



JANET T. MILLS
GOVERNOR

STATE OF MAINE
DEPARTMENT OF ECONOMIC
AND COMMUNITY DEVELOPMENT



HEATHER JOHNSON
COMMISSIONER

Testimony Of: Kate Foye
LD 1240

Resolve, To Review Barriers to Regional Solutions for Housing Choices

April 16, 2021

Senator Hickman, Representative Sylvester and members of the Labor and Housing Committee, my name is Kate Foye and I am the Legislative Liaison for the Department of Economic and Community Development. I am here today to testify on LD1240.

The Maine Strategic Plan, released in 2019 with a vision for a diverse and sustainable economy for Maine with a great quality of life and good jobs for all Mainers, rests on two pillars of nurturing talent and supporting innovation. The goals of higher average wage, increased productivity and movement of an additional 75,000 people into the Maine workforce, cannot be reached without supportive infrastructure of high quality and accessible childcare, housing and transportation.

Increases in the cost of housing, particularly in southern and coastal Maine, are out-pacing wages, a scenario that has been further exacerbated by the influx of real estate purchasing power since the onset of the pandemic. More production of affordable housing – both in the traditional definition of “affordable” and in the broader sense of “being within the reach of the local workforce” – is needed to keep up with demand and to avoid displacement of workers within a broad wage scale.

The Strategic Plan envisions solutions that are underway or proposed that include expansion of the Affordable Housing Tax Credit and reforms of local land use laws that allow for higher density housing. It also envisions forging partnerships to address this issue. The Economic Recovery Committee recognized the continuing importance of this issue on economic recovery and growth with its recommendation to “develop robust housing policies and programs that enable Maine people to live and raise their families near their work.” The report also calls for creating and preserving more affordable, efficient, and high-density housing options across the state through bonding, zoning, and land regulation.

LD 1240 directs Department of Economic and Community Development’s Office of Community Development to conduct a review of barriers to regional solutions to making housing affordable, accessible, available, functional and compatible with strategies outlined in the December 2020 Climate Action Plan of the Maine Climate Council.

While the DECD supports this work, it is important to recognize that the Office of Community Development does not have the capacity nor the expertise in climate change, transportation, land use



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regulation to conduct such a study. DECD would need to hire a consultant to fully scope out the project in order to put out an RFP. Minimum cost estimate for this project is \$300,000.

OCD, along with MaineHousing has been a part of the Maine Housing Workgroup convened by FEMA. For the last few months this group has meant regularly to focus on many of the issues LD 1240 addresses and a draft document titled "Emerging Strategies for New Housing Resource Guide" has been produced by FEMA. Although it is still not completely clear when and how new federal resources will be available, DECD hopes that this work can continue once the guidance on the use and distribution of the funds has been published.

The Department of Economic and Community Development appreciates Senator Vitelli's efforts to find creative solutions to this challenging issue and we look forward to working with her to find funding and resources to complete this extensive piece of work.

DECD respectfully asks that this bill be carried over until next session so that we may understand the full scope of potential resources available.