



MAINE AFFORDABLE HOUSING COALITION

Joint Standing Committee on Taxation

*Testimony of Laura Mitchell, Executive Director, Maine Affordable Housing Coalition
in favor of LD632 – An Act to Allow a Local Option Sales Tax on Short-term Lodging to Fund
Affordable Housing Sponsored by Representative Skold*

and

*in favor of LD746 – An Act to Authorize a Local Option Sales Tax on Short-term Lodging to Fund
Municipalities and Affordable Housing Sponsored by Representative Friedmann*

Hello, Senator Grohowski, Representative Cloutier, and Members of the Joint Standing Committee on Taxation.

My name is Laura Mitchell. I am the Executive Director of the **Maine Affordable Housing Coalition.** MAHC is a nonprofit with 140 members that advocate for the preservation and creation of affordable housing so all Maine people have a home.

We support LD632 and LD746 that allow for local option sales taxes on short term lodging to fund the creation of affordable housing in Maine communities. In 2023, the State commissioned a housing study that stated that Maine needs 80,000 new homes by 2030. For decades Maine has been underproducing housing, and short term rentals have been removing units from the market for permanent housing for Maine people. This year, the State shared a roadmap to meeting Maine's housing needs. Focusing on financial tools that enable market-based solutions to incentivize production was one of three priorities.

LD632 and LD746 support a new and innovative tool to funding housing that leverages an evidence based approach of local option sales taxes. Building housing that is affordable for Maine people requires incentives and funding. Right now, the market is broken for building anything but luxury housing without this funding. The cost of materials and land, and the difficult and long regulatory process to permit housing has made housing out of reach for the majority of Maine people. Pathways to ongoing and longterm funding to incentivize housing is vital.

While the State has made historic investments in housing over the last several years, these were one time investments and these funds have already been distributed to projects throughout Maine. Several new housing programs are going to end without more funding. Specifically the Rural Affordable Rental Housing Program and the Affordable Home Ownership Program. These programs have built homes from Aroostook County to York County and everywhere inbetween.

Both of these have programs have housing projects in small towns across Maine that are shovel ready and would otherwise move forward, but for the limited funding. The Rural Program had \$51 million in requests from housing projects, but only has \$25 million to distribute. The Home Ownership Program has projects that need \$13 million to get built, but only \$10 million to spend. These programs will end and shovel ready homes won't get built. That's a economic blow to towns throughout Maine. Housing is the SOLUTION for Maine's economy and health, and we need to find long-term, sustainable sources of funding to invest in the housing solution.

MAHC supports consistent funding strategies for housing that don't overburden Maine people. A local option sales tax on short term rentals will largely impact vacationers coming to Maine, while positively supporting Maine people's health and wellbeing through essential housing. Thank you for your consideration.

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
Belweher 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
CFA Architecture, Portland
City of Portland Department of Housing
Clark Insurance, Portland
Community Concepts, Lewiston
Community Housing of Maine, Portland
Connigli Construction Co., Inc.
Cooperative Development Institute, South Freeport
Cooperative Fund of the Northeast
CREA, LLC
Credit Associates, Westbrook
Cross Financial Corp., Portland
Cumberland County
Curtis Theater, Portland
CWS Architects, Portland
Developers Collaborative, Portland
Developer Services of New England, Freeport
Dovetail Consulting
DrummondWoodsum, Portland
Ducas Construction, Inc.
Dunbar & Brawn Construction
Eagle Point Development, LLC
Easpebody 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
Garmon Construction, Augusta
Gawron Turgeon Architects, Scarborough
Genesis Community Loan Fund, Brunswick
Gorham Savings Bank
Great Falls Construction, Gorham
Grommes Pulaski Consulting LLC, Portland
Growthnet Maine
Habitat for Humanity of Greater Portland
Habitat for Humanity York County
Hancock Lumber, Casco
Healthy Androscoggin, 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
Johannes Consulting, Portland
Kaplan Thompson Architects, Portland
Kennebec Savings Bank, Augusta
Lewiston Housing Authority, Waterville
Kennebunk Savings
KeyBank
Knox County Homeless Coalition
Lake City Investments, LLC
Landry/French Construction, Scarborough
Lafayette 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
Meadow Development LLC, Yarmouth
Mascoma 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
Ots Atwell CPAs, 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
Presti Flaherty, 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
Simons House, Portland
Silver Street Development Corporation, Portland
South Portland Housing Authority
United Way Group, Yarmouth
St. Germain
Sunrise Opportunities, Machias
S.W. Cole Engineering, Gray
Szanton Company
TD Bank
Tedxfor 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
Veterans of America of Northern NE
Washington County Assoc for Ret. Citizens
Westbrook Housing Authority
Western Maine Community Action, E. Wilton
Winston 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
Zachos Construction, Freeport
Zero Energy Design
Zoo Energy, Bangor