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Work Force Housing Proposal

The Proposal would be to add a new section to TIF. This addition would contain three pieces.

1. Add a pine tree zone. This existed before TIF. It would allow a developer to get back from the State sales tax on construction materials.
2. Create a TIF that would be 80% or 120% of the federal standard for housing. This would go for 20 or 30 years, allowing the developer to receive market rate for their units and would change when federal rates changes.
3. Allow a town to put the difference in taxes into the TIF or general fund.

This approach would have both the state and the town have skin in the game. The state returning sales tax on the project and the town using TIF to off set 80% or 120% of the federal standard depending on the project. This would be a small portion of the new taxes generated by the new project. The choice of the difference in town taxes going into a TIF or general fund, would be an incentive for small towns to participate and add to their general fund. Creating incentive for investors to get into the market. The project would be locked in for 20 or 30 years.

I support this bill! This proposal was sent to the housing committee and the Governor and several other Legislators. This idea would stimulate local investment in work force housing.. this TIF would give back to the contractor and make his rental look like market rate rent, the town would pocket the remaining tax moneys.