



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

Neither For Nor Against
**LD 1106: An Act to Provide Funds for the Redevelopment of the Island Nursing Home
in Hancock County Into Affordable Senior Housing**

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 neither for nor against *LD 1106, An Act to Provide Funds for the Redevelopment of the Island Nursing Home in Hancock County Into Affordable Senior Housing*.

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.

LD 1106 proposes to convert the currently unused Island Nursing Home on Deer Isle into permanent affordable housing for older people. The resolve proposes to use \$250,000 from the General Fund toward that purpose.

There's no question that such a conversion would be a valuable project, and certainly one that meets a critical public need in Deer Isle. If the legislature chooses to provide this funding, we are confident that we could do what is asked of us in LD 1106. We would expect that that the developers would also choose to accept MaineHousing financing for the rest of the project, in order to assure that the state's investment is protected by long-term affordability.

Our only real concern would be around the process of the Legislature subsidizing one particular project, when almost everything we finance is also out there looking for subsidy. Why this project, and not another equally worthy one? That, however, is a policy question for the Legislature and not one for us. Should you wish to provide this funding, we would look forward to working with the project's owners.

With regard to the report discussed in Section 1, we would be happy to report back to the Legislature on our role in the project, but we question whether a six-month deadline is workable. Progress on this project will be determined not by MaineHousing, but by the developers, who would be responsible for raising the rest of the needed funds and actually doing the work. We would be happy to report back to you once the project has been completed.

Thank you.