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Testimony of Representative Grayson Lookner presenting

LD 1041, An Act to Preserve Affordability in Publicly Assisted Housing Developments

Before the Joint Standing Committee on Housing and Economic Development

Good afternoon, Senator Curry, Representative Gere and honorable colleagues on the Joint Standing Committee on Criminal Justice and Public Safety. My name is Grayson Lookner, and I'm proud to represent House District 113, which includes several neighborhoods in Portland, including the Sagamore Village and Riverton Park affordable housing developments and the Homeless Services Center. I'm here today to present **LD 1041, An Act to Preserve Affordability in Publicly Assisted Housing Developments**.

Thank you for allowing me to speak today in support of LD 1041. This bill represents an important step toward addressing Maine's housing crisis by preserving existing affordable housing and protecting tenants from sudden displacement.

As you all are well aware, Maine's shortage of affordable housing is one of the most pressing challenges facing our communities. When housing developments that receive public assistance lose their affordability protections—whether through expiring subsidies, sales, or other actions—the consequences for residents can be severe. Families are priced out, stability is disrupted, and the already limited supply of affordable units shrinks further. This bill provides reasonable safeguards to prevent that loss.

The legislation strengthens notice requirements to ensure tenants, MaineHousing, and local housing authorities have sufficient time to respond when affordability restrictions are at risk of ending. If affordability covenants are set to expire, owners must provide two years' notice. If a sale is imminent, a 90-day notice is required. This advance warning gives MaineHousing and municipalities the opportunity to explore options – such as coordinating with a local nonprofit or to directly purchase the development themselves – to preserve affordability before it's too late.

Additionally, the bill reaffirms the right of first refusal for MaineHousing and municipal housing authorities. If an owner intends to sell or convert a property in a way that would end

affordability, the state or local authority has 90 days to step in and purchase the property at fair market value. This provision doesn't force owners to sell—it simply ensures that if they choose to move forward, there's a chance to keep the housing affordable, rather than losing it permanently.

In the scenario that a sale does occur and affordability expires, this bill would ensure that tenants are not left in the lurch, and that units reserved for lower-income residents cannot be raised to market rate for six months. This critical protection will give working-class and lower-income residents time to find another suitable living situation before facing unaffordable rents and risk falling into housing instability and homelessness.

MaineHousing has many tools at its disposal to preserve affordability, and this is just one more layer of protection to preserve the affordable housing that we already have. In my discussions with MaineHousing, one classification of housing that would specifically benefit from this legislation is USDA Farm Labor Housing. To my knowledge, none of this housing exists in Portland, but rural areas of the state with lots of agriculture will benefit.

With the historic investments in affordable housing that this legislature has passed in recent years, it is important that we look ahead to ensure that we can get the most out of those investments. By passing this legislation and looking into the future, generations of Mainers needing affordable housing will thank us.

This approach is fair, practical, and necessary. In Portland, for example, Munjoy South provides 140 affordable homes in a highly desirable neighborhood where market rate rent would easily fetch between two to four times what the affordable units in that development are charging. Without clear notice and intervention opportunities, properties like this could easily disappear from the affordable housing stock, leaving vulnerable residents with nowhere to go. There are many developments throughout Maine in similarly gentrifying neighborhoods that, in coming years, may face similar predicaments. LD 1041 helps prevent that outcome.

The bill also includes flexibility. If a buyer agrees to maintain affordability, the right of first refusal doesn't apply. This encourages preservation while respecting the rights of property owners.

As with everything that this legislature considers, “an ounce of prevention is worth a pound of cure,” and this is particularly true when it comes to preserving affordable housing, which is an area where it is much easier and less expensive to preserve what we have rather than building what we need.

In short, LD 1041 is a balanced solution that protects tenants, preserves housing, and supports Maine's long-term affordability goals. I urge the committee's support, and I'm happy to answer any questions.

Thank you for your consideration.