



**Testimony Submitted to the Joint Standing Committee on Taxation**

**In Support Of:**

**LD 146, An Act to Increase the Maximum Amount of the Historic Property  
Rehabilitation Tax Credit That May be Taken in a Year**

**Submitted by:**

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Dear Senator Grohoski, Representative Cloutier, and members of the Taxation Committee:

My name is Amy Winston. I am the Senior Director for State Policy at Coastal Enterprises, Inc. (CEI). I live in Edgecomb. My colleague, Ryan Green, is CEI's Interim Sr. Director, Lending & Investment and Interim CEO of 30FSI (30 Federal Street Investments LLC). 30FSI is a wholly owned subsidiary of CEI, formed specifically to apply the state historic rehabilitation tax credit (HRTC) program to mission-aligned small business and housing real estate redevelopment projects across the state. Ryan lives in Portland. Together we are writing this testimony on behalf of CEI.

CEI is a nonprofit CDC (Community Development Corporation) and CDFI (Community Development Financial Institution) based in Brunswick. CEI's mission is to build a just, vibrant, and climate-resilient future for people and communities in Maine and rural regions. We do this by integrating finance, business expertise, and policy solutions in ways that make the economy more equitable. In 2024, CEI invested \$22.9 million in 126 different Maine businesses. This lending and investment helped create or preserve 1,396 jobs across multiple industries including sustainable agriculture and food systems, aquaculture and fisheries, renewable energy, manufacturing, childcare, and community revitalization projects.

As a subsidiary of CEI, 30FSI increases access to affordable housing, helps communities revitalize downtowns, and supports local businesses and job creation through the restoration and rehabilitation of historic Maine properties. Since 2017, 30FSI has invested over \$54MM into Augusta, Bangor, Bath, Biddeford, Brunswick, Fairfield, Falmouth, Gardiner, Hallowell, Lewiston, Orono, Portland, Saco, Skowhegan, and Waterville. These projects supported 38 unique restorations and the renovation of over 48 historic buildings. They provided funding for projects like childcare centers, commercial space, and mixed-use facilities, as well manufacturing, office space and a theater. We have placed in service over 1,213 units of senior, student, low income, workforce, and general use housing, with more on the way.

While we were not involved in development of this bill, CEI supports LD 146 for the same reasons we supported [LD 2106](#) in the 131<sup>st</sup> Legislature.



The state HRTC program has been key to reviving Maine’s iconic downtowns and rehabilitation of landmark mill buildings. The preservation and reuse of historic buildings revitalizes downtowns, catalyzes economic activity and job creation, and enhances quality of place. Historic preservation projects prevent and reverse disinvestment, which leads to blight. They honor Maine’s industrial past while providing fresh, energy-efficient space for local enterprise and housing. Preservation and rehabilitation is a place-based approach to development that aligns with the state’s recently updated climate action plan and 10-year economic development strategy.

CEI supported LD 201, which extended but did not expand, amend or remove the sunset on the state historic tax credit, in the 130<sup>th</sup>. In 2021, OPEGA (Maine’s Office of Program Evaluation and Government Accountability) released a positive evaluation of the credit, affirming its cost effectiveness, positive fiscal impact, and economic benefit to the state in the form of affordable housing, community revitalization, job creation and economic growth.

In 2019, Maine’s Historic Preservation Commission (MHPC), which administers the program, and is required by statute to analyze the credit’s effectiveness as an incentive for repurposing historic buildings and economic development, also noted its overall economic benefit to the state. MHPC found that “the tax credits have a significant effect on the number of historic buildings rehabilitated in Maine, investment generated, and the assessed value of rehabilitated historic properties. It is also evident that the tax credits have incentivized economic development.”

In 2015 and again in 2020, economic impact analyses by Planning Decisions also quantified very tangible benefits in terms of projects completed and underway at the time, including square footage restored, leveraged investment, affordable housing produced, construction jobs, ongoing year-round employment sustaining Maine families, and more than \$166 million in increased property tax revenues to host communities.

For its part, CEI has invested over \$84 million in 75 projects across nine counties. These projects all reinvent landmark structures to foster new economic pursuits in converted mills, former schools, and vintage buildings, resulting in loft apartments; workforce, senior and affordable housing; professional offices; childcare centers; and boutique hotels with cafés and restaurants. These stories illustrate the HPTC program’s effect on downtowns from Biddeford-Saco to Dover-Foxcroft to Bangor. These projects would not have happened without the state historic tax credit.

This program is effective in helping to produce much-needed affordable, workforce and market rate housing units. CEI is currently allocating state historic tax credits to projects in Lewiston, Waterville, and Skowhegan, that:

- are creating 72 units of housing including 46 affordable units in a historic textile mill;
- Are creating 65 units of affordable housing in another former cotton mill
- Are converting a dormant mill into 41 units of housing as well as a hotel and brewpub at a former spinning mill

CEI also has active projects in Biddeford and Portland.

LD 146 proposes an increase in the maximum tax credit amount that is available for what are known as *substantial certified historic rehabilitation* projects – i.e., projects over \$250,000 and that qualify for the



federal historic tax credit – from \$5 million annually per project in each of the first 2 years to \$10 million total across the first 2 years combined. This change applies to the current tax year, enabling projects to be completed more expeditiously.

Without this program, historic preservation projects would not be financially feasible. And without the restoration of historic structures of all kinds – from granges and mills to schools and hospitals – Maine communities would lose some of the *quality of place* that these buildings create. According to the Maine Affordable Housing Coalition, construction costs have more than doubled since 2013. As these costs skyrocket, the need for state support to incentivize these projects is even more pronounced.

The state historic preservation and affordable housing tax credit program has clear administrative guidelines and a straightforward application process to ensure projects' strict adherence to quality standards and compliance with historic requirements. As OPEGA, the MHPC, and Planning Decisions have demonstrated, the credit more than pays for itself. The tax and spending *revenues*, employment, and economic activity generated by the credit *exceed the costs* of the credit *to the state*, resulting in a net positive economic impact to the state budget.

Thank you for the opportunity to share our experience with and insights about the State Historic Rehabilitation Tax Credit Program. We encourage the committee to Vote Ought-to-Pass.