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**Public Comment on Parameters for Next Tax Expenditure Reviews- 12.17 GOC Meeting**

**RE: Credit for Affordable Housing**

December 8, 2025

The Maine Association of REALTORS® (MAR) is a professional trade association established in 1936 with over 6,500 members statewide. REALTORS® protect private property rights, build Maine communities, and grow our state's economy.

The Maine Association of REALTORS® (MAR) supports the state's continuation of the Affordable Housing Tax Credit expenditures as it incentivizes the creation of additional housing units across the state. It encourages private developers to work hand in hand with Maine Housing to bring much needed housing units to the marketplace. According to the Maine Housing Production Needs Study, up to 84,300 units of additional housing are needed before 2030 to meet the expected population growth and remedy historic underproduction.

Tax incentives that encourage creation of more housing to address the current and growing demands in our state should be supported as they are one essential solution to a complex housing shortage. Due to historic inflation, rising construction costs, labor shortages and regulatory barriers that add to the cost of development, it has become increasingly challenging in recent years for Maine to remain a smart business investment for developers. As we have determined, incentivizing the creation of more units is one method to address our state's housing needs. The affordable housing credit supports that mission. Both private and public collaboration is needed to strike the right balance of housing that addresses the needs of Mainers in search of a place to call home.

MAR has long supported Maine Housing and our association members from every corner of Maine work tirelessly to advocate for the adoption and integration of housing policies that respond to the individual and collective housing needs of our society.

As written in our association's public policy statement, the Maine Association of REALTORS®:

- Supports state and local policies that promote innovation and development serving the housing and commercial needs and changing market demands.
- Support the existence of a state housing agency to advocate and administer state housing policies and programs.
- Support tax deductions that encourage private investment.

We commend Maine Housing for making historic strides to creatively bring new units to the market for Mainers to call home. The continued support of tax expenditures that are pro-housing and encourage a balance of public and private incentives to increase housing in our state should remain a focus of our state's tax programming. Thank you for your time and consideration of our comments.

Respectfully,

*Jeff Harris*

Jeff Harris, 2025 President

Maine Association of REALTORS®



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Brian Kilgallen  
Community Housing of Maine  
OPEGA Report

Government Oversight Committee

Testimony of Brian Kilgallen, Development Officer, Community Housing of Maine  
Proposed OPEGA Tax Expenditure Review of The Credit for Affordable Housing

Senator Hickman, Representative Mastraccio, and members of the Government  
Oversight Committee. Brian Kilgallen, Development Officer, Community Housing of  
Maine. I am testifying on the Proposed Parameters for OPEGA Tax Expenditure  
Review of the Credit for Affordable Housing.

We support this OPEGA review that can showcase what we already know to be a  
successful program in building urgently needed new homes in Maine; and uniquely –  
also preserving vital existing affordable homes.

Our experience using this credit as a developer in Maine has shown that the creation  
of these housing units wouldn't happen without this credit. That's why having this as  
an Evaluation Objective is so important.

The credits goals are ultimately about helping provide safety and security for Maine  
people with a roof over their head that they can afford. Building and operating these  
housing projects, we see every day the relief, gratitude and hope these homes provide  
to Maine residents. That's why the Evaluation Objectives laid out in (3 MRS §999)  
provide a pathway to assess the positive impact on the direct beneficiaries – Maine  
people living in these homes, not developers and builders.

As a developer we see firsthand how this tax credit is just the small catalyst required  
to engage much larger private and other funding to come to Maine to create jobs  
building these new housing projects. The proposed measurement of how this credit is  
leveraged is an important indicator of this credit's clear success.

In closing, we support both the continuation of the Maine Affordable Housing Tax  
Credit and the proposed OPEGA review parameters. This framework will allow  
policymakers to evaluate the credit rigorously, transparently, and fairly — and we are  
confident that, when measured against these criteria, the credit will be shown to be an  
effective and essential tool in addressing Maine's housing needs.

Thank you for your time and for your commitment to evidence-based policymaking.



December 15, 2025

Government Oversight Committee  
82 State House Station  
Augusta, ME 04333-0082

VIA EMAIL ONLY

**Subject: Letter of Support for the Credit for Affordable Housing Tax Credit Program**

Dear Members of the Government Oversight Committee,

On behalf of the Maine Association of Public Housing Directors, we write to express our strong support for the Credit for Affordable Housing tax credit program. This initiative is a vital tool in addressing Maine's growing need for safe, decent, and affordable housing for low- and moderate-income families.

The Credit for Affordable Housing program has proven to be an effective mechanism for leveraging private investment to create and preserve affordable housing units across our state. By incentivizing development, this program not only expands housing opportunities but also stimulates local economies, creates jobs, and strengthens communities, as seen by successes in Old Town and Presque Isle. Over the past year, both the Old Town and Presque Isle Housing Authorities were able to acquire expiring Rural Development projects to preserve their affordability. They were able to combine the Tax Credit program with private lending from the Genesis Fund to make critical repairs to these properties.

As you review the program and establish goals and performance measures, we encourage you to consider the following key objectives:

1. Increase Affordable Housing Supply: Continue prioritizing the creation and preservation of housing units that meet the needs of Maine's most vulnerable populations, including seniors, individuals with disabilities, and working families.
2. Promote Long-Term Affordability: Incorporate measures that safeguard affordability

for extended periods, ensuring that these investments provide lasting benefits to Maine residents.

3. Support Economic and Community Development: Recognize the broader economic impact of affordable housing development, including job creation and increased local spending.

4. Ensure Accountability and Transparency: Establish clear, measurable performance indicators that demonstrate the program's effectiveness in meeting housing needs and maximizing public benefit.

The Maine Association of Public Housing Directors stands ready to collaborate with the Committee and other stakeholders to ensure that this program continues to serve as a cornerstone of Maine's housing strategy. Maintaining and strengthening the Credit for Affordable Housing tax credit program is essential to addressing our state's housing challenges and fostering equitable, thriving communities.

Thank you for your leadership and commitment to this important issue. Please do not hesitate to reach out if we can provide additional information or assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Norman Maze".

Norman Maze, Augusta Housing  
President  
Maine Association of Public Housing Directors



### ***Government Oversight Committee***

#### ***Testimony of Laura Mitchell, Executive Director, Maine Affordable Housing Coalition, Proposed OPEGA Tax Expenditure Review of The Credit for Affordable Housing***

Senator Hickman, Representative Mastraccio, and members of the Government Oversight Committee. My name is *Laura Mitchell* and I am the Executive Director of the **Maine Affordable Housing Coalition**. I am testifying on the Proposed Parameters for OPEGA Tax Expenditure Review of the Credit for Affordable Housing on behalf of our **140 member businesses and more than 2,500 individual members**.

I'm here today in support of this valuable review that can showcase what we already know to be a successful program in building urgently needed new homes in Maine; and uniquely – also preserving vital existing affordable homes.

We believe the proposed framework is well grounded in statute, reflects best practices for evaluating tax expenditures, and will fairly assess the outsized value this credit delivers to Maine people and Maine communities in having built more than 300 homes and preserve even more. The stated purposes derived accurately reflect both legislative intent and real-world outcomes.

The credit's goals are not abstract. They respond directly to documented housing shortages in every region of the state and to the vulnerability of rural and federally assisted housing stock that would otherwise be lost without state intervention. We support OPEGA's use of these statutory purposes as the foundation for its review.

We also agree with OPEGA's articulation of intended beneficiaries. It is appropriate that the review distinguish between recipients and beneficiaries, as the ultimate policy objective is not developer support, but housing stability and affordability for Maine households and we've heard this from residents that share that "they no longer need to commute long distances"; "I get to downsize and stay in the community I've lived in for years". The proposed evaluation objectives provide a comprehensive and balanced framework.

We believe this review will demonstrate that the state credit is a cost-effective, relatively small investment with a multiplier effect to unlock projects that otherwise would not pencil out, particularly in rural areas and for deeply affordable or preservation-focused developments.

Finally, the proposed performance measures drawn are clear, measurable, and appropriate. These measures capture both production and leverage – two of the most important indicators of success for a housing tax credit. In closing, we support both the continuation of this Tax Credit and the proposed review parameters. This framework will allow policymakers to evaluate the credit rigorously, transparently, and fairly – and we are confident that, when measured against these criteria, the credit will be shown to be an effective and essential tool in addressing Maine's housing needs. Thank you for your commitment to evidence-based policymaking.

# Genesis

COMMUNITY LOAN FUND

## Testimony of Liza Fleming-Ives, Genesis Community Loan Fund, to the Maine Legislature's Government Oversight Committee

December 17, 2025

Good morning, Senator Hickman, Representative Mastraccio, and members of the Committee.

My name is Liza Fleming-Ives, and I'm the executive director of the Genesis Community Loan Fund. Thank you for the opportunity to testify today.

Genesis is a certified nonprofit Community Development Financial Institution, or CDFI, working throughout Maine to connect communities with the capital and expertise needed to address our housing needs. We provide loans and expert guidance that support both the development of new housing and the preservation of existing affordable homes, particularly in rural regions of the state.

Because today's hearing focuses on the parameters for OPEGA's evaluation of tax expenditures, my comments speak directly to how Maine's Affordable Housing Tax Credit is being used to preserve affordable housing, whom it benefits, and why it is such an essential and cost-effective tool.

Maine has over 7,600 rental homes that were originally made affordable through the USDA's Section 515 mortgage program. Increasingly, the mortgages on these properties are scheduled to mature, and as they do, the federal rental assistance tied to them can disappear. When that happens, long-time rural residents—seniors, working families, and people with disabilities—may suddenly find that they cannot stay in their homes. And in many of our most rural towns, there are few, if any, affordable alternatives.

To address this challenge, Genesis has partnered closely with USDA Rural Development to help transfer these properties from private landlords to nonprofit organizations and local housing authorities—buyers who will preserve and stabilize affordable rents and reinvest in the buildings. This transfer process is complex, and nonprofits could not take it on without a reliable, predictable financing tool that makes the transactions feasible.

The State Affordable Housing Tax Credit is that tool.

It is both unique and nonduplicative. Nothing else in Maine's housing funding landscape provides this way to support the preservation and improvement of USDA-assisted rural properties.

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To date, Genesis has facilitated five successful 515 property transfers that are benefitting from the state credit, preserving the long-term affordability of nearly 100 homes in communities including Thomaston, Mapleton, Orono, and Waldoboro. We have partnered with organizations such as Volunteers of America Northern New England, Coastal Affordable Housing, the Housing Authority of the City of Old Town, and the Presque Isle Housing Authority.

The outcomes have been powerful.

Residents who feared losing their homes have been able to stay where they are close to family, their health care providers, their children's schools, and the local supports they rely on. Many older residents have lived in these buildings for decades. And because the tax credit is used not only for the acquisition but also for essential repairs and upgrades, these homes are now safer and more accessible. Nonprofit owners have been able to install accessibility features, improve heating and other building systems, address safety needs, and make other improvements.

In other words, the credit is accomplishing what it was designed to do:

- It is preserving affordable homes exactly for the people the Legislature intended to benefit.
- It is enabling outcomes that simply would not occur without it.
- It fills a true gap, not served by any other federal or state program.

And it does so in a cost-effective way. These transactions to date have used an average of \$23,213 in credit per unit of housing preserved, a remarkably efficient State expenditure to ensure long-term community benefit.

Looking ahead, our pipeline over the next three years includes potential property transfers that could preserve the affordability of nearly 300 additional homes in Washburn, Alfred, Eastport, Southwest Harbor, Ellsworth, Camden, Bethel, Vassalboro, and Farmingdale. Attracting developers to build new units in these rural communities is extremely challenging, making it essential to preserve the housing stock that they already have.

This is particularly important because the need is not diminishing. Over the next 10 years, Maine has more than 2800 homes that are in properties with USDA mortgages set to mature and are at risk of losing their affordability. Without the State Affordable Housing Tax Credit, we would lose ground faster than new homes can be built.

Maine can be proud that our Affordable Housing Tax Credit stands as a high-performing, well-targeted, efficient tax expenditure that enables outcomes that would not otherwise be achievable. It also supports strong coordination between state housing policy goals and federal USDA rural housing resources, creating a partnership that multiplies impact rather than duplicating effort.

Thank you for your time and attention, and for the Committee's thoughtful consideration of the parameters for OPEGA's evaluation. I would be pleased to answer any questions.

Laura Reading  
Developers Collaborative  
OPEGA Report

Government Oversight Committee  
Testimony of Laura Reading, Developers Collaborative  
Proposed OPEGA Tax Expenditure Review of The Credit for Affordable Housing

Senator Hickman, Representative Mastraccio, and members of the Government Oversight Committee. I am testifying on the Proposed Parameters for OPEGA Tax Expenditure Review of the Credit for Affordable Housing.

Developers Collaborative has received this credit to build affordable housing projects in Maine. We believe this OPEGA review will highlight what we already know - this is an impactful program helping Maine build vital new homes.

The proposed Evaluation Objective to measure whether projects could move forward without the credit is a valuable assessment. We have used this credit on housing projects that wouldn't have moved forward otherwise.

The credit's goals are about helping Maine people have homes they can afford. The Evaluation Objective that considers the impact on the direct beneficiaries - residents - is important because that's what these credits are about, not the developers that receive them. At Developers Collaborative we hear from the residents of these homes the life changing impact their new home has made.

The proposed measurement of how this tax credit is leveraged will be a valuable indicator of this credit's ongoing success. The credit is the small spark that brings significant private investment into Maine. It creates construction and other jobs, supports local businesses, and builds homes that last generations.

We support the the proposed OPEGA review parameters and urge continuation of this Credit. The review framework will allow the Legislature to evaluate the credit - and we are confident that the credit will be shown to be an effective and essential tool in addressing Maine's housing needs.

Thank you.