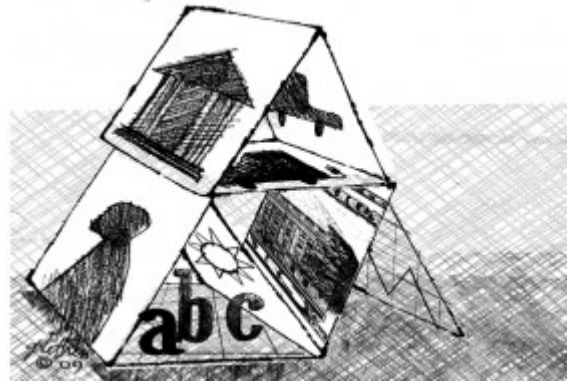


Bill would ensure Mainers are housed

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Charles Newton

These are trying times for many Maine families. As the economy weakens and incomes decline, families are struggling to find and pay for decent housing. The oil price spike of last year has made everyone nervous about the cost of home heating oil. The weak economy has placed tremendous strain on the construction industry, which has cost many people their jobs.



The Maine Affordable Housing Coalition, or MAHC, has put forward a plan in LD 774 to address all of these challenges. The coalition is a statewide group of community action agencies, developers, banks and low-income advocates committed to ensuring that Mainers are adequately and affordably housed. Penquis is a proud member of MAHC.

The MAHC plan is straightforward: \$200 million in revenue bonds will be issued over the next 10 years, with the program jump-started by \$60 million of bonds in the coming biennium (fiscal years 2010 and 2011). These funds will be invested by the Maine State Housing Authority in four areas: construction and renovation of multifamily housing, including senior and supportive housing, renovation of small (two to 10 unit) residential buildings, weatherization of owner-occupied housing, and the replacement of pre-1976 mobile homes. Senate President Elizabeth Mitchell, a former executive director of MSHA, is leading the effort.

The economic stimulus provided by this investment is significant. The \$60 million provided to MSHA in the next few years will be matched by approximately nine times that amount, for a total investment of \$600 million. That will put thousands of people to work and they will pay income taxes and buy products here in Maine, providing income for other businesses and sales tax revenue to the state. The state will receive more in new tax revenue than it will need to pay for the initial bond payments.

There are more than enough projects in the pipeline to put all of these funds — and our hard-hit construction sector — to work now. Firms in every step of the construction process need the jobs that this initiative would create. That is why more than 60 organizations and trade groups across the state are supporting this plan, including the Associated General Contractors, the Associated Builders and Contractors, labor unions, the American Consulting Engineers Council, and the American Institute of Architects.

The construction of new affordable housing units would significantly improve the energy efficiency of Maine's housing stock. New housing will be constructed to MSHA's green standards, which are 30 percent more energy-efficient than standard construction. Almost every family that moves to a new or renovated unit is moving from a home or apartment that used more energy. The money these families don't spend on fuel oil will be put back into Maine's economy.

Replacing old mobile homes will also provide a significant energy benefit. Trailers built before 1976 were not designed for climates as extreme as Maine's. They are hard to heat, more prone to fatal fires, are not eligible for state and federal home repair programs, and have essentially no market value. There are approximately 7,500 such mobile homes in Maine. Since the median annual income of owners of older mobile homes in Penobscot County is \$10,300, they need assistance to obtain safer, more energy-efficient housing.

The need for more affordable housing is clear and universal throughout Maine. According to the U.S. Census Bureau, Maine has twice as many extremely low-income renters as it has units affordable and available to them. Eighty-six thousand Maine households (more than 17 percent) pay more than 50 percent of their income toward housing. More than 7,000 different people stay in Maine's emergency shelters each year. MAHC's members see these problems up close every day. Waiting lists for Section 8 housing throughout the state include more than 11,000 names. At Penquis, our Section 8 waiting list now tops 1,600 households despite being closed for a year and a half. Another 135 families are on the waiting list for our rental apartments.

The need for senior housing is a particular problem in rural Maine. Many seniors are living on a fixed income. Those in their own homes are often unable to properly maintain them and many struggle to afford heating oil. Others find it difficult to find a decent affordable apartment. Safe, affordable housing will greatly improve their quality of life.

Thanks to Senate President Mitchell, the MAHC plan is moving toward passage this year. When that happens, we will all benefit from the jobs and energy-efficient housing created for Maine's people.

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