

**130th MAINE LEGISLATURE**

**STATEMENT OF PATRICK E. CLANCY FOR PUBLIC HEARING  
BEFORE JOINT STANDING COMMITTEE ON LABOR AND HOUSING  
REGARDING LD 1246**

**APRIL 16, 2021**

Senator Rafferty;

Representative Sylvester;

Members of the Joint Standing Committee on Labor and Housing:

My name is Pat Clancy. I am a resident of Kennebunkport and I am here today to discuss with you LD 1246, To Study Best Practices and Different Area Needs for Development of Affordable Homes and Expanding Home Ownership in Maine Communities.

I want to talk to you today about the work myself and many other residents of Kennebunkport have begun over the last couple years, what we've been able to accomplish and our challenges going forward, then put that in the context of affordable housing work nationally and finally highlight how all of this points up the value of the study proposed in LD 1246.

The Town of Kennebunkport has faced for a number of years escalating home values - even homes not on the water are nearing average sales prices of a half million dollars. These values are dictated by the seasonal market - and are creating a Town at risk of losing its year-round character as working families are priced out. Town leadership is working to address this and has supported the creation of two nonprofit housing trusts which are now constructing Kennebunkport's first affordable community - a six home affordable subdivision in Cape Porpoise.

The success of this effort has been made possible by:

- town provision of a five acre site for nominal cost;
- herculean work by the trusts to raise a quarter of the two million dollar cost through charitable and public funding;
- a volunteer working board including a subdivision builder/developer, a selectman, a school board member, a banker and an affordable housing developer; and
- continued Town support at every turn, including in the work of the Town Manager and the Director of Planning and Development.

The result has been a highly complex development plan that is enabling us to provide homes averaging about \$260,000 in price - just over half of that average sales price noted above!

The housing trusts hope to replicate this work and get to 25 homes created by 2025. We believe that success in these efforts - and the creation of quality homes at affordable prices in new small neighborhoods - can set the stage for sustained work that can help assure the long term viability of Kennebunkport as a year round and diverse community.

BUT: this confluence of factors is indeed rare and hard to replicate - and as a result the volume of affordable homes created in this fashion is small not only here in Maine but nationwide. Organizations struggling to do two or three homes annually and support small staffs tend to have short lives. Meanwhile, larger scale efforts are common in creating affordable rental housing and many nonprofit organizations are able to sustain themselves doing that work.

So this study is indeed timely: it is important for the state to evaluate what steps it might take to enable more affordable homeownership to be done as it works to expand rental production with the new state affordable housing tax credit. And the Biden administration's infrastructure plan calls for 500,000 new homeownership opportunities to be supported through a new federal tax credit and this study could put Maine in a leadership position to take advantage of whatever passes in that regard.

Affordable housing remains a huge need throughout the varied markets in the state. And the greater public acceptance of housing people own necessitates that the ownership portion of efforts to meet that need be expanded - both to provide opportunities for families in affordable rental housing to "move up" and enable others to enjoy units on turnover and to enable communities throughout the state who support affordable housing to see a more balanced approach combining ownership and rental housing that can win local acceptance.

Thank you for the opportunity to testify here today. I'm happy to answer any questions you may have - and to support the proposed study in whatever way I can.