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Testimony of Representative Drew Gattine presenting
**LD 2124, An Act to Support Emergency Shelter Funding Using Revenue from
the Real Estate Transfer Tax**
Before the Joint Standing Committee on Housing and Economic Development

Senator Curry, Representative Gere and colleagues on the Housing and Economic Development Committee, I am Representative Drew Gattine, and I am proud to serve House District 126, which includes portions of Saco, Scarborough and Westbrook. I am pleased to appear before you to present **LD 2124, An Act to Support Emergency Shelter Funding Using Revenue from the Real Estate Transfer Tax**.

This bill would build on this committee's work to provide additional funding for emergency shelters.

The effort to create a sustainable source for additional revenue for emergency shelters has been going on in the building for many years, without success. The \$2.5 million that the state contributes annually to the Shelter Operating Subsidy in the state's baseline budget has not been increased since 2016. Efforts to increase this baseline are introduced in every legislature but, at most, all we have been able to come up with are one-time funds that put a band-aid on a problem that has evolved into a crisis. Maine State Housing estimates that it costs \$102 per night to operate a shelter bed, yet the operating subsidy contributes \$7.16. The balance of shelter costs not paid by the state are cobbled together through a combination of privately raised dollars, some federal dollars, and sometimes some local dollars.

Following changes the Legislature made to the real estate transfer tax (RETT) last year – raising it for home sales over \$1 million – counties are projected to receive an increase in their revenue. This bill proposes that we provide additional ongoing support for shelters by utilizing a portion of the percentage of the increased RETT revenue that currently goes to the counties. To be clear, the intent here is not to reduce funding to the counties, but to redirect extra funds from the increased tax on high end homes.

We need to begin to recognize that shelters are important vital public services that need funding and deserve funding just like other services supported by taxpayers. They are infrastructure. The state needs to do its part. Municipalities need to continue to do their part. Counties can be part of the solution too, while still receiving a portion of the RETT.

As we work together toward solutions to Maine's housing crisis we have to recognize the role that shelters play in keeping people safe. We can make permanent housing more affordable. We can continue to find ways to support people who have long term behavioral health needs through programs like Housing First and the Bridging Rental Assistance Program (BRAP). We can take important steps to help tenants avoid evictions. But

even if we do all of these things well, Maine will need a well-functioning, adequately funded state-wide shelter system to help people when they are in a housing crisis.

Many Mainers live a few paychecks away from being homeless or experience emergency events in their lives. Emergency shelters are critical community resources that help individuals who are often veterans, survivors of domestic violence or have experienced a health crisis transition back to stability.

Without shelter services, unhoused Mainers would be subject to higher rates of adverse health events, trauma and death. A lack of adequate emergency shelters significantly increases stress on other, more costly public infrastructure like hospital emergency rooms, county jails, public safety and other social services.

I urge you to support LD 2124, to ensure that Maine's emergency response system continues to remain functional as we work to address the overarching issue of affordable permanent housing.

Thank you for your time and I am happy to answer questions.