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February 5, 2025

Testimony 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

Greetings Senator Grohoski, Representative Cloutier, and members of the Joint Standing Committee on Taxation. My name is Bridget Quinn, Associate State Director of Advocacy and Outreach for AARP Maine.

AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. On behalf of our nearly 200,000 members statewide, thank you for the opportunity to share testimony today. Today I am sharing our testimony in support of LD 146.

Maine is in desperate need for housing. The State of Maine Housing Production Needs Study from October 2023 highlights that "Maine needs approximately 38,500 homes to remedy historic underproduction and will need an additional 37,900 to 45,800 homes to meet expected population growth and household change by 2030."¹ In addition to the need for units Maine must seek to diversify the type of housing available. Having communities that contain many forms of housing, such as, Condos, single family homes, and apartments, to better facilities aging in place across our state.

The fact is the lack of affordable housing effects all Mainers and older adults are not immune. An AARP dashboard predicts that in 2025 nearly 1,700 Mainers age 45+ will face eviction. Nearly 2,200 Maine adults 45 and older will face homelessness. (figures below). A combination of factors including the shortage in rental housing, rising development costs and stagnant incomes have contributed to the growing affordability crisis nationwide. In Maine we are also affected by an aging housing stock which is resulting in units that are vacant due to the need for repair.²

Legislative action in 2008 instituted a cap of \$5 million on the credit a historic property developer can take in one year. Since then, costs associated with building projects have skyrocketed and we have seen a tighter squeeze on demand for housing in Maine. It is time

¹ State of Maine Housing Production Needs Study. https://mainehousing.org/docs/default-source/default-document-library/state-of-maine-housing-production-needs-study_full_final-v2.pdf

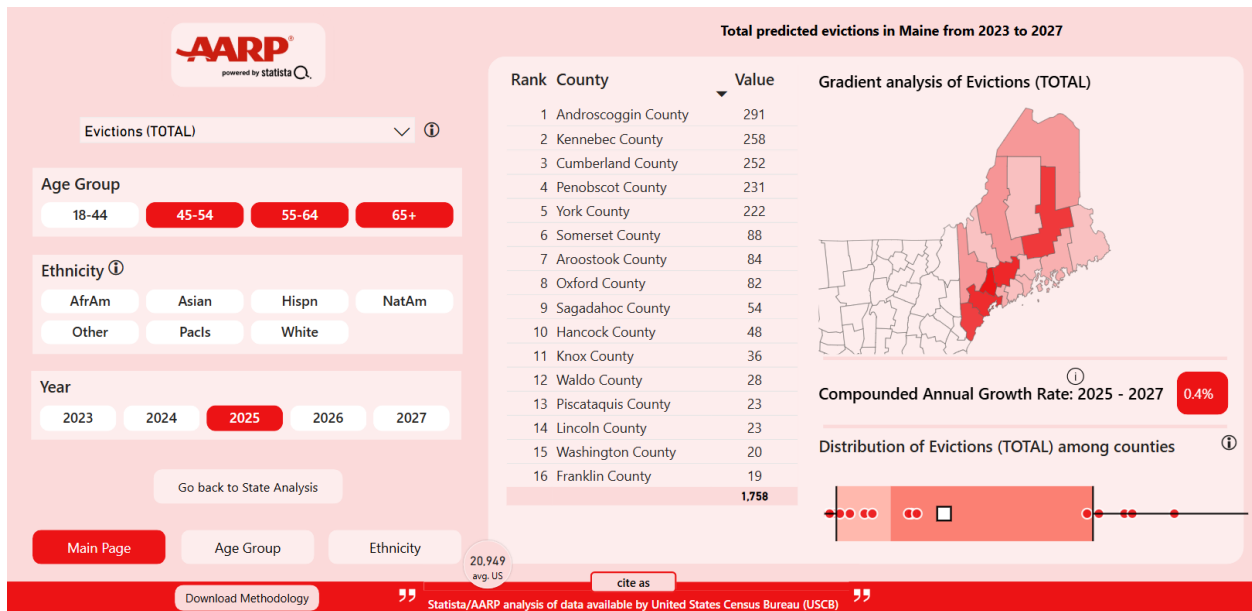
² State of Maine Housing Production Needs Study. https://mainehousing.org/docs/default-source/default-document-library/state-of-maine-housing-production-needs-study_full_final-v2.pdf

for an update that reflects today’s realities. LD 146 will allow projects to access a total of a \$10 million tax credit over two years, minimizing the fiscal impact on the state while also accelerating the production of new affordable units.

These tax credits can be used to turn Maine’s historic structures such as historic mills, schools, churches and grange halls into the housing the state critically needs. This will include the “missing middle housing” such as apartments that will better enable Mainers to age in place.

LD 146 updates the Historic Property Rehabilitation tax credit, it meets the moment that we are in. It is for these reasons we urge the members of this committee to support LD 146. Thank you for the opportunity to testify today, if you have any questions for me, I can be reached at bquinn@aarp.org or at 207-272-8563.

Thank you
 Bridget Quinn
 AARP Maine



Predicted people experiencing homelessness in Maine from 2023 to 2027

Homelessness (TOTAL) ⌵ ℹ

Age Group

18-44 45-54 55-64 65+

Ethnicity ℹ

AfrAm Asian Hispn NatAm
Other Pacls White

Year

2023 2024 2025 2026 2027

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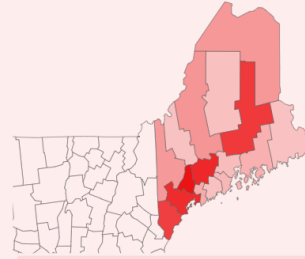
Age Group

Ethnicity

11,389

Rank	County	Value
1	Androscoggin County	365
2	Kennebec County	324
3	Cumberland County	316
4	Penobscot County	291
5	York County	279
6	Somerset County	111
7	Aroostook County	106
8	Oxford County	103
9	Sagadahoc County	67
10	Hancock County	60
11	Knox County	45
12	Waldo County	35
13	Piscataquis County	28
14	Lincoln County	28
15	Washington County	25
16	Franklin County	24
	TOTAL	2,210

Gradient analysis of Homelessness (TOTAL)



Compounded Annual Growth Rate: 2025 - 2027 ℹ **2.6%**

Distribution of Homelessness (TOTAL) among counties ℹ

