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THE MAINE SENATE
132nd Legislature

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**Joint Standing Committee on Appropriations and Financial Affairs on
LD 1912, An Act to Authorize a General Fund Bond Issue to Address
Maine's Housing Shortage
May 13, 2025**

Senator Rotundo, Representative Gattine, and honorable members of the Joint Standing Committee on Appropriations and Financial Affairs: I am Senator Rick Bennett of Oxford, and I have the honor of serving 14 communities in Western Maine in the State Senate. I am pleased to sponsor LD 1912, "An Act to Authorize a General Fund Bond Issue to Address Maine's Housing Shortage."

As you all know, one of the most pressing issues our state faces today is the significant housing shortage. The lack of affordable and available housing affects individuals and families at every income level and is holding all aspects of the economy back.

From seniors on fixed incomes to working families and young adults trying to establish roots here, the shortage of safe, affordable housing has created economic and social pressures that we cannot ignore. Employers are unable to recruit needed employees because those employees can find nowhere to live.

The essence of the housing crisis is lack of supply. We need to build and build and build. There are many residents across our state—baby boomers, retirees, and empty nesters—who would be happy to relocate but it doesn't make financial sense when their mortgages are locked in at low interest rates and the market is inflated. Moving out of a four bedroom home only to become indebted in a much smaller house with a high interest rate is a hard choice to make, even if it could free up a house for a new family. We all want our children and grandchildren to find homes and raise their families near us but that is exceedingly difficult in the current housing climate.

The report by HR&A identified that Maine needs 84,000 housing units by 2030 to keep pace with demand. This bond proposes to help our state meet that demand in two significant ways: by reinvigorating our iconic factory-built housing sector and rehabilitating our existing housing stock.

Stimulating Maine-made factory-built housing

The first part is a \$30 million investment in factory-built housing solutions. My proposal is based on a successful Colorado program that former Sen. Matt Pouliot introduced to me. Colorado used \$40 million to create the Innovative Housing Incentive Program (IHIP), which supports the development and expansion of the state's housing manufacturing businesses. It has two funding mechanisms: a grant and a factory loan.

The grant program offers operating expense reimbursements of up to 20%, a per-unit incentive of up to \$6,000 for every unit manufactured and installed in the state, and a bonus of \$50,000 to businesses that commit at least 10% of their product to affordable housing. The grant program opened for applications in December 2022 and remains open for applications on a rolling basis.

The other aspect of the Colorado program is a factory development loan to support the creation of a new factory or the expansion of an existing factory. Awarding of the loans depends on a number of factors: percentage of affordable homes, energy efficiency of the units, number and quality of jobs created, and more.

In my district not long ago there was a vigorous manufactured housing industry which employed more than 1,000 people. Centered in the Oxford Hills, we had five manufacturing plants, many retailers, haulers, set-up crews, installers, parts and supply businesses. Unfortunately, this industry was essentially wiped out with the housing crisis during the Great Recession. Today, only one of those five manufacturers is still in operation. However, this industry is poised for rebirth, and two of the former manufacturing plants could be brought back to life.

Similar to Maine, Colorado's manufactured housing industry was destroyed during the Great Recession. Before the enactment of Colorado's Innovative Housing Incentive Program, the state had zero manufactured housing plants lefts. But since the program came online, Colorado has seen a boom in housing production.

- IHIP grants have directly incentivized over 700 new modular and panelized housing units across Colorado.
- There are now 13 companies manufacturing homes across the state, using technologies such as including modular, panelized, and 3D printed.
- The grants and loans have supported businesses spanning 11 Colorado counties.
- New factories financed through IHIP factory loans expect to produce over 2,000 housing units per year once operating.
- Modular homes as part of the market share has increased 214%.
- Production provided by other states went from 91% in 2021 to 43% in 2024—a 48% difference.
- In-state production went from 129 in 2021 to 1,015 in 2024—a 687% increase.

I have spoken with both the director of OEDIT, Colorado's equivalent to our DECD, and the sponsor of Colorado's legislation. I have also had several conversations with multiple companies who took advantage of these programs in Colorado, including Vederra, located in Aurora, Timber Age Systems of Durango, and Azure Printed Homes, coincidentally located in Bennett, Colorado. These companies would be eager to expand in Maine.

LD 1912 would allocate \$29.5 million for a similar Innovative Housing Incentive Program to offer such grants and loans in Maine.

After discussions with some housing experts, I would like to offer an amendment. The amendment would take \$500,000 from the modular housing grants/loans programs and allocate it to the Maine Community College System (MCCS). MCCS will be directed to work

with MaineHousing to develop a training program, including an online training program, for installers. The amendment will also direct the Manufactured Housing Board to review licensing programs for installers, and particularly consider whether licenses should be grant at the individual level or the corporate level.

Repairing existing housing stock

The bill also proposes to allocate \$25 million to MaineHousing's Housing Opportunities for Maine Fund, specifically for the House Accessibility and Repair Program (HARP). Maine has the eighth oldest housing stock in the country. HARP provides grants of up to \$30,000 for energy and structural upgrades, \$15,000 for emergency repairs, and \$15,000 for accessibility modifications.

As you crisscross this state, you will see dilapidated housing everywhere particularly in our rural communities. Many of these homes that are nearly uninhabitable and certainly unsellable in their condition. If only there was some work done on them. They would be made warm, dry, and safe, as well as marketable. The residents of these homes often cannot afford to make these repairs or move, as nobody is willing to buy them.

Unfortunately, MaineHousing simply does not have enough funding to support the program as needed. Annually, about 200 houses are improved through HARP but there is a waitlist of more than 2,000 homes needing repair.

As a member of the Housing and Economic Development Committee, I have had the pleasure of hearing some great ideas to improve our housing issues from some of my colleagues, which I have included in this bond.

Weatherizing homes

One proposal from Rep. Marc Malon, LD 996, would allocate funds to the Weatherization Plus Fund. This would help eliminate barriers in MaineHousing's weatherization programs, which are the result of federal requirements and a lack of funding. I have proposed \$2.5 million in the bill before you for that initiative.

Too many Mainers need energy efficiency repairs done on their homes but the repairs are too expensive or extreme. In order to be eligible for MaineHousing's weatherization programs, a family must be at or below 200% of the federal poverty level. If a family is rejected due to repairs being needed, they usually don't have the money to make those repairs so cannot benefit from the weatherization. This money would go to making the homes eligible for weatherization programs. Pennsylvania enacted a similar program, funded by ARPA money, to great success.

Fixing multifamily housing stock

LD 1912 would also supply \$2.5 million to realize Rep. Julie McCabe's proposed LD 1167 for multifamily housing. Many first-time homebuyers could afford to purchase "fixer uppers"

but don't because they don't have the time, money, or expertise to conduct serious renovations. This would create the Existing Housing Stock Rehabilitation Program, which would provide up to \$80,000 for nonprofit housing developers to renovate existing multifamily housing stock and make the homes available to first-time homebuyers.

LD 1912 does more than just put money toward construction—it invests in our future. By supporting innovative housing incentives, leveraging the power of the private sector, resuscitating legacy industry, improving energy efficiency, assisting first-time homebuyers, and addressing the needs of low-income and elderly residents, LD 1912 addresses housing from multiple angles. These programs will not only help provide stable homes for more Mainers but will also create sustainable jobs, stimulate the economy, and strengthen communities across the state.

Conclusion

As we continue to grapple with the economic and social impacts of the housing shortage, it is essential that we take decisive action. I urge you to support LD 1912 and allow Maine voters the opportunity to approve this bond at the ballot box. Our communities and economy are depending on it. Thank you for your attention to this critical matter. I would be happy to answer any questions.