



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

**In support of
LD 916, An Act to Promote Investment in Housing**

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 testimony in support of **LD 916, An Act to Promote Investment in Housing**.

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 multifamily 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.

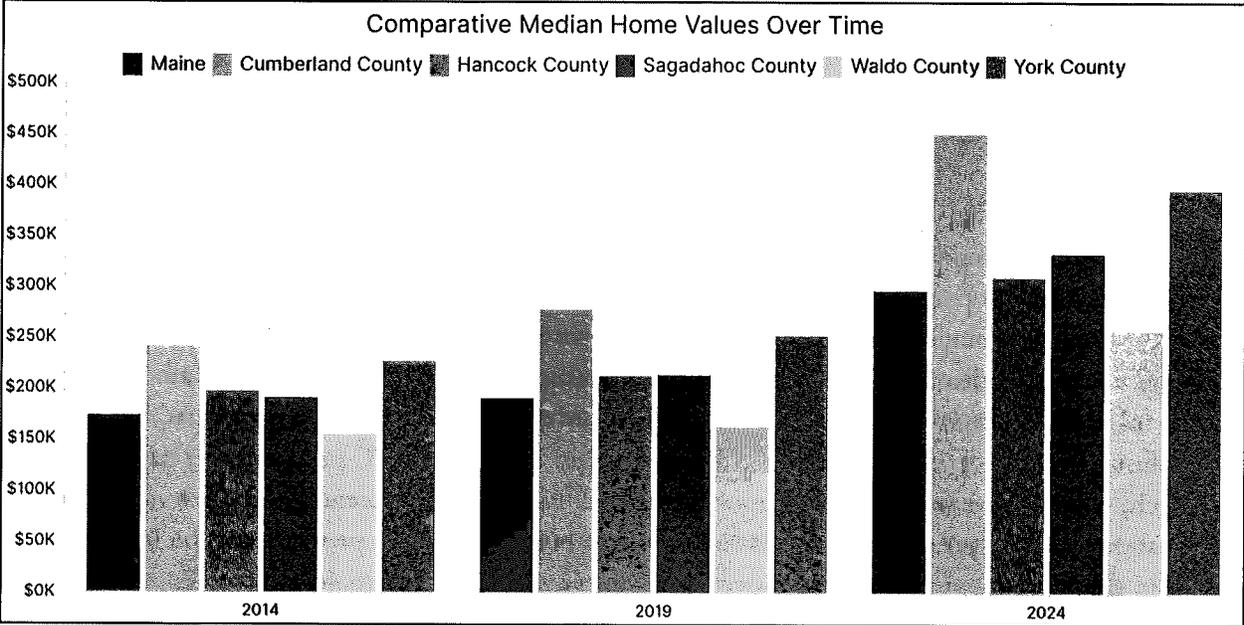
We are testifying in support of LD 916, which provides the statutory structure to establish a new middle-income housing program at MaineHousing. This would be a production program, designed to support the capital costs of creating rental housing available to households up to 120% of area median income; and single-family or condominium ownership opportunities for households up to 150% of the area median income. The terms of this program could be modeled on MaineHousing's successful Rural Affordable Rental Housing and Affordable Homeownership programs, but with higher household income limits. It could also be used in our 4% LIHTC program as a mixed income approach, which for years, one could argue, produced units for this income group, although income certifications were never obtained. A \$10MM budget proposal for this program can be found in Part T in the language section of the Governor's supplemental budget (p.46).

This program is one that MaineHousing could do, but it does represent a departure from the household income ranges that we currently serve. We understand the motivation behind it, and are well aware of the severe affordability challenges facing middle income home buyers, especially in southern and coastal Maine. In Cumberland County, for example, the median home price in 2024 was \$451,200; in York County it was \$395,700¹, other coastal counties are not far behind. In certain communities, especially along the coast and in certain resort towns, those values are far higher still, making home ownership a difficult hurdle for a middle-income family to get over.

By using the proven subsidy-only approach to construction, the program would be relatively simple for a developer to use. The middle-income programs would provide straight subsidy on a per-unit basis, either for multifamily construction or homes that could be sold for a price that would be affordable to these households. Income limits would be calculated as an extrapolation of HUD’s published median income figures.

We ask for maximum flexibility with the program design, which we believe would need to be directed geographically, only at those communities where there is the greatest gap between income and affordability. This would focus the expenditure on areas where it is most needed. In many parts of the state, middle-income families can still find housing, though supply is often a greater hurdle than cost. MaineHousing’s First Home Loan programs, which serve households up to 120% of AMI, had a record year in 2025, suggesting that middle-income families are, in fact, still able to afford housing in much of the state without need for subsidy.

If this measure advances, MaineHousing looks forward to working with the committee, as well as the development community, to assure that the program is successful.



¹ Average home price numbers by county as reported through mainestatehousingdata.org