

# INSIGHT

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SECTION C

## MAINE VOICES

# Affordable housing helps us all

The state should finance housing, because when workers can find homes near their jobs, everyone benefits.

Housing within reach of lower- and middle-income Mainers is slipping away.

The statistics are startling. Between 2000 and 2005 (the last period for which there is census data), the median income of a Maine household rose 14.2 percent. That's good news.

The bad news is that in the same five years, the price of an average two-bedroom rental unit in Maine rose 32.5 percent, according to the census. And the sale price of a median home rose 67.4 percent!

Both apartments and owner-occupied homes are much less affordable today in most parts of Maine than they were in 2000.

Renting or buying our own homes are the keys to feeling grown up, independent and part of the American dream. Our parents did it when they started a family and we want to do it for our families.

Finding a home is also expensive, often prohibitively so, especially in southern, central and coastal Maine.

For that reason, Mainers have seen fit to fund various state programs that help people afford homes.

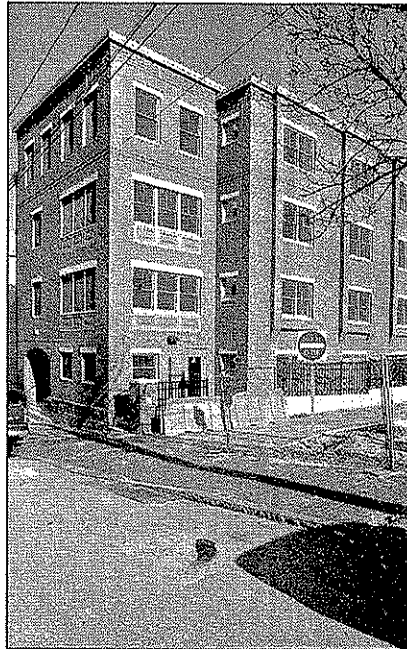
When we as a society make housing more affordable, we are not only helping our modest-income neighbors realize their dreams, but also acting in our own self-interest and ultimately improving the quality of life for us all.

Conversely, when we restrict state housing programs and leave too many people at the mercy of the free market, we ultimately diminish the quality of life that we all seek for everyone in Maine.

Consider the following ramifications of the lack of affordable housing:

■ When people can't find an affordable place to live near their work or family, they move as far away as necessary to find housing they can afford.

This causes sprawl, which last



The Associated Press

**The YMCA Apartments**, which opened last year on High Street in Portland, help fill a growing need for affordable housing in greater Portland. The Maine State Housing Authority provided financing and tax credits for the project. Such public funding brings gains to the whole Maine economy.

year's Brookings Institution report called one of the greatest threats to Maine's economic health.

Sprawl chews up open space in rural communities, jeopardizing the rural character that gives our state its special identity. Commutes get longer and longer and automobile expenses soar. Traffic congestion worsens; and the cost of maintaining roads goes up. More greenhouse gases are emitted into our atmosphere.

■ When people with middle- to lower-paying jobs can't find affordable places to live, local businesses struggle to recruit workers and therefore can't expand or flourish.

Out-of-state businesses shy away from relocating here, out of the same concern. That hurts economic growth

## ABOUT THE AUTHORS

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for all of us.

■ High inflation in housing prices pushes up the Consumer Price Index. This causes the Federal Reserve Board to raise interest rates or keep them high, to hold down inflation.

Higher interest rates reduce economic growth. This hurts everyone who needs a loan to start or expand a business, go to school, build a house or anything else.

■ When people are paying too high a proportion of their incomes for housing, they have less money available to spend in the local economy, which hurts us all.

Gov. Baldacci has just taken an important step to try to stem this tide.

For years, half of Maine's real estate transfer tax proceeds to the state were directed to Maine State Housing Authority's HOME fund, to finance affordable housing. In several recent state budgets, \$7.5 million per year of these housing funds were diverted to other, non-housing priorities.

The governor has now proposed returning these funds to the HOME fund in the 2008-09 budget.

With housing becoming less and less affordable for many Mainers, it is vital that the Legislature preserve these funds.

The problem of unattainable housing is not just a problem for lower- to moderate-income people among us; it affects us all.

Legislators and others should support funding affordable housing, both because it is the right thing to do for people who are struggling, and because it helps everyone.