



Testimony of Tyler Norod

On behalf of Avesta Housing

Before the Joint Standing Committee on Energy, Utilities and Technology

In Support of LD 1659: *An Act To Create the Maine Clean Energy and Sustainability Accelerator*

May 12, 2021

Senator Lawrence, Representative Pierce, and members of the Joint Standing Committee on Energy, Utilities and Technology, my name is Tyler Norod. I am a Development Officer at Avesta Housing and am writing in support of LD 1659.

Avesta Housing is a non-profit organization with headquarters in Portland, Maine. Since 1972 we have been developing and managing affordable housing in Maine and New Hampshire. We also operate two assisted living facilities, a homeownership center and actively advocate for more affordable housing. Our organization has grown over the years and we now have over 3000 rental homes, \$330,000,000 in assets and a staff of almost 300 persons. We are governed by a volunteer board of 19 community leaders and representatives.

My role as a Development Officer means that I act as the project manager for major rehabs and building new affordable housing developments across Maine.

Over the course of my career, I have built several sustainable buildings including two affordable Passive House buildings for seniors in New Hampshire. Unfortunately, construction costs throughout the State are rising at an alarming pace. Each year the upfront costs of construction make it increasingly difficult to sustainably build and rehab buildings.

Accelerators have a proven track record across 22 other states allowing Maine to immediately implement best practices from others. An Accelerator in Maine will reduce the weighted average cost of capital taking the place of more expensive debt. Lowering the lending and operational costs by building more efficient buildings will allow us to produce more affordable units and make necessary improvements to our aging housing stock. The beauty of the Accelerator program is that a modest public investment will leverage significant private funds to rehab our aging housing stock and build new homes. These homes will in turn be more cost effective to operate as well as more comfortable to live in yielding better results for Mainers across the economic spectrum. This initiative has the



potential to not only increase sustainability within our buildings, but will help support the creation and preservation of affordable housing across the State.

Unfortunately, the Committee should be aware that the language in Section 6(c) related to prevailing wages will likely make this source of funds unusable by any large projects, including affordable housing developments. As currently written, capital cost savings presented by the Accelerator will largely be absorbed by the prevailing wage labor costs. If the goal of the Committee is to have these funds available for use in major rehabs like adding charging stations, commercial roof top solar, Passive House design, then removing this language should be seriously considered.

Thank you for your consideration, and I would be happy to answer any questions you may have.

Sincerely,

Tyler Norod

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