

**Statement of Dr. Robert Wasserstrom on behalf of the Midcoast Regional Housing Trust,
Rockland, to the**

Joint Committee on Appropriations and Financing

February 9, 2023

My name is Robert Wasserstrom and I'm a founding board member of the Midcoast Regional Housing Trust in Rockland. MCRHT is a non-profit corporation that plans to develop permanently affordable workforce housing in Knox County and adjacent towns in Lincoln and Waldo Counties. We appreciate the opportunity to submit this statement to your committee.

The first thing we did when we began operations last year was to complete a needs assessment for our area. I'm submitting that assessment for the record as part of my testimony.

Here are three key findings:

- Fully one-third of our housing stock was seasonally occupied and unavailable for year-round use.
- By January, 2022, the median price of a home in Knox County had already reached \$370,000 — affordable for households making \$150,000 per year with \$75,000 for a down payment. That's about twice what most Midcoast families earned.
- Using data from the Maine Department of Labor, we estimated that our region will need 800 new workers by 2028 *just to make up for retirements*. This includes teachers, skilled trades people, health care workers, emergency service personnel and others. At the same time, major employers told us that up to 25 percent of

prospective new hires turned down competitive job offers because of high housing costs. Most of these jobs paid in the \$25-\$45 per hour range.

Over the past year, the news in our area has gotten worse. In many communities, seasonal housing has now risen to almost 40 percent. New construction has dropped to near zero, except in the very high price range. And no wonder: construction costs now run between \$450 and \$500 a square foot. Median home prices oscillate between \$375,000 and \$410,000. Monthly rents for a livable two-bedroom apartment in Rockland are approaching \$2,000 – if you can find one.

Housing trusts and community land trusts (CLTs) play an essential role where other developers are mostly absent. They have been active in Maine since 1978 and now operate on Mt. Desert Island, Deer Isle, North Haven, Freeport, Kennebunkport, Waterville and in mainland Hancock County. New trusts are starting up or being formed. We ask you to recognize us in your housing policy and funding allocations.

Like other affordable housing developers, housing and community land trusts may build and sell homes to individual buyers. Trusts normally retain ownership of the land and the right to repurchase these homes at resale for a pre-agreed price. Through deed covenants and other measures, trust properties remain affordable in perpetuity to subsequent buyers. Housing trusts and CLTs may also own rental properties, as MCRHT intends to do in Rockland.

Maine's housing crisis won't be solved with half measures. Current programs are severely underfunded and don't address the problems of many working families. Without these families our communities will struggle. We hope that you will address their needs in the 2023-2024 budget appropriation.

Thank you.