Joint Standing Committee on Housing and Economic Development (132nd)

In support of
LD 641: An Act to Support Diversion Efforts to Address Homelessness in Maine

Senator Curry, Representative Gere, and members of the Joint Standing Committee on Housing and Economic Development, I am Erik Jorgensen Senior Director of Government Relations and Communications at the Maine State Housing Authority (MaineHousing) and I am submitting this testimony in support of LD 641: *An Act to Support Diversion Efforts to Address Homelessness in Maine*.

MaineHousing has been helping Maine people own, rent, repair, and heat their homes since 1969. We are an independent state authority (not a state agency) created to address the problems of unsafe, unsuitable, overcrowded, and unaffordable housing. We are authorized to issue bonds to finance single family mortgages for first time homebuyers and for affordable multi-family housing.

We are also authorized to administer a number of state and federal programs, including rental subsidies, weatherization, fuel assistance, two housing block grants, the low-income housing tax credit program, and homeless grant programs. We receive state general fund revenue for homeless programs and receive a dedicated portion of the real estate transfer tax for the Housing Opportunities for Maine (HOME) Fund.

We are grateful to Rep. Malon for bringing this bill forward. Funding would support and extend a Cost-effective program that was developed by MaineHousing in collaboration with homeless service providers to do exactly what the name says: solve housing problems. This is a program for which funding originally came through COVID related funding, and when that funding expired, it was picked up at a lower level by the HOME Fund. As Maine's housing shortage requires more people to stay in shelters for longer periods of time, diversion takes on a greater role, and this is a very effective tool to support diversion.

Housing Problem Solving takes a strength-based approach to solving a person's housing needs. Typically, someone calls a provider and says that they are about to be homeless. A trained worker will guide the person through a problem-solving conversation. People might remember where they have stayed in the past – don't always need money, sometimes it's just some help in working an issue through. As one of our homeless services staff told me, this is a much better and more effective

approach than just saying “here’s what we are going to do to you”; instead, it’s about helping people figure their problems out for themselves. Often, it’s a matter of walking the person through solutions, and often these solutions don’t cost much.

The key to the program is its flexibility. It can be used to provide utility assistance, housing payment assistance (up to three months); Rental application fees; Security Deposits, moving costs and storage fees. It can also apply to minor repairs that might be needed to maintain habitability in a unit when no other funds are available; Transportation, if lack of transportation will cause the client to lose their housing. It will not pay for car purchases but might pay to get a broken car back on the road. Again – the uses of the program are broad and can be tailored.

In 2024, we had 21 providers participate in the program through grants. They served 708 households, and of those, the providers resolved 504 housing crises and diverted 338 persons from homelessness. To put it differently, 71% of households served were successfully resolved. That is a much better outcome than that which occurs with the general population using shelter services.

The program can serve both those who are already experiencing homelessness over the short term, or folks at risk of becoming homeless.

I am distributing the program guide, which provides more information on how the Problem Solving program works, as well as information on the metrics we use to assess success and assure accountability. It’s an effective program and though state funding is tight, we think it’s one of those investments that will help reduce system costs by keeping people out of homelessness to begin with.

Thank you.