



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

LD 1522: An Act to Establish the Maine Eviction Prevention Program

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 neither for nor against *LD 1522: An Act to Establish the Maine Eviction Prevention Program*.

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 1522 proposes a \$25 Million annual general fund allocation to extend the pilot Eviction Prevention Program. This pilot program was established in 2024 as part of the supplemental budget and as you have heard, is being administered by the Quality Housing Coalition. This is an income-tested program that has been funded through a one-time \$18-million appropriation, and it assists households by eliminating rent arrearages and providing ongoing rental assistance paid to landlords of up to \$800 per month for a maximum benefit of \$19,200 per household.

Any program that requires participation and coordination between both landlords and tenants, as well as income verification, is difficult and intensive work. It necessitates a lot of back and forth between applicants and owners, and that is sometimes at odds with the program's need to be responsive. This is just a fact around any program like this. That said, the eviction prevention program is serving households with an average income of \$16,460 – an average of 22% area median income. 841 households have been served so far, and there is currently a waitlist in effect, as the projected number of applicants could exhaust all funding.

We are excited about the fact that the pilot program includes funding for a comprehensive evaluation, so while it is still in progress and we have not yet analyzed the results, anecdotally at least, the program does seem to be working and we are grateful to QHC for their hard work to make it a success.

MaineHousing is taking this measured position of support, not because we doubt the value of eviction prevention funding, which we have testified in support of in the past, but because we are concerned that the price tag is not realistically achievable this year, and it does take a minimum, large amount to effectively run a program like this. We also think it is important to evaluate the current pilot first before seeking additional funding, as there may well be some valuable changes that could be made with this program – to both focus and tighten it. We do, however, still have a year left in the current pilot program and we want to understand its strengths and weaknesses.

If the committee does wish for this bill to move forward, there are two important changes we would ask for:

- (1) in Section 1, part 6 of the bill states that MSHA “shall adopt rules”. We would ask that this be changed from “shall” to “may” as we have broad authority around program design and probably would not need to do formal rulemaking; and
- (2) The bill should provide language to assure that MaineHousing can delegate administration of the program to a third party or third parties as we are doing now. Appropriate language can be found in part KKKK-3 of the supplemental budget passed in May, 2024 (LD 2214).

Aside from those issues, MaineHousing would be able to administer a program like this were it to be funded.