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People Policy Solutions

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Testimony of Frank D'Alessandro, Maine Equal Justice
In Support of LD 473
An Act to Support Emergency Shelter Access for Persons Experiencing
Homelessness
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Good morning Senator Rafferty, Representative Sylvester and members of the Joint Standing Committee on Labor and Housing. My name is Frank D'Alessandro and I am the Policy and Litigation Director of Maine Equal Justice. We are a civil legal services organization, and we work with and for people with low income seeking solutions to poverty through policy, education, and legal representation. Thank you for the opportunity to offer written testimony to you in support of LD 473.

Maine Equal Justice supports LD 473 as a crucial step in strengthening Maine's housing system for those most vulnerable to eviction and homelessness. The pandemic highlighted the need for stable housing as a part Maine's public health system. Throughout the past year, Maine's longstanding shortage of affordable housing, rental assistance, case management and legal services have combined with the Covid-19 pandemic to create a dire housing crisis in the state. LD 473 expands what works to get families housed and keep them housed

What the bill does

The bill's three components – rental assistance, landlord incentives and housing navigation – work in tandem to ensure tenant success in housing.

First, the rental assistance will help make rents affordable for households by assisting those with low incomes to pay rent while they seek jobs that pay a living wage or wait for more permanent federal rental assistance.

Second, landlord incentives incentivize landlords to work with this rental assistance program and the existing rental assistance programs including Section 8 Voucher Program

Third, housing navigation is supportive services that assists renters in finding and retaining permanent housing.

Maine Equal Justice Supports this Bill for the following reasons:

I. LD 473 Strengthens Maine’s Housing System for the Long Economic Recovery from Covid-19 by Beginning to Close the Gaps in Our Housing System.

Nearly 60% of extremely low-income households pay more than 50% of their monthly income towards rent, a threshold which HUD deems *severely* rent burdened.¹ An extremely low-income family of four in Piscataquis County just barely breaks \$20,000 in annual income. These extremely low-income households are the Maine households most vulnerable to housing instability.²

One tenant from Winslow describes the impossible bind renters are in to balance the cost of housing with their other basic needs, especially during the pandemic when stability at home has made the difference for being able to work from home and keep one’s job, or not:

[T]he biggest fear for me and many others is debt Poor people all over the state are plunging deeper into debt to keep afloat so they don’t become homeless. Those stories you hear about people not being able to afford a \$400 emergency? For many it’s much worse than that. . . . For me it’s keeping up with car payments. I had to push off my car payment for two months in order to make rent. I’m paying a lot of interest in order to make sure I don’t lose my housing. This is the bind that so many find themselves in: we need our cars for when we go back to work but keeping up with payments in this emergency in addition to all the other needs our families have is near impossible. Others in my community are being driven deeper into debt due to overdue rent and fees as well as increased food costs, student loans, health insurance and medical expenses for those who lost coverage through their job, and phone, electricity and internet – a lifeline for so many during this time of social distancing.

For severely rent burdened households, missing any one of these bills can lead to housing instability and eviction--a family’s forced removal from their home. And with so many severely rent burdened households, Maine suffers from a longstanding eviction pandemic that preceded the Covid-19 pandemic. For the three years leading into the pandemic, Maine had over 5,000 households who faced loss of their home due to eviction.³ Most of these evictions were for non-payment of rent.⁴ Many of these evictions would be avoidable with timely access to ongoing rental assistance, which reduce and stabilize tenants’ housing burden.

¹ National Low Income Housing Coalition, *Housing Needs by State: Maine*, (Accessed on March 2, 2021) <https://nlihc.org/housing-needs-by-state/maine>,

² *Id.*, of these households 34% are seniors, 28% are disabled and 26% are working and in the labor force.

³ Maine State Court Caseload – 5 Year Trend, <https://www.courts.maine.gov/about/stats/statewide.pdf>

⁴ Maine Affordable Housing Coalition, *Evictions in Maine: Analysis of Eviction Filings and Outcomes as the Covid-19 Pandemic Threatens to Increase Rental Housing Instability*, (Sept. 2020), <https://mainehousingcoalition.org/wp-content/uploads/2020/09/Maine-Eviction-Report-FINAL-September-2020.pdf>

A Portland renter described the impact that rental assistance had on her ability to weather rent increases and stay housed and healthy during the pandemic.

She said, I am a 70-year-old and have lived in the same place for the last 43 years. . . I recently received a notice of rent increase of 36.3% . . . A \$300.00 increase effective July 1, 2020. Now, more than ever, I'm grateful for Section 8 housing assistance . . . All this in the middle of an emergency and I know there are many renters out there dealing with this on their own without any assistance.

With a Section 8 voucher, this tenant's rent amount will stay stable with her income, and the Portland Housing Authority will pay the rent increase.

But as this tenant recognized, federal rental assistance has been inadequate to meet the housing needs of Maine's extremely low-income families. The National Low Income Housing Coalition estimates that Maine has a shortage of 21,015 rental homes for these members of our community. This estimate is corroborated by the waitlists for the affordable programs and properties around Maine. Maine's joint Section 8 waitlist which covers most of the state has over 25,000 households on it. These families wait years for needed assistance. Avesta Housing recently reported that over 11,000 seniors are on the waitlist for their senior housing projects located across Maine.

The federal funds for housing assistance Maine has received are inadequate to aid the thousands of Mainers on these waiting lists. The time-limited, federally funded Emergency Rental Assistance Program that Maine State Housing Authority just implemented on Monday is only available to tenants who have COVID-related reduction in income. But, as we have described, Maine's housing crisis pre-dates the pandemic and, without investing in long-term rental assistance for Maine's tenants, it will continue when the COVID-19 pandemic is over.

Additionally, existing landlord incentive programs are not universally available to every renter accessing rental assistance programs. Likewise, Housing Navigation, despite its success in housing families, is limited to one voucher program that serves households who are currently homeless and accessing one of Maine's emergency shelters around the state.

The pandemic has pushed Maine's housing affordability problems to a crisis point, showing us how vulnerable our state is to a wave of evictions: the number of Maine households that have fallen behind on rent and face eviction has risen to at least 20,000.⁵ Furthermore, homeless and housing service providers report that it is harder than ever to house families who are homeless or have a voucher.

II. This Bill Will Help Address the Racial Inequality That Has Been Highlighted by Maine's Housing Crisis

Housing access is a racial equity issue as well. In Maine as in the rest of the country, people of color are disproportionately harmed due to the lack of affordable housing. According to Pine Tree

⁵ NCSHA, *Stout Data: Estimation of Households Experiencing Rental Shortfall and Potentially Facing Eviction (8/19/20-11/23/20)*, <https://www.ncsha.org/resource/stout-rental-and-eviction-live-data/>.

Legal Assistance, between 2017 and 2019, 12% of households they represented in eviction court were non-white, though only 5% of Maine’s population is non-white. Significantly, according to a study conducted by the Maine State Housing Authority in 2019, 26% of Maine’s homeless population is Black or African American even though they make up only 1% of Maine’s population.⁶ Furthermore, existing rental assistance programs such as Section 8 are not available to newest members of our Maine Community – asylum seekers and refugees. Instead, these families must rely on the General Assistance program – an unstable, month-to-month assistance program. Because the General Assistance caps on housing assistance are below market-rate rents, these renters are effectively barred from much of the rental market. Instead, they are often steered into substandard housing that poses a health and safety threat to their families.

During the pandemic, many Black, Indigenous and people of color in Maine did not have the luxury of working from home. Many make up Maine's essential workforce - seafood processors, dairy workers, cleaning staff, health care workers, grocery workers, homecare workers, public servants, and more. Yet, as described above, these same essential workers face significant housing instability and are at far greater risk of homelessness. In Maine, we must root out discrimination wherever we find it.

III. The Landlord Incentives and Housing Navigation Services Help Unlock Existing Federal Housing Resources that Maine Leaves on the Table.

A woman who is a victim of domestic violence became homeless after she was evicted due to a disturbance caused by her abuser. The woman is currently in a homeless shelter. She has had a Section 8 voucher for 4 months but remains in shelter because she cannot find a landlord who will rent to her.

Throughout 2020, Maine Housing reported that it had over 600 households who held Section 8 vouchers but could not find an apartment that would accept it. With an average annual subsidy of \$7,500, this represents over \$4.5 million of federal rental assistance left on the table, and this only accounts for Maine Housing, one of the many housing authorities administering the Section 8 Voucher program in Maine. Being able to use this subsidy can mean life or death for renters. In November 2019, Russell Williams, a Navy veteran camping in Brunswick, died with a Section 8 voucher in hand, unable to find an apartment that would accept him.⁷

Households with vouchers, including Section 8, BRAP (Bridging Rental Assistant Program), Shelter Plus, and General Assistance universally struggle to find housing.⁸ Maine’s data reflects

⁶ MSHA, *Maine Homelessness Survey: 2019 Point in Time Count* (last revised May 17, 2019), <https://www.mainehousing.org/docs/default-source/housing-reports/2019-point-in-time-survey.pdf>.

⁷ *Death of homeless Midcoast man shines light on Maine’s housing crisis*, WGME, (Dec. 2, 2019) <https://wgme.com/news/local/death-of-homeless-midcoast-man-shines-light-on-maines-housing-crisis>

⁸ In 2018, the Bangor Daily News profiled a man with a Shelter Plus voucher who searched for an apartment for his family for five months before they found a unit and signed a lease. See Callie Ferguson, *Homeless with 4 Kids, a Bangor Man Called Nearly 100 Landlords to Find a Place to Live*, Bangor Daily News (Nov. 19, 2018), <https://bangordailynews.com/2018/11/19/news/bangor/homeless-with-4-kids-a-bangor-man-called-nearly-100-landlords-to-find-a-place-to-live/>.

national studies, showing that many landlords deny prospective tenants with housing vouchers outright.⁹ In 2018, a HUD sponsored study of the Section 8 Voucher program found that landlord participation could be improved with ¹⁰~~OBJ~~. Pilot programs in other states have found that these programs can remove the program's perceived barriers to landlords¹¹

Housing navigation programs have been proven effective to assist households to successfully find rental housing. These programs build trusted relationships with landlords and can assist households and landlords alike in navigating these rental programs.

Furthermore, landlord incentive programs such as repair assistance and damage mitigation funds help make needed updates to Maine's rental housing while providing security to landlords new to working with rental programs.

Both housing navigation and landlord incentives have been shown to work in Maine. Maine Housing has operated both for several years. The Maine Homeless Veteran Action Committee also launched a damage mitigation fund in 2020 which helps to house homeless veterans. FairTide, located in Kittery launched a pilot program in 2020 which has also show success. But these programs are not available to all voucher holders in Maine. This bill would help give Maine the resources it needs to expand these proven models to more households – supporting landlords and tenants alike to unlock the stability that comes with rental assistance.

IV. Maine Equal Justice Supports LD 473 Because Housing Instability is Socially and Economically Harmful for Mainers and Maine.

Without rental assistance, families face the trauma and hardship of losing the place they call home. Neighborhoods lose community members suddenly. Children can be forced to change school districts mid-year, harming their educational and social development. Furthermore, in an eviction, the costs to all parties are tremendous. Tenants often lose most of their possessions – forced to take only what they can fit in their car. Once evicted, many tenants find themselves unable to find stable, safe housing and are forced to move into more substandard housing.¹²

One Waterville hotel worker described how hard it is to hear people calling the hotel searching for shelter in crisis:

⁹ Mary Cunningham, et al., *A Pilot Study of Landlord Acceptance of Housing Vouchers: Executive Summary 3*, Urban Institute (2018), <https://www.urban.org/research/publication/pilot-study-landlord-acceptance-housing-choice-vouchers>.

¹⁰ *Id.* at 8.

¹¹ For example, see Marin County in California's landlord incentive program to increase housing options in the Bay Area. Matthew Pera, *Marin Tenants with Section 8 Vouchers Find Increasing Success in Rental Market*, Marin Independent Journal (Jan. 18, 2020), <https://www.marinij.com/2020/01/18/marin-tenants-with-section-8-vouchers-find-increasing-success-in-rental-market/>.

¹² Matthew Desmond & Rachel Tolbert Kimbro, *Eviction's Fallout: Housing Hardship and Health*, Social Forces (2015), https://scholar.harvard.edu/files/mdesmond/files/desmondkimbro.evictions.fallout.sf2015_2.pdf.

Listening to people who are desperately looking for housing call into the hotel is like listening to the apocalypse on the radio. Their whole lives are shattered and there's nothing I can do. You can't pay rent when you aren't making money. People haven't gotten help with rent in time and now they're homeless. The housing crisis so much bigger now and renters need help.

Furthermore, these individual experiences of displacement ripple out into Maine's economy. Workers who face eviction and homelessness are not ready and available to be the best employees they can be for Maine. This is why the Governor's Economic Recovery Commission emphasized housing solutions as a critical component to stabilize¹³ and sustain¹⁴ and grow Maine's economy following the pandemic. One part of the committee's recommendation was the creation of a state voucher program. The rental assistance in this bill takes a crucial step in creating the state rental assistance Maine needs for the 21st century.

Conclusion

The bottom line is that everyone in Maine deserves a safe and affordable place to call home and the opportunities to fulfill their potential that come with it. This is critical both to the well-being of families but also to attract and keep the work force necessary to insure our State's economic development. Investing in housing stability for Maine people is the foundation to help Mainers rebuild better from the COVID-19 pandemic.

Of all the things we can do to support families and individuals to obtain this stability and to rebuild their economic security post-pandemic, safe homes that are realistically affordable and do not eat up the whole family budget are at the top of the list.

We need more rental assistance programs.

While Maine State Housing Authority is in the process of rolling out a rental assistance program this program is funded with temporary federal funds and will not be available to meet Maine's long-term affordable housing crisis. However, together, the short-term federal funding and the permanent rental assistance contained in LD 473 provide a blueprint to help meet the affordable housing needs of Maine's most vulnerable residents.

¹³ Governor's Economic Recovery Committee, *Economic Support and Stabilization Recommendations*, (July 15, 2020), https://www.maine.gov/future/sites/maine.gov.future/files/inline-files/EconomicRecoveryCommittee_Report071520.pdf, see page 14 for housing recommendations.

¹⁴ Governor's Economic Recovery Committee, *Economic Support and Stabilization Recommendations*, (November 24, 2020), see page 21 for housing recommendations.

The factors that drive housing instability are complex, but we know that solutions can be simple.

Families need stability.

This stability is ensured through rental assistance that keeps rents affordable.

Households and landlords need support to navigate rental assistance programs.

Housing Navigation and incentives are proven ways to provide that support.

LD 473 addresses these well-documented needs.