



MAINE AFFORDABLE HOUSING COALITION

132nd Legislature - Joint Committee on Taxation – 3.5.25

Testimony of Laura Mitchell, Executive Director, Maine Affordable Housing Coalition in favor of LD435 An Act to Expand the Historic Property Rehabilitation Tax Credit

Good afternoon, Chair Grohoski, Chair Cloutier, and the honorable members of the Joint Taxation Committee.

My name is Laura Mitchell, I am the Executive Director of the Maine Affordable Housing Coalition, a membership nonprofit with more than 140 Maine affordable housing development, design, finance, and shelter organizations. We advocate for the creation and preservation of affordable housing in Maine.

This testimony is in favor of LD435, *An Act to Expand the Historic Property Rehabilitation Tax Credit*. The State Historic Tax Credit is used to fund the rehabilitation of run-down historic sites. More than 2/3 of state historic tax credit projects are redeveloped into housing. More than 20% of all new affordable homes in Maine have used the historic tax credit.

LD435 removes the 2030 sunset of the State Historic Tax Credit. Ensuring this program continues is critical. The sunset has been extended twice, and the program continues to prove itself as a cost effective way to attract significant outside investment in communities throughout Maine.

The \$5 million cap on the State Historic Tax Credit was set in 2008 for major rehabilitation projects like on an old mill. Since then, the cost of rehab construction has gone from about \$125 per square foot in 2008 to \$310 per square foot today. That's a 2.5 times increase in cost. To remain on par, the cap would need to increase 2.5 times as well to \$12.5 million. LD435 seeks an increase of the cap to \$10 million.

A MAHC member historic tax credit developer that builds affordable housing noted that, "like everything else, construction is more expensive, but actually the inflation in construction outpaces most other sectors of the economy, which is a leading cause of the housing crisis among other issues. Thus, increasing the cap to \$10 million is really an indexing for inflation that will allow practitioners to keep producing housing, which is the primary end use for Historic Tax Credit projects generally."

There's no better place to build new housing in Maine than in already developed locations, that revitalize and add decades of use to run down historic properties. Maine is decades behind investing in housing and needs to be building thousands of new homes a year to meet this backlog. LD435 can help Maine meet its housing goals.

3i Housing of Maine
 55 Weston Avenue
 AARP Maine
 ABG Consulting, Gray
 Acorn Engineering, Inc.
 Allied Cook Construction, Portland
 Anew Development LLC, Portland
 Apartments for People LLC, Belfast
 Archetype Architects, Portland
 Associated General Contractors of Maine
 Auburn Housing Authority
 Augusta Housing Authority
 Avesta Housing, Portland
 Bangor Area Homeless Shelter
 Bangor Housing
 Bangor Savings Bank
 Bank of New Hampshire, Falmouth
 Bath Housing
 Bath Savings Institution
 Belwether Enterprise
 Benchmark Construction, Westbrook
 Boston Financial Investment Management
 Bowman Constructors, Newport
 Brunswick Housing Authority
 Camden National Bank
 Carpenter Associates
 Catholic Charities of Maine
 CEI, Brunswick
 CHK Architecture, Portland
 City of Portland Department of Housing
 Clark Insurance, Portland
 Community Concepts, Lewiston
 Community Housing of Maine, Portland
 Consigli Construction Co., Inc.
 Cooperative Development Institute, South Freeport
 Cooperative Fund of the Northeast
 CREA, LLC
 Credex Associates, Westbrook
 Cross Financial Corp., Portland
 Cumberland County
 Currier Theater, Portland
 CVS Architects, Portland
 Developers Collaborative, Portland
 Development Services of New England, Freeport
 Dovetail Consulting
 DrummondWoodsum, Portland
 Ducas Construction, Inc.
 Dunbar & Brawn Construction
 Eagle Point Development, LLC
 Eaton Peabody Consulting Group, Augusta
 Eric Burmeister
 Evernorth, Portland
 Falmouth, Town of
 Fort Fairfield Residential Development Corp.
 Four Directions Development Corporation, Orono
 Freeport Community Services
 Freeport Housing Trust
 Furniture Friends
 Garrison Construction, Augusta
 Gawron Turgeon Architects, Scarborough
 Genesis Community Loan Fund, Brunswick
 Gorham Savings Bank
 Great Falls Construction, Gorham
 Grommes Pulaski Consulting LLC, Portland
 GrowSmart Maine
 Habitat for Humanity of Greater Portland
 Habitat for Humanity York County
 Hancock Lumber, Casco
 Healthy Androscoquin, Lewiston
 Hebert Construction
 Home Start, Peaks Island
 Homeless Voices for Justice, Portland
 Housing Foundation, Orono
 Housing Initiatives of New England, Portland
 Housing Partnership, Portsmouth, NH
 Hunt Capital Partners LLC, El Paso, TX
 Island Institute, Rockland
 Islesboro Affordable Property
 Jensen Baird Gardner & Henry, Portland
 John Anton, Consultant, Portland
 Kaplan Thompson Architects, Portland
 Kennebec Savings Bank, Augusta
 Kennebec Valley Community Action, Waterville
 Kennebunk Savings
 KeyBank
 Knox County Homeless Coalition
 Lake City Investments, LLC
 Landry/French Construction, Scarborough
 LaRoche Consulting, LLC, Augusta
 Lassel Architects, South Berwick
 LB Development Partners, Portland
 LeadingAge Maine & New Hampshire
 Lewiston Housing Authority
 M&T Bank
 Machias Savings Bank
 Maine Bureau of Veterans' Services
 Maine Community Action Partnership
 Maine Community Bank
 Maine Department of Health & Human Services
 Maine Equal Justice
 Maine Immigrants' Rights Coalition
 Maine Public Health Association
 Maine Real Estate Managers Association
 Maine State Building & Construction Trades
 Maine Workforce Housing LLC, Portland
 Mano en Mano, Milbridge
 Marx Development LLC, Yarmouth
 Mascota Bank
 Midcoast Regional Housing Trust
 NBT Bank
 Nickerson & O'Day, Inc., Bangor
 North Haven Sustainable Housing
 Northeast Rental Housing
 Norway Savings Bank
 Old Town Housing Authority
 One Atrium C/Os, South Portland
 Penobscot General Contractors
 Penquis, Bangor
 People's United Bank
 PM Construction
 Portland Builders
 Portland Housing Authority
 Preble Street, Portland
 Preservation Management, South Portland
 Preti Filiothy, Portland
 Raise-Op Housing Cooperative, Lewiston
 Realty Resources Management
 Rental Housing Alliance of Southern Maine
 Rick Whiting
 Rumford, Town of
 Sanford Housing Authority
 Scott Simons Architects, Portland
 Sea Coast Management Company, Topsham
 Shalom House, Portland
 Silver Street Development Corporation, Portland
 South Portland Housing Authority
 Sparhawk Group, Yarmouth
 St. German
 Sunrise Opportunities, Machias
 S.W. Cole Engineering, Gray
 Szanton Company
 TD Bank
 Tedford Housing, Brunswick
 The Caleb Group, Saco
 The Eagle Point Companies, South Portland
 The Housing Foundation
 The Park Danforth, Portland
 Thornton Tomasetti, Portland
 Through These Doors, Portland
 Total Construction Management, Winterport
 TPD Construction Co., Sanford
 United Way of Greater Portland
 Utile, Inc.
 Veterans Inc., Lewiston
 Volunteers of America of Northern NE
 Washington County Assoc for Ret. Citizens
 Westbrook Housing Authority
 Western Maine Community Action, E. Wilton
 Winton Scott Architects
 Wishcamper Companies, Portland
 WKC & Associates
 Wright-Ryan Construction, Portland
 Yarmouth Housing Collaborative
 Year-Round Housing Corp., Long Island
 York County Community Action, Sanford
 York Housing Authority
 Zachau Construction, Freeport
 Zero Energy Design
 Zeta Energy, Bangor

Laura Mitchell
Maine Affordable Housing Coalition
LD 435

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