



HOUSE OF REPRESENTATIVES

2 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0002
(207) 287-1440
TTY: (207) 287-4469

John "Jack" E. Ducharme III

34 Heald Street
Madison, ME 04950
Cell: (207) 431-0775
Jack.Ducharme@legislature.maine.gov

Support for LD 1912 An Act to Authorize a General Fund Bond Issue to Address Maine's Housing Shortage

Senator Rotundo, Representative Gattine and honorable members of the Joint Standing Committee for Appropriations and Financial Affairs. I am Jack Ducharme. I have the honor of representing the towns of Madison, Norridgewock, and Cornville in House District 71 in the legislature. I am before you today to testify in support of LD 1912, An Act to Authorize a General Fund Bond Issue to Address Maine's Housing Shortage.

It is no big secret that Maine needs more affordable housing stock. In my time on the Appropriations Committee, since 2022 Maine has spent nearly \$300 million on various programs for housing, either building new houses, rental units, or other types of housing assistance. Despite the money spent, we have barely made a dent in the need for 84,000 homes by 2030, identified in the Roadmap for the Future of Housing Production in Maine. The report suggests that Maine needs to produce between 8,500 – 9,300 homes per year. Maine is actually producing an average of 4,800 homes per year for the last five years based on building permit applications.

The history of home building in Maine is also quite well known. Maine was home to five mobile/modular home manufacturers until the Great Recession of 2007-2009. We now have just one manufacturer, KBS Builders, in South Paris. This proposed bond would provide incentives to manufacturers to locate home manufacturing facilities in Maine. It is patterned after a program in Colorado called the Innovate Housing Incentive Program.

The Innovative Housing Incentive Program (IHIP) in Colorado aims to increase the supply of affordable and attainable housing by supporting the development and expansion of innovative housing manufacturing businesses. IHIP provides funding through grants and loans for operating expenses, incentives for affordable units, and factory construction or expansion. The Colorado program has been instrumental in developing about 2,300 affordable homes per year and has participated in the development of over 7,000 such homes over the last three years. The bond proposes a similar program in Maine through Department of Economic and Community Development using \$30 million of the funds raised.

Another portion of the funds would be used to support a Home Accessibility and Repair program using the Housing Opportunities for Maine Fund through Maine Housing.

District 71
Cornville, Madison, and Norridgewock

Maine has many older homes that could be made more inhabitable by energy and structural upgrades and emergency repairs. The HARP program in Maine is administered by Maine Housing but it has a waiting list of about 2,000 homes. \$25 million of this bond issue would be used to help shorten that wait list.

Another \$2.5 million would be allocated specifically to a new Weatherization Program administered by Maine Housing designed to assist with those homes that need repairs before actual weatherization can begin. This would be reserved for those homeowner applicants that are at or below 200% of the federal poverty level.

The final \$2.5 million is earmarked for a pilot program through Maine Housing to provide rehabilitation costs of existing home stocks for first time homebuyers. This program would direct money to nonprofit housing developers who can rehab existing housing stock and sell the homes to first-time homebuyers. Many first-time homebuyers could afford the “fixer uppers” but do not have the time, money, or expertise to conduct the renovations necessary. This program could help get that work done in advance of those purchases to eliminate that hurdle.

This \$60 million bond bill has specific targets designed to alleviate some of the challenges Maine’s home buyers face in looking for new homes. It is an innovative multifaceted solution to one of the biggest challenges that Mainer’s face...affordable housing. I urge you to consider this request to provide the people of Maine with the opportunity to participate in some solutions to Maine’s housing shortage. Thank you for listening.

Cordially,

Jack Ducharme