

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

*In Support of*

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

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 1912, which is a bind proposal aimed at producing and preserving affordable housing in Maine.

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.

We are grateful to Senator Bennett for bringing this proposal forward. It would provide a total of \$60,000,000 in strategic funding to strengthen Maine's factory based housing production industry; it would provide \$30,000,000 to expand MaineHousing' Home Accessibility and Repair program, it would pick up a proposal from LD 996 to support weatherization and weatherization readiness work (this would create critically needed matching funds for federal funding), and it would support a pilot program proposed in LD 1167 to rehabilitate existing aging housing stock for purchase by first time homebuyers. In other words, this bill should be seen as a companion to the bonds that support housing production that were heard a few weeks ago.

I realize that when I come before this committee, I am generally talking about housing production. That remains our most critical need as an agency – as all of the extraordinary funding that the legislature has provided over the past six years is time limited, and almost all of it has now been used, putting us in the position of facing a production cliff in the coming years as we work through our current pipeline of projects. That said, these other areas covered by this bill are important as well, and will certainly aid in

maintaining and developing supply. I thought I would touch on what the MaineHousing sections of this bill would do:

\$25,000,000 would support home repair and accessibility. This would provide a chance to meaningfully expand our HARP program over several years, and to get at a waitlist backlog that currently is in the thousands. This program is currently funded at a bit less than \$4MM from the HOME Fund. Last year the program served around 250 low- and moderate-income households with home repair projects averaging around \$14,000 each. Funding from this bond could double the size of this program over the course of several years, providing a real chance to clear some of the waitlists.

\$2.5 Million would be used to provide support for our weatherization and weatherization readiness programs. This would provide much needed leverage to match federal weatherization funds, and it would also provide resources for weatherization readiness – which is funding to help remedy problems in a house that prevent it from being eligible for weatherization. Issues that can derail a weatherization project might include a leaky roof, safety hazards, or structural problems that cannot be addressed using our designated weatherization funds. What’s more, these are projects that low-income households typically cannot afford to do. Weatherization readiness was the subject of a study commissioned by the last legislature where the working group recommended exactly this solution. You can see more about this in LD 996.

Finally, \$2.5 Million would be used to support a pilot program aimed at converting aging and marginally useful housing stock into lower-cost homeownership opportunities. This would build on a successful program run by Healthy Homeworks in Lewiston aimed at restoring “triple-deckers” as entry level condominiums. This concept is also the subject of LD 1167.

These are all valuable components – and while I do want to say again that MaineHousing’s top priority is bond funding for more housing production, this bond provides support for a number of much needed pieces to help solve Maine’s housing puzzle. Thank you.