



MAINE AFFORDABLE HOUSING COALITION

Joint Standing Committee on Appropriations and Financial Affairs

Testimony of Laura Mitchell, Executive Director, Maine Affordable Housing Coalition

4.9.25

in favor of LD483 - An Act to Authorize a General Fund Bond Issue to Secure Prosperity for Maine Families and Businesses - Speaker. Ryan Fecteau of Biddeford

Good morning, Senator Rotundo, Representative Gattine, and members of the Joint Standing Committee on Appropriations and Financial Affairs. I'm Laura Mitchell, on behalf of the **Maine Affordable Housing Coalition, a nonprofit with 140 member businesses and more than 500 individual members**, I ask that you support LD483. It meets the 2025 Maine Housing Roadmap recommendation to provide financial tools for affordable housing development.

All Maine people are impacted by our housing shortage – whether you are comfortably housed and your town can't find housing for EMS, teachers and police officers; or you're struggling to find housing for yourself or a loved one. More housing is the solution.

As you know, Maine's recent investments in building housing have been one-time funds and there are programs that will now end without new investment. **Maine will fall back to building just 250 affordable homes a year – simply deepening our current shortage of 40,000 homes.** Last year, we built 750 affordable homes thanks to your support and federal funding. But without a housing bond, the construction of affordable homes will dramatically decrease.

We can't continue to leave Maine people out of reach of a place to call home. Home prices have increased 50% in the last 4 years; while wages have only increased 33%. Almost half of Maine renters are cost burdened. Maine's businesses want to grow their workforce, Maine's growing population of retirees need housing, and Maine is attracting residents from out of state. **As our economy and population expands, we must have the foundation of housing in place - or businesses and Maine people will suffer.**

The reality is, that the Maine housing market is broken right now. We have one of the lowest vacancy rates in the nation, at 2%. This is driving up costs and forcing people to stay where they are which stops the cycle of people moving out of shelters, into permanent housing, and home sales for downsizing or upsizing. Building housing that is affordable for Maine people requires funding. **When an average new starter or rental home costs more than \$400,000 to build, it won't be affordable for an average Maine worker to buy or rent. A subsidy for it to be affordable is required.**

In the current financial environment, bonding is the smartest approach for subsidy to create lasting homes with a one time investment. Maine Housing's Rural Rental development program will end this spring without new funding. This program has built desirable places to live in small towns across Maine from Aroostook to York county. **This spring, 22 shovel ready projects in different towns sought funding, but there's only enough for 8 or 9. That's an economic blow to the remaining 13 towns that need the housing, and the small Maine construction businesses that were going to build them.**

Similarly, 21 shovel ready larger tax credit housing projects sought funding this spring, but only 7 will get built. Without new State funding, ongoing federal tax credits can only build ~3.

Housing is the **SOLUTION** for our economy and health. Please support LD483 so these homes can get built for Maine people.

3i Housing of Maine
55 Weston Avenue
AARP Maine
ABG Consulting, Gray
Acorn Engineering, Inc.
Allied Cook Construction, Portland
Anew Development LLC, Portland
Apartments for People LLC, Belfast
Archetype Architects, Portland
Associated General Contractors of Maine
Auburn Housing Authority
Augusta Housing Authority
Avesta Housing, Portland
Bangor Area Homeless Shelter
Bangor Housing
Bangor Savings Bank
Bank of New Hampshire, Falmouth
Bath Housing
Both Savings Institution
Bellweather Enterprise
Benchmark Construction, Westbrook
Boston Financial Investment Management
Bosman Constructors, Newport
Brunswick Housing Authority
Camden National Bank
Carpenter Associates
Catholic Charities of Maine
CEI, Brunswick
CH2 Architecture, Portland
City of Portland Department of Housing
Clark Insurance, Portland
Community Concepts, Lewiston
Community Housing of Maine, Portland
Consigni Construction Co., Inc.
Cooperative Development Institute, South Freeport
Cooperative Fund of the Northeast
CREA, LLC
Credent Associates, Westbrook
Cross Financial Corp., Portland
Cumberland County
Curtis Thayer, Portland
CVS Architects, Portland
Developers Collaborative, Portland
Development Services of New England, Freeport
Dovetail Consulting
DrummondWoodsum, Portland
Ducas Construction, Inc.
Dunbar & Brown Construction
Eagle Point Development, LLC
Edson Peabody Consulting Group, Augusta
Eric Burmeister
Evermorth, Portland
Falmouth, Town of
Fort Fairfield Residential Development Corp.
Four Directions Development Corporation, Orono
Freeport Community Services
Freeport Housing Trust
Furniture Friends
Garrison Construction, Augusta
Gawron Turgeon Architects, Scarborough
Genesis Community Loan Fund, Brunswick
Gorham Savings Bank
Great Falls Construction, Gorham
Grammes Pulaski Consulting LLC, Portland
GrowthSmart Maine
Habitat for Humanity of Greater Portland
Habitat for Humanity York County
Hancock Lumber, Casco
Healthy Androscoquin, Lewiston
Hebert Construction
Home Start, Peaks Island
Homeless Voices for Justice, Portland
Housing Foundation, Orono
Housing Initiatives of New England, Portland
Housing Partnership, Portsmouth, NH
Hunt Capital Partners LLC, El Paso, TX
Island Institute, Rockland
Kishore Affordable Property
Jensen Bold Gardner & Henry, Portland
John Anton, Consultant, Portland
Kaplan Thompson Architects, Portland
Kennebec Savings Bank, Augusta
Kennebec Valley Community Action, Waterville
Kennebec Savings
KeyBank
Knox County Homeless Coalition
Lake City Investments, LLC
Landry/French Construction, Scarborough
Lafayette Consulting, LLC, Augusta
Lasset Architects, South Berwick
LB Development Partners, Portland
LeadingAge Maine & New Hampshire
Lewiston Housing Authority
M&T Bank
Machias Savings Bank
Maine Bureau of Veterans' Services
Maine Community Action Partnership
Maine Community Bank
Maine Department of Health & Human Services
Maine Equal Justice
Maine Immigrants' Rights Coalition
Maine Public Health Association
Maine Real Estate Managers Association
Maine State Building & Construction Trades
Maine Workforce Housing LLC, Portland
Mans en Mono, Midbridge
Mans Development LLC, Yarmouth
Mascoma Bank
Midcoast Regional Housing Trust
M&T Bank
Mickelson & O'Day, Inc., Bangor
North Haven Sustainable Housing
Northeast Rental Housing
Norway Savings Bank
Old Town Housing Authority
Ola Atwell CPA, South Portland
Orono Construction Management, Winterport
Penquis, Bangor
People's United Bank
PJM Construction
Portland Builders
Portland Housing Authority
Presble Street, Portland
Preservation Management, South Portland
Pretl Hattery, Portland
Rise-Up Housing Cooperative, Lewiston
Realty Resources Management
Rental Housing Alliance of Southern Maine
Rock Whiting
Rumford, Town of
Sanford Housing Authority
Scott Simons Architects, Portland
Sea Coast Management Company, Topsham
Shalom House, Portland
Silver Street Development Corporation, Portland
South Portland Housing Authority
Sparhawk Group, Yarmouth
St. Germain
Sunrise Opportunities, Machias
S.W. Cole Engineering, Gray
Suntan Company
TD Bank
Teeford Housing, Brunswick
The Gable Group, Saco
The Eagle Point Companies, South Portland
The Housing Foundation
The Park Golfarth, Portland
Thermon Tomasetti, Portland
Through These Doors, Portland
Total Construction Management, Winterport
TPD Construction Co., Sanford
United Way of Greater Portland
Utile, Inc.
Veterans Inc., Lewiston
Volunteers of America of Northern ME
Washington County Assoc for Ret. Citizens
Westbrook Housing Authority
Western Maine Community Action, E. Wilton
Wilson Scott Architects
Wishcamper Companies, Portland
WNC & Associates
Wright-Gunn Construction, Portland
Yarmouth Housing Collaborative
Year-Round Housing Corp., Long Island
York County Community Action, Sanford
York Housing Authority
Zachau Construction, Freeport
Zeno Energy Design
Zeno Energy, Inc.

**LD483
LD690**

Why Housing Bonds?



- **Support Economic Growth:** Bond funded affordable housing projects stimulate local economies. Construction jobs are created, and more affordable housing allows for better community stability, resident well being, and attraction of additional investment to the region.
- **Attract Private Investment:** By issuing bonds for affordable housing, Maine can attract private investment that wouldn't otherwise come to Maine.
- **Flexible Use of Funds:** Bonds can be used to finance a variety of affordable housing projects, from new developments to renovations or first-time home buyer support. This flexibility can help meet a wide range of housing needs in different parts of Maine.
- **Long-Term Social Benefits:** Affordable housing is crucial for tackling homelessness, growing our workforce, and keeping families together. Bond financing makes affordable housing projects feasible, leading to better living conditions, and overall improved well-being for Maine residents.

Check out these fast facts on housing affordability in Maine.

Maine is short 40,000 homes now, and needs another 40,000 by 2030.

Only
9 of 22

new rural rental housing projects that will be able to get built because there is no more funding left.

2%

vacancy in Maine – making it impossible to find housing.



47

Available rental homes for every 100 households with low-incomes in Maine.



50%

Increase in Maine housing prices since 2020 - 9th highest in the nation at the end of 2024.



33%

Increase in Maine wages since 2020 – making housing costs out of reach.



Maine is in desperate need of more housing and especially affordable housing. We live in a state where \$12 million dollar homes are selling in 90 minutes, while many hardworking first-time home buyers struggle to afford the American Dream; or older adults on fixed incomes can't find a place to rent. As a result, our adult children are moving away, businesses can't fill jobs and grow, and more people are experiencing homelessness.

100%

How much we need to increase housing construction in order to build enough homes in Maine

7

year waitlist to get into affordable senior housing in a Maine service center.

- According to the 2023 *State of Maine Housing Production Needs Study*: Maine needs to create roughly 84,000 new homes by 2030 - which means doubling the annual rate of housing production.
- Maine's housing shortage impacts the quality of life of all Mainers. An income of >\$100k is required to afford the average priced home in Maine.
- Maine's housing shortage restricts statewide economic growth. With a 2% vacancy rate, both people who live in Maine and those looking to move here are struggling to find homes they can afford.
- According to the 2025 *Maine Housing Outlook Report*: Since 2020, the median home price grew by more than 50% while Maine wages and salaries grew by less than 33.3%.



YES to a Housing Bond

- Supports Maine construction and housing industry jobs
- Builds long-term housing for thousands of people with a one-time investment
- Revitalizes Maine's downtowns and communities
- Grows local businesses
- Supports local tax base