



## Executive Director



Diane Small

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### Testimony in Support of LD 641: AN ACT TO SUPPORT DIVERSION EFFORTS TO ADDRESS HOMELESSNESS IN MAINE

#### Presented to the Joint Select Committee on Housing and Economic Development

March 14, 2025

Senator Curry, Representative Gere and members of the Joint Select Committee on Housing and Economic Development

My name is Diane Small and I am submitting this testimony on behalf of Sanford Housing in strong support of LD 641, An Act to Support Diversion Efforts to Address Homelessness in Maine.

Stable housing is the foundation of a stable life. Safe, affordable and permanent housing truly is the answer for people to thrive. Without it, individuals and families face significant barriers to employment, healthcare access, and educational success. Too many Mainers are teetering on the edge of crisis. Currently, 12% of Mainers earn below the Federal Poverty Line, while 30% fall into the ALICE category—Asset Limited, Income Constrained, and Employed—meaning they earn just above the poverty line but still struggle to afford basic living expenses. A single unexpected expense, such as a car repair or medical bill, can push these individuals into homelessness.

LD 641 seeks to expand the Housing Problem Solving (HPS) program, a cost-effective and proven initiative designed to prevent homelessness before it begins. By doubling HPS funding to \$1.5 million, this bill will allow the program to assist 1,326 people annually—twice as many as the current program.

HPS provides targeted assistance to those at risk of losing their homes. In 2024, the program helped 663 Mainers stay housed with a budget of just \$750,000. Of those served, 66% were at risk of homelessness but had not yet lost their housing, demonstrating that early intervention is key. Moreover, 73% of those receiving assistance required only a small but crucial financial investment to remain housed, and the program successfully resolved 78% of cases.

Investing in homelessness prevention is not only humane but also fiscally responsible. HPS costs approximately \$1,131 per client, far less than emergency shelters, which cost \$36,000 per bed per year, or rapid rehousing, which exceeds \$10,000 per resolution. Expanding HPS funding will save taxpayer dollars while keeping families in their homes, children in their schools, and workers in their jobs.

LD 641 aligns with Maine's long-term housing goals, supports economic stability, and strengthens communities. The alternative—allowing more individuals to fall into homelessness—will only lead to increased strain on shelters, public health systems, and emergency services. Maine has a choice: invest in prevention now or pay a much higher cost later.

We urge you to support LD 641 to help prevent homelessness, promote stability, and build a stronger future for all Mainers.

Thank you for your time and consideration. I am happy to answer any questions you may have.



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**Sincerely,**

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