



Testimony of Dana Totman

On behalf of Avesta Housing

Before the Joint Standing Committee on
Labor and Housing
April 15, 2021

In Support of LD 1246, *Resolve, to Study Best Practices and Different Area Need of Affordable Homes for Development and Expanding Home Ownership in Maine Communities*

Senator Hickman, Representative Sylvester, and members of the Joint Standing Committee on Labor and Housing, my name is Dana Totman. I am the President of Avesta Housing and am writing in support of LD 1246.

Avesta Housing is a nonprofit 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.

During our history we have developed three affordable homeownership projects and over 100 rental housing projects. We completed a homeownership development in the 1980s in Saco, in the 1990s in Gray, and in 2012 on Munjoy Hill in Portland.

Clearly the pace of developing affordable owner-occupied homes for us at Avesta, and in Maine in general, has been anemic and underwhelming. The reason is quite simple. The cost to build a home is at least a \$100,000 more than what a modest income household can afford. The lower the income the higher the gap. Our federal and state governments have not provided funds to pay for this gap. Frankly, it has also been difficult to make the case when \$1,000,000 of public funds would generally only help fill the gap for 10 households, and those households would still not be classified as **very** low income.

Despite it being very difficult to create affordable owner-occupied homes, we cannot give up. In fact, with the cost of construction going up faster than incomes, now is the time to examine this issue. The recent sharp rise in costs along with limited availability of single-family homes in Maine has created a near hopeless situation for first time homebuyers. We would love to see some of the residents in our affordable rental housing move out and buy a home so that some of the thousands waiting to move into our rental housing could do so.

There are a few models around the country and there may soon be some new federal resources. Now is the absolute best time to establish this proposed commission. I hope you will vote to pass LD 1246.

Thank you.