

Testimony of
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before
The Joint Standing Committees on Appropriations and Financial Affairs

In Support of

LD 690 An Act to Authorize a General Fund Bond Issue to Provide Funding for Affordable and Low-income Housing Programs

LD 483 An Act to Authorize a General Fund Bond Issue to Secure Prosperity for Maine Families and Businesses

Senator Rotundo, Representatives Gattine and honorable Members of the Appropriations and Financial Affairs Committee, my name is Erik Jorgensen, Senior Director of Government Relations and Communications at MaineHousing. I am speaking today in support of LD 483 and 690, both of which are bills aimed at extending the momentum

The Maine State Housing Authority is Maine's housing finance agency, created by the legislature in 1969 to address the problems of unsafe, unsuitable, overcrowded, and unaffordable housing. We are authorized to issue bonds to finance single-family and multi-family housing for Maine's low- and moderate-income citizens. These bonds carry the moral obligation of the state; they are repaid from mortgage payments, not the General Fund. We are not part of state government but are structured as an independent agency to utilize effective private methods of finance for public purposes, to be independent, and responsive.

I will be brief – MaineHousing has, thanks to this committee, the full legislature, and the governor's office, been able to receive and deploy hundreds of millions of state dollars to create new affordable housing opportunities in communities across Maine over the past seven years. From the Senior Housing Bonds approved by voters, to the MEHER bond refinancing project a few years ago, to the new programs around affordable homeownership and the rural rental development, to the state low income housing tax credit, and the millions of dollars that have been provided to leverage federal tax

credit programs, Maine has stepped up to create more new affordable housing than ever before. I would add that MaineHousing can get state resources onto the street efficiently, without using any state dollars for administration or overhead – whatever you appropriate or whatever is bonded goes out the door in full.

At the moment we still have a robust pipeline using one-time state funds that will extend production through this year, next year and well into 2027. But it's important to note that the funding to power that work will be allocated this year: Later this week we will announce the projects making up the last of the rural affordable funding you provided in 2024; next month, the last round of the Affordable Homeownership program funds will be announced, and the 4% tax credit leverage funding will be allocated during the summer. After that, all the one-time sources of state funding that have come to us will have been allocated, and we will likely need to return to our reliance on federal resources which, while effective, will produce far fewer units than what we've been able to build over the past few years. We have included a summary of all the projects that include state funding that are currently in our pipeline.

Thanks to your funding, significant momentum has built up. We are working with dozens of new developers who have been attracted to the new programs by their ease of use. With continued funding such as through one of these bond issues, this pace will continue. Our worry is that once the momentum slows, construction companies and developers will turn to other types of projects. New programs take time to build support for, and programs like Affordable Homeownership and Rural Rental have, over several funding rounds, created that momentum. It will be hard to regain that if there is a significant funding gap.

Maine has a significant housing supply problem, and the creation of subsidized housing is not alone going to solve that problem. That said, designated affordable projects are a key part of the equation, and these bills will support those. We appreciate the flexibility with which these bonds are proposed; we support the emphasis on modular construction in LD 690 and while we have identified a couple of what we think are drafting issues with 483 that we have written to the sponsor about, we wholly support what that bond is intending to do.

Thank you.

MAINEHOUSING - PIPELINE OF PROJECTS WITH STATE FUNDING

<u>Project</u>	<u>City/Town</u>	<u># of Units</u>	<u>\$ Amt Allocated</u>	
Maine Jobs and Recovery Program-FUNDED PROJECTS				
2022 Rural Rental				
520 Centre Street	Bath	18	\$ 799,083	
55 Weston Ave	Madison	18	\$ 2,930,400	
Berry's Block Apts	Rockland	9	\$ 1,386,517	
Congress Square Commons Apts	Belfast	12	\$ 1,953,600	
The Elm Estates	Presque Isle	18	\$ 2,930,400	
TOTAL IN DEVELOPMENT APPROVAL PROCESS		75	\$ 10,000,000	
Additional 2022 Projects to be Funded by MaineHousing (10M MEHER, 3.4M State HOME)				
520 Centre Street	Bath		\$ 2,530,917	[1]
55 Weston Ave	Madison		\$ 399,600	[1]
Berry's Block Apts	Rockland		\$ 189,071	[1]
Congress Square Commons Apts	Belfast		\$ 266,400	[1]
The Elm Estates	Presque Isle		\$ 399,600	[1]
Mechanic ST	Houlton	18	\$ 3,330,000	
OddFellows Apts	Norway	13	\$ 2,960,000	
WaterWorks Apts	Waterville	18	\$ 3,330,000	
Non-MJRP Funded		49	\$ 13,405,588	
4% LIHTC Leverage				
Hartland II	Hartland	30	\$ 855,179	
Harrison Ridge	Bridgton	48	\$ 5,664,000	
Betsy Ross Crossing	S. Portland	52	\$ 3,480,821	
TOTAL IN DEVELOPMENT APPROVAL PROCESS		130	\$ 10,000,000	
4% LIHTC with PLA Leverage				
89 Elm Apartments	Portland	201	\$ 20,000,000	
TOTAL IN DEVELOPMENT APPROVAL PROCESS		201	\$ 20,000,000	
AFFORDABLE HOMEOWNERSHIP				
Completed				
Clarks Bridge Crossing	Waterboro	9	\$ 630,000	
Stearns Farm	Hampden	23	\$ 1,380,000	
		32	\$ 2,010,000	
Under Construction				
Highpines	Wells	20	\$ 1,400,000	
Alexander Way	Boothbay Harbor	7	\$ 420,000	
Wildlands	Standish	12	\$ 840,000	
Fletcher Farms	Sanford	5	\$ 350,000	
Dougherty Commons	Portland	12	\$ 840,000	
Wilbur's Woods	Brunswick	20	\$ 1,400,000	
		76	\$ 5,250,000	
Beals Ave	Ellsworth	23	\$ 1,380,000	
19 Bodwell St	Sanford	8	\$ 480,000	
Nasson 4	Springvale	13	\$ 880,000	
Approved & Proceeding to Closing		44	\$ 2,740,000	
TOTAL IN DEVELOPMENT APPROVAL PROCESS		152	\$ 10,000,000	

Non-Maine Jobs and Recovery Program-FUNDED PROJECTS

SENIOR HOUSING BOND

Bessey II	Scarborough	40	\$	2,500,000
Penobscot Landing	Belfast	25	\$	235,833
The Uplands	Scarborough	39	\$	665,053
Belfast Acres Estates	Belfast	25	\$	542,297
Hartland Senior	Hartland	24	\$	437,000
Oriole Senior	Ellsworth	29	\$	531,048
Emery Apts	Westbrook	30	\$	426,656
Hillside Apts	Gorham	27	\$	381,774
Jocelyn Place	Scarborough	60	\$	3,007,010
Winter Landing	Portland	52	\$	1,804,116
Stacy M Symbol Apts	Westbrook	60	\$	2,653,329
TOTAL IN DEVELOPMENT APPROVAL PROCESS		411	\$	13,184,116.00

STATE AFFORDABLE HSG TAX CREDIT

Mary Street Apts	Skowhegan	37	\$	4,475,663
Porter Station	Portland	48	\$	5,001,590
Phoenix Flats	Portland	45	\$	2,994,521
Winter Landing	Portland	52	\$	3,399,730
Equinox	Portland	43	\$	2,873,938
3&9 Pine St	Thomaston	16	\$	500,000 [2]
63 Water St	Thomaston	12	\$	454,000 [2]
12 Pulcifer Rd	Mapleton	12	\$	274,500 [2]
Main View Apts	Orono	24	\$	500,000 [2]
Cole Hill Apts	Waldoboro	24	\$	500,000 [2]
Salmon Brook Meadows	Washburn	24	\$	500,000 [2]
Hartland II	Hartland	16	\$	2,333,333
Snow School	Fryeburg	12	\$	791,192
Wedgewood	Lewiston	43	\$	5,000,000
Peasley Park	Rockland	52	\$	6,646,093
Equality Housing	Portland	54	\$	4,319,424
DeWitt	Lewiston	104	\$	8,780,000
TOTAL IN DEVELOPMENT APPROVAL PROCESS		618	\$	49,343,984.00

MEHER BOND REFI PROJECTS

4% LIHTC LEVERAGE

Blake & Walnut	Lewiston	18	\$	991,000
Blueberry Ridge	Bangor	32	\$	4,224,000
Snow School	Fryeburg	28	\$	1,379,175
Meadowview II	Gray	27	\$	2,106,000
Equinox	Portland	43	\$	1,958,683
Stroudwater Apts	Westbrook	55	\$	1,900,000
Stacy M Symbol Apts	Westbrook	60	\$	2,653,329
Oak Grove Commons	Bath	34	\$	640,000
Front Street II	Portland	45	\$	600,000
The Uptown	Bath	60	\$	1,050,000
Congress Square Commons	Belfast	36	\$	1,260,000
Village Commons	Scarborough	31	\$	558,822
TOTAL IN DEVELOPMENT APPROVAL PROCESS		469	\$	31,538,657

Islands Initiative

Cranberry RD	Great Cranberry	2	\$	510,190
NHSH Affordable Housing Initiative	North Haven	4	\$	1,485,158
Reeby RD	Islesboro	2	\$	998,951
With Notice to Proceed		8	\$	2,994,299
18 Central AVE	Peaks Island	3	\$	1,617,614
CICA 2022 Island Housing Initiative	Chebeague	4	\$	1,209,880
ICDC Town Acquisition Project	Isle au Haut	4	\$	939,550
In Preliminary Underwriting		11	\$	3,767,044
TOTAL IN DEVELOPMENT APPROVAL PROCESS		19	\$	6,761,343

2023 Rural Rental State Appropriation

Tree Top Apartments	Hallowell	17	\$	3,394,906
6 Madelyn Lane	Rockport	18	\$	3,600,000
16 Mills Road	Newcastle	16	\$	3,023,577
165 Main Street	Waterville	18	\$	2,767,500
986 Prospect Avenue	Rumford	18	\$	3,521,957
Central Park Residences	Sanford	19	\$	3,600,000
TOTAL IN DEVELOPMENT APPROVAL PROCESS		106	\$	19,907,940

2023 4% LIHTC State Appropriation

3i Homes at the Downs	Scarborough	51	\$	5,400,000
Iron Heights	Gardiner	32	\$	4,088,750
King Street Apartments	Waterville	37	\$	4,725,000
Malta Street Senior	Augusta	34	\$	4,828,000
Martel School Apartments	Lewiston	44	\$	5,400,000
Sunridge Senior Housing	Bangor	50	\$	6,000,000
TOTAL IN DEVELOPMENT APPROVAL PROCESS		248	\$	30,441,750

[1] Additional funding for projects appearing in above section. # of units not included so that they are not double counted

[2] Rural Development preservation projects