



MAINE AFFORDABLE HOUSING COALITION

***131st Legislature
Joint Standing Committee on Taxation***

Testimony of Laura Mitchell, Executive Director of the Maine Affordable Housing Coalition

May 10, 2023

*in favor of LD 1739 An Act to Extend Development District Tax Increment Financing Districts
sponsored by Rep. Amy Kuhn*

Good afternoon, Senator Nicole Grohoski, Representative Perry, and members of the Joint Standing Committee on Taxation. My name is Laura Mitchell, I serve as the Executive Director of the Maine Affordable Housing Coalition.

The Maine Affordable Housing Coalition (MAHC) is a nonprofit membership organization of more than 140 Maine housing development, architecture, construction, design, engineering, shelter, and housing services organizations. We work to address Maine's housing crisis by advocating for the creation and preservation of housing for all people in Maine.

MAHC is submitting this testimony in favor of LD 1739, An Act to Extend Development District Tax Increment Financing Districts. LD 1739 would allow towns to extend expiring TIFs for 30 years, so long as the funds are spent on affordable housing or transit-related development. There is no cost – zero dollars - to the state and this bill provides towns with another tool to address Maine's dire housing crisis.

Maine is lacking more than 20,000 units of affordable housing. The demand is growing, and far outstrips supply. In addition to a comprehensive strategy at the State level, towns need all the tools and resources possible to play an active role in meeting the housing need. This TIF law change could provide communities with additional funding for affordable housing and transit— money that did not exist before. The State of Maine would not be fiscally affected. Its distribution of funds simply shifts. If TIF districts expire or are extended, the total amount of State funds to be disbursed is unchanged. Similarly, this new approach has no fiscal impact on County expenses either.

The overall benefit of this proposal is that more affordable housing projects can be created. That's why MAHC supports LD1739.

Laura Mitchell
Maine Affordable Housing Coalition
LD 1739

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