



Testimony of
Erik C. Jorgensen
Senior Director of Government Relations & Communications
Maine State Housing Authority

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

LD 963: An Act to Standardize Subsidized Housing Application Forms

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 opposition *LD 963: An Act to Standardize Subsidized Housing Application Forms*.

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.

Let me start by saying that I support Rep. Collins in this endeavor – the idea of standardizing affordable housing applications is a matter of common sense and you’d think it would be a simple thing to achieve. That said, the rules at each project are, with a few exceptions, structured around the source of the federal funding that initially financed the property. The funding sources that create the project tended to be active at different periods, they all have different rules, and today, those funding sources still dictate tenant selection criteria. Public Housing has different eligibility than Rural Development Housing, which in turn is different from LIHTC or HUD housing. There are different standards for the rental assistance that goes with these properties to make them affordable. A single public housing authority or property management firm might have a portfolio that includes several different types of property, hence the need for multiple application forms.

Because MaineHousing neither owns nor manages rental properties, I asked our asset management department to gauge the potential for a bill like this during a recent call they had with some of their colleagues in affordable housing management. They noted that the desire for standardized

applications is a subject that comes up frequently. They agreed that this was a real problem, but not one that could be solved with a single application, for reasons noted above. The funding sources that establish a project generally stick with the building through its entire life. Affordable housing is highly regulated on the federal level and mistakes around issues such as income certification can come with significant consequences for an owner. Therefore getting the correct information from applicants, whatever that might be, is essential.

Subsidized housing is a scarce resource for which people spend years on wait lists to qualify. Housing rules dictate that applicants coming off wait lists be treated with careful procedures and fairness so as to allow this scarce resource to be allocated appropriately and lawfully. Fairness lies at the core of affordable housing, and the various housing application forms are mostly geared to assure that.

If it were possible to successfully create a centralized application for the state of Maine, there would then be a need to have potential residents fill out supplemental applications to fulfill the occupancy requirements of the specific properties they were applying to. We don't believe this would simplify anything.