



# HOUSE OF REPRESENTATIVES

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*Testimony of Rep. Victoria Morales presenting*

## **LD 473, An Act to Create the Maine Rental Assistance and Voucher Guarantee Program**

*Before the Joint Standing Committee on Labor and Housing*

Senator Rafferty, Representative Sylvester, and esteemed members of the Joint Standing Committee on Labor and Housing, my name is Victoria Morales, and I represent House District 33 in South Portland. I am proud to sponsor **LD 473, An Act to Create the Maine Rental Assistance and Voucher Guarantee Program**.

We are in a housing crisis today. It is 27% worse than it was in 2019. But we all know we were in a housing crisis then, too. In fact, when I was researching housing policy in the legislative archives last year, what I found is that we have been in a housing crisis at least since the 1980s and 1990s when task forces were created to “study” the issue.

History shows that we have been able to solve complex community-wide public health problems when we work together to collaborate within communities and across all sectors to improve systems. Take smallpox, for example, a terrible deadly disease that even with a vaccine created in 1796 continued to take the lives of 500 million people, with higher rates among babies, until we eradicated it in 1980.

It is my belief that we can absolutely eradicate homelessness and housing insecurity in Maine. In order to do that we have to agree it is a crisis and approach it like the public health professionals approached smallpox - with a State goal to solve homelessness and housing insecurity, and a commitment to working together with all stakeholders in all sectors to do it.

In 2020, the Governor convened an Economic Recovery Committee made up of professionals in almost every industry, including nonprofits and representatives from municipalities, the State, and Senator Angus King,<sup>1</sup> to make recommendations they believed were critical to improving

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<sup>1</sup> The Governor’s Economic Recovery Committee 2020 Report  
[https://www.maine.gov/future/sites/maine.gov/future/files/inline-files/EconomicRecoveryCommittee\\_Report071520.pdf](https://www.maine.gov/future/sites/maine.gov/future/files/inline-files/EconomicRecoveryCommittee_Report071520.pdf)

Maine's economy. As one of the 11 recommendations made, the Committee importantly names that we have been in a housing crisis for years, and that a significant investment in a rental assistance program is a key component to our economic recovery strategy.<sup>2</sup>

Prior to the current public health emergency, there was already an affordable housing crisis in many parts of this state. Before the onset of the pandemic 25,472 very low-income households in the State of Maine experienced a severe rent cost burden with rents exceeding 50% of their income, leaving these households at risk of homelessness. Today's high rates of unemployment have exacerbated this problem as more people struggle to make ends meet.

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We recommend a housing program that is responsive to the longer term nature of the pandemic by aligning the assistance with household needs and by addressing the challenges for those facing evictions. This proposal will support landlords by helping tenants to pay their rent, keeping tens of thousands of people in Maine housed during this public emergency and support people experiencing homelessness to retain permanent housing, thus relieving pressures on our already stretched shelters.<sup>3</sup>

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CO-CHAIRS: Joshua Broder, CEO of Tilson; Laurie Lachance: Thomas College's 5th President (Laurie served three governors as the Maine State Economist). MEMBERS AND SUBCOMMITTEES Education and Workforce Chair: James Herbert, President of the University of New England Aisha Woodward, U.S. Rep. Jared Golden Designee Dana Connors, President of the Maine Chamber of Commerce James Myall, Policy Analyst for the Maine Center for Economic Policy Representative Joshua Morris, R-Turner Angela Okafor, Councilor, City of Bangor Joe Cassidy, President of Southern Maine Community College Healthcare, Nonprofits, Child Care & Support Services Chair: Bill Burke, Chair of the MaineHealth Board of Trustees and the Portland Sea Dogs Tae Chong, Councilor, City of Portland, and Social Enterprise & Workforce Development Manager for Catholic Charities Maine Jennifer Hutchins, Executive Director of the Maine Association of Nonprofits Rebecca Wyke, President of the University of Maine at Augusta Barbara Crowley M.D., Executive Vice President, MaineGeneral Health Wick Johnson, President of Kennebec Technologies Hospitality, Tourism, and Retail Chair: Bob Montgomery-Rice, President and CEO of Bangor Savings Bank Luke Holden, Founder and CEO of Luke's Lobster Meredith Strang Burgess, President and CEO of Burgess Advertising and Marketing Curtis Picard, President and CEO of Retail Association of Maine Jean Ginn Marvin, Owner of Nonantum Resort, Board Chair, Maine Community College Board of Trustees Senator Michael Carpenter, D-Aroostook Adam Lee, Chairman, Lee Auto Malls 5 Infrastructure (Transportation, Construction, Broadband, and Banking) Chair: Susan Corbett, Founder and Director of the National Digital Equity Center Carol Woodcock, U.S. Sen. Susan Collins Designee Kevin Raye, Realtor and Former Senate President Senator Lisa Keim, R-Oxford Jessica Masse, Partner, Design Lab Lee Umphrey, President & CEO of Eastern Maine Development Corporation Lincoln Jeffers, Economic Development Director for the City of Lewiston Innovation (Life sciences, Tech, Energy, Start-up Ecosystem) Chair: Betsy Biemann, CEO of Coastal Enterprises Inc. Adam Lachman, U.S. Sen. Angus King Designee Vaughan Woodruff, Owner of InSource Renewables Deanna Sherman, President and CEO of Dead River Company Representative Brian Hubbell, D-Bar Harbor Ben Waxman, Co-Founder American Roots Tim Agnew, Masthead Venture Partners Chanel Lewis, Head of Global Diversity & Inclusion, IDEXX Manufacturing and Natural Resource-Based Industries Chair: Larry Shaw, CEO of MMG Insurance Jesse Connolly, U.S. Rep. Chellie Pingree Designee Sam May, Maine Harvest Federal Credit Union Board Chair Steve Schley, Board Chair, FOR Maine Initiative Bob Dorko, Utilities & Recovery Manager at Sappi North America Susan Hammond, Executive Director, Four Directions Alan Perry, Owner, Farm Technologies Network Matt Schlobohm, Executive Director of the Maine AFL-CIO

<sup>2</sup> Id.

<sup>3</sup> Id., page 14, HOUSING Develop a robust, statewide housing assistance program that includes rental assistance, rapid re-housing, and eviction prevention. RECOMMENDED INVESTMENT: \$50 MILLION • \$5 million for the rapid rehousing program for the homeless: Preble Street runs a successful rapid rehousing program for veterans at a

I absolutely know that we can eradicate homelessness and housing insecurity, because this is the work I do every day.

In my full-time day job at the Quality Housing Coalition, we center our work around cross-sector inclusive partnerships with landlords and nonprofit housing providers, housing readiness programs, tenants, community members, and municipalities to work together to provide high quality supportive housing for individuals and children who have experienced or are at risk of experiencing homelessness. We have learned over the years that even with housing vouchers available, if we don't have landlords willing to rent to tenants, they are useless. Maine data bears that out with 500-700 federal housing vouchers going unused every year.

Project HOME has three key components:

Landlord partners who commit to removing the biggest barriers to applying for all housing today: credit score, background and eviction history checks, last month's rent and fees. They also agree to accept housing vouchers and rental assistance.

Housing navigation and mentoring - to support each tenant and property manager with committed housing mentors and case management, including finding appropriately sized and priced units and providing consistent and reliable support throughout the year to assist the landlord and the tenant.

Financial Guarantee - we work as a team to avoid the eviction process, which is harmful and burdensome for landlord and tenant, by addressing issues as soon as they arise, and in the event we are unable to resolve the issues, we work together to find more appropriate housing to meet the tenant's needs and we provide a financial guarantee to our landlords of up to \$2,000 if the tenancy is unsuccessful.

This model works. Out of 110 households we have served in the last two years through Project HOME, upwards of 240 individuals and children, all of them would have been screened out of the standard application screening process and would likely still be unhoused or unstably housed. We are extremely proud to say that 98.2% of them are successful today.

What we have identified, which is what the Economic Recovery Committee has recommended, is a tremendous need for Maine to invest in a Rental Assistance Program that fills the gap of the thousands of Mainers on the Section 8 waiting list, and one that includes supportive housing and is more inclusive in its eligibility criteria than the federal programs are.

There are too many families in crisis right now who do not have access to a federal voucher in

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cost of \$2.1 million per year. To expand this program to homeless individuals statewide through the end of 2020 would cost approximately \$5 million. • \$45 million for the rental assistance program and the eviction prevention program: More than 12,000 households applied for assistance through MaineHousing rental relief program that provided a one-time \$500 rental payment. More assistance is needed.

Maine to tell you about all of them, but I will share with you about 3 mothers that I've been particularly worried about this week.

Each mother is unhoused with her children and living in a motel because she cannot afford housing.

The first mother has a three year-old daughter. She is new to this country, having barely escaped alive from a brutal regime. The motel does not have a kitchen for her to cook for her daughter, and she doesn't have a car to drive to the nearest pricey student. When they get hungry, they walk to the gas station for food. Someone recently offered her a couch to sleep on while she waits for housing, which will take some time, but she was advised to stay in the motel so she doesn't lose her General Assistance as a result of sleeping on someone's couch. The reason for this is because each municipality interprets General Assistance differently, and some may interpret couch surfing on a stranger's couch as not homeless enough to be eligible for emergency housing funding due to homelessness. We navigate these restrictions cautiously to avoid all potential pitfalls when it comes to accessing and securing housing.

The second mother has two school children and is also living in a motel. She has a car that she can barely keep in good repair because her salary is not enough to pay for rent, food, and car maintenance. She is constantly worried she will be pulled over for an out tail light and have to pay a fine that she cannot afford, because this kind of thing happens to her all the time. Her salary is also just above the poverty limit (\$26,200 for a family of 4). She is struggling to hold onto her job, although every day it is harder and harder to keep going. She also has an eviction history due to the domestic violence she faced, an insurmountable barrier to applying for housing. She also did not have an attorney represent her during her eviction.<sup>4</sup>

The third mother has 3 children and is pregnant with twins. She is desperately searching for a 4 bedroom apartment that she can afford with her unemployment, but there are no 4 bedroom units of housing to rent almost anywhere in Cumberland County, certainly no affordable units of that size. Also, the family is justice involved, another insurmountable barrier to applying for housing.

The following MaineHousing data is illustrative of just how serious a problem we have today:

25,000 Maine households are on the 3-7 year waiting list for Federal Section 8 housing vouchers. This is up from 19,000 households in 2019. I am sure this committee was provided this data point during orientation. But think about the mothers I just told you about, and how much a housing voucher that didn't screen them out because they were a New Mainer, or because they had a criminal record, or because they made just pennies too much, would improve their lives and the lives of their children. Think of how many women suffering from domestic violence, like one of the mothers I told you about, who have no place to escape to, could benefit from a housing voucher to access safety. So many families are waiting - in limbo - for the limited housing support available in Maine, unable to have dreams yet alone achieve dreams. We must

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<sup>4</sup>A recent Maine Affordable Housing Coalition Study shows that tenants with an attorney are 85% more likely to avoid eviction than those without. <https://www.mainebiz.biz/article/maine-evictions-are-down-but-tenants-are-falling-farther-behind-study-shows>

prioritize reducing this number to zero. No person in Maine should be unhoused or pay more than 50% of their income on their rent.

Tragically, these problems are not new. We have known them for 40 years, perhaps more, yet as a State, we historically invest .00643% of our budget on housing each year, according to MaineHousing.

LD 473 creates a Rental Assistance Program with permanent supportive housing and rapid rehousing components. Its 3 components are as follows:

- **Rental Assistance:** Requires Maine Housing to establish and administer a rental assistance program that is much less restrictive and easier to administer than the federal vouchers, to partner with landlords to remove the traditional barriers to access to housing, including: credit score, criminal history, eviction history, last month's rent, and fees; and to work closely with housing navigators to support each tenant
- **Rental Voucher Guarantee:** Expands Maine Housing's landlord incentive programs such as damage mitigation and repair funds, and creates a letter of credit guarantee for those who rent to GA recipients and other subsidy programs of up to \$2,000 to cover lost rent for one month and verified damages.
- **Housing Navigation:** Provides "housing navigators" affiliated with local housing authorities, general assistance programs, or nonprofit organizations to assist tenants with locating housing, assisting with the leasing up process, and providing consistent mentoring services to promote successful landlord-tenant relationships.

To quote the Economic Recovery Committee Report: "To support Maine people, we must continue to invest in our public health infrastructure, in our education and child care institutions, and bolster support services for vulnerable populations. These measures are essential to the social and economic fabric of our society, to the safe and equitable care of children, and to ensure parents have the ability to work."

I submit to you today that we have a duty, in fact, I argue that it's the only duty we have as legislators, which is to protect the health, safety and welfare of the people of Maine. Housing is the fundamental linchpin to the health and success of our people, whether that be in their education, healthcare and treatment, or employment success, and you will hear from the community coming behind me, from all sectors, from all voices, that although we are in a crisis, if we work together with a common goal to end homelessness and housing insecurity, and align it with the value statement we make in our budget, we can absolutely solve it.

Thank you for the opportunity to testify about this important policy.

# THREE STRATEGIES FOR SOLVING THE HOUSING CRISIS IN MAINE

- **Emergency:** Provide shelter and transitional housing for the 5,500 Maine people experiencing homelessness and the 21,000 people who are extremely rent-burdened and at risk of homelessness.
- **Stability:** Provide housing assistance, eviction prevention, and discrimination prevention for the 141,700 Maine people living in poverty.
- **Opportunity and Growth:** Build affordable housing for renters and homeowners and remove land use restrictions consistent with the Economic Recovery Committee Report, which identifies housing as the necessary infrastructure for workforce development.

*We believe that housing infrastructure is the foundation of Maine's investment in healthcare, behavioral health, education, and workforce development.*

## MAINE DATA

.000643%

### STATE BUDGET SPENDING

Maine spends .00643% of its state budget on housing.

20,000

### HOUSING UNITS

Today, Maine lacks 20,000 units of affordable housing.

141,700

### POVERTY LINE

141,700 or 10.9% of Maine people live in poverty.

3-7

### SECTION 8 VOUCHERS

There is a 3-7 year wait for the 12,000 federal Section 8 housing vouchers. 25,000+ households are on the waitlist. 500-700 of these vouchers go unused each year because the housing doesn't exist.

59%

### COST OF RENT

59% of Maine renters are spending ½ of their income on housing.

26%

### RACIAL DISPARITY

26% of those experiencing homelessness are members of Maine's Black, brown and Indigenous communities, which makes up less than 2% of Maine's population.

