



# MAINE AFFORDABLE HOUSING COALITION

## 132nd Legislature - Joint Committee on Taxation – 3.5.25

### Testimony of Laura Mitchell, Executive Director, Maine Affordable Housing Coalition in favor of LD435 An Act to Expand the Historic Property Rehabilitation Tax Credit

Good afternoon, Chair Grohoski, Chair Cloutier, and the honorable members of the Joint Taxation Committee.

My name is Laura Mitchell, I am the Executive Director of the Maine Affordable Housing Coalition, a membership nonprofit with more than 140 Maine affordable housing development, design, finance, and shelter organizations. We advocate for the creation and preservation of affordable housing in Maine.

This testimony is in favor of LD435, *An Act to Expand the Historic Property Rehabilitation Tax Credit*. The State Historic Tax Credit is used to fund the rehabilitation of run-down historic sites. More than 2/3 of state historic tax credit projects are redeveloped into housing. More than 20% of all new affordable homes in Maine have used the historic tax credit.

**LD435 removes the 2030 sunset of the State Historic Tax Credit. Ensuring this program continues is critical. The sunset has been extended twice, and the program continues to prove itself as a cost effective way to attract significant outside investment in communities throughout Maine.**

The \$5 million cap on the State Historic Tax Credit was set in 2008 for major rehabilitation projects like on an old mill. Since then, the cost of rehab construction has gone from about \$125 per square foot in 2008 to \$310 per square foot today. That's a 2.5 times increase in cost. To remain on par, the cap would need to increase 2.5 times as well to \$12.5 million. LD435 seeks an increase of the cap to \$10 million.

A MAHC member historic tax credit developer that builds affordable housing noted that, "like everything else, construction is more expensive, but actually the inflation in construction outpaces most other sectors of the economy, which is a leading cause of the housing crisis among other issues. Thus, increasing the cap to \$10 million is really an indexing for inflation that will allow practitioners to keep producing housing, which is the primary end use for Historic Tax Credit projects generally."

There's no better place to build new housing in Maine than in already developed locations, that revitalize and add decades of use to run down historic properties. Maine is decades behind investing in housing and needs to be building thousands of new homes a year to meet this backlog. LD435 can help Maine meet its housing goals.

3i Housing of Maine  
 55 Weston Avenue  
 AARP Maine  
 ABG Consulting, Gray  
 Acorn Engineering, Inc.  
 Allied Cook Construction, Portland  
 Anew Development LLC, Portland  
 Apartments for People LLC, Belfast  
 Archetype Architects, Portland  
 Associated General Contractors of Maine  
 Auburn Housing Authority  
 Augusta Housing Authority  
 Avesta Housing, Portland  
 Bangor Area Homeless Shelter  
 Bangor Housing  
 Bangor Savings Bank  
 Bank of New Hampshire, Falmouth  
 Bath Housing  
 Bath Savings Institution  
 Belwether Enterprise  
 Benchmark Construction, Westbrook  
 Boston Financial Investment Management  
 Bowman Constructors, Newport  
 Brunswick Housing Authority  
 Camden National Bank  
 Carpenter Associates  
 Catholic Charities of Maine  
 CEI, Brunswick  
 CHK Architecture, Portland  
 City of Portland Department of Housing  
 Clark Insurance, Portland  
 Community Concepts, Lewiston  
 Community Housing of Maine, Portland  
 Consigli Construction Co., Inc.  
 Cooperative Development Institute, South Freeport  
 Cooperative Fund of the Northeast  
 CREA, LLC  
 Credex Associates, Westbrook  
 Cross Financial Corp., Portland  
 Cumberland County  
 Currier Theater, Portland  
 CVS Architects, Portland  
 Developers Collaborative, Portland  
 Development Services of New England, Freeport  
 Dovetail Consulting  
 DrummondWoodsum, Portland  
 Ducas Construction, Inc.  
 Dunbar & Brawn Construction  
 Eagle Point Development, LLC  
 Eaton Peabody Consulting Group, Augusta  
 Eric Burmeister  
 Evernorth, Portland  
 Falmouth, Town of  
 Fort Fairfield Residential Development Corp.  
 Four Directions Development Corporation, Orono  
 Freeport Community Services  
 Freeport Housing Trust  
 Furniture Friends  
 Garrison Construction, Augusta  
 Gawron Turgeon Architects, Scarborough  
 Genesis Community Loan Fund, Brunswick  
 Gorham Savings Bank  
 Great Falls Construction, Gorham  
 Grommes Pulaski Consulting LLC, Portland  
 GrowSmart Maine  
 Habitat for Humanity of Greater Portland  
 Habitat for Humanity York County  
 Hancock Lumber, Casco  
 Healthy Androscoquin, Lewiston  
 Hebert Construction  
 Home Start, Peaks Island  
 Homeless Voices for Justice, Portland  
 Housing Foundation, Orono  
 Housing Initiatives of New England, Portland  
 Housing Partnership, Portsmouth, NH  
 Hunt Capital Partners LLC, El Paso, TX  
 Island Institute, Rockland  
 Islesboro Affordable Property  
 Jensen Baird Gardner & Henry, Portland  
 John Anton, Consultant, Portland  
 Kaplan Thompson Architects, Portland  
 Kennebec Savings Bank, Augusta  
 Kennebec Valley Community Action, Waterville  
 Kennebunk Savings  
 KeyBank  
 Knox County Homeless Coalition  
 Lake City Investments, LLC  
 Landry/French Construction, Scarborough  
 LaRoche Consulting, LLC, Augusta  
 Lassel Architects, South Berwick  
 LB Development Partners, Portland  
 LeadingAge Maine & New Hampshire  
 Lewiston Housing Authority  
 M&T Bank  
 Machias Savings Bank  
 Maine Bureau of Veterans' Services  
 Maine Community Action Partnership  
 Maine Community Bank  
 Maine Department of Health & Human Services  
 Maine Equal Justice  
 Maine Immigrants' Rights Coalition  
 Maine Public Health Association  
 Maine Real Estate Managers Association  
 Maine State Building & Construction Trades  
 Maine Workforce Housing LLC, Portland  
 Mano en Mano, Milbridge  
 Marx Development LLC, Yarmouth  
 Mascota Bank  
 Midcoast Regional Housing Trust  
 NBT Bank  
 Nickerson & O'Day, Inc., Bangor  
 North Haven Sustainable Housing  
 Northeast Rental Housing  
 Norway Savings Bank  
 Old Town Housing Authority  
 One Atrium C/Os, South Portland  
 Penobscot General Contractors  
 Penquis, Bangor  
 People's United Bank  
 PM Construction  
 Portland Builders  
 Portland Housing Authority  
 Preble Street, Portland  
 Preservation Management, South Portland  
 Preti Filiothy, Portland  
 Raise-Op Housing Cooperative, Lewiston  
 Realty Resources Management  
 Rental Housing Alliance of Southern Maine  
 Rick Whiting  
 Rumford, Town of  
 Sanford Housing Authority  
 Scott Simons Architects, Portland  
 Sea Coast Management Company, Topsham  
 Shalom House, Portland  
 Silver Street Development Corporation, Portland  
 South Portland Housing Authority  
 Sparhawk Group, Yarmouth  
 St. German  
 Sunrise Opportunities, Machias  
 S.W. Cole Engineering, Gray  
 Szanton Company  
 TD Bank  
 Tedford Housing, Brunswick  
 The Caleb Group, Saco  
 The Eagle Point Companies, South Portland  
 The Housing Foundation  
 The Park Danforth, Portland  
 Thornton Tomasetti, Portland  
 Through These Doors, Portland  
 Total Construction Management, Winterport  
 TPD Construction Co., Sanford  
 United Way of Greater Portland  
 Utile, Inc.  
 Veterans Inc., Lewiston  
 Volunteers of America of Northern NE  
 Washington County Assoc for Ret. Citizens  
 Westbrook Housing Authority  
 Western Maine Community Action, E. Wilton  
 Winton Scott Architects  
 Wishcamper Companies, Portland  
 WKC & Associates  
 Wright-Ryan Construction, Portland  
 Yarmouth Housing Collaborative  
 Year-Round Housing Corp., Long Island  
 York County Community Action, Sanford  
 York Housing Authority  
 Zachau Construction, Freeport  
 Zero Energy Design  
 Zeta Energy, Bangor