



# MAINE AFFORDABLE HOUSING COALITION

## Joint Standing Committee on Taxation

*Testimony of Laura Mitchell, Executive Director, Maine Affordable Housing Coalition  
in favor of LD632 – An Act to Allow a Local Option Sales Tax on Short-term Lodging to Fund  
Affordable Housing Sponsored by Representative Skold*

**and**

*in favor of LD746 – An Act to Authorize a Local Option Sales Tax on Short-term Lodging to Fund  
Municipalities and Affordable Housing Sponsored by Representative Friedmann*

Hello, Senator Grohowski, Representative Cloutier, and Members of the Joint Standing Committee on Taxation.

**My name is Laura Mitchell.** I am the Executive Director of the **Maine Affordable Housing Coalition.** MAHC is a nonprofit with 140 members that advocate for the preservation and creation of affordable housing so all Maine people have a home.

**We support LD632 and LD746 that allow for local option sales taxes on short term lodging to fund the creation of affordable housing in Maine communities.** In 2023, the State commissioned a housing study that stated that Maine needs 80,000 new homes by 2030. For decades Maine has been underproducing housing, and short term rentals have been removing units from the market for permanent housing for Maine people. This year, the State shared a roadmap to meeting Maine’s housing needs. Focusing on financial tools that enable market-based solutions to incentivize production was one of three priorities.

**LD632 and LD746 support a new and innovative tool to funding housing that leverages an evidence based approach of local option sales taxes. Building housing that is affordable for Maine people requires incentives and funding. Right now, the market is broken for building anything but luxury housing without this funding. The cost of materials and land, and the difficult and long regulatory process to permit housing has made housing out of reach for the majority of Maine people. Pathways to ongoing and longterm funding to incentivize housing is vital.**

**While the State has made historic investments in housing over the last several years, these were one time investments and these funds have already been distributed to projects throughout Maine. Several new housing programs are going to end without more funding. Specifically the Rural Affordable Rental Housing Program and the Affordable Home Ownership Program. These programs have built homes from Aroostook County to York County and everywhere inbetween.**

**Both of these have programs have housing projects in small towns across Maine that are shovel ready and would otherwise move forward, but for the limited funding.** The Rural Program had \$51 million in requests from housing projects, but only has \$25 million to distribute. The Home Ownership Program has projects that need \$13 million to get built, but only \$10 million to spend. These programs will end and shovel ready homes won’t get built. That’s a economic blow to towns throughout Maine. Housing is the SOLUTION for Maine’s economy and health, and we need to find long-term, sustainable sources of funding to invest in the housing solution.

MAHC supports consistent funding strategies for housing that don’t overburden Maine people. A local option sales tax on short term rentals will largely impact vacationers coming to Maine, while positively supporting Maine people’s health and wellbeing through essential housing. Thank you for your consideration.

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  
Belweher 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  
Connigli Construction Co., Inc.  
Cooperative Development Institute, South Freeport  
Cooperative Fund of the Northeast  
CREA, LLC  
Credit Associates, Westbrook  
Cross Financial Corp., Portland  
Cumberland County  
Curtis Theater, Portland  
CWS Architects, Portland  
Developers Collaborative, Portland  
Developer Services of New England, Freeport  
Dovetail Consulting  
DrummondWoodsum, Portland  
Ducas Construction, Inc.  
Dunbar & Brawn Construction  
Eagle Point Development, LLC  
Easpebody 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  
Garmon Construction, Augusta  
Gawron Turgeon Architects, Scarborough  
Genesis Community Loan Fund, Brunswick  
Gorham Savings Bank  
Great Falls Construction, Gorham  
Grommes Pulaski Consulting LLC, Portland  
GrowthSmart Maine  
Habitat for Humanity of Greater Portland  
Habitat for Humanity York County  
Hancock Lumber, Casco  
Healthy Androscoggin, 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  
Johannes Consulting, Portland  
Kaplan Thompson Architects, Portland  
Kennebec Savings Bank, Augusta  
Lewiston Housing Authority, Waterville  
Kennebunk Savings  
KeyBank  
Knox County Homeless Coalition  
Lake City Investments, LLC  
Landry/French Construction, Scarborough  
Lafayette 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  
Meadow Development LLC, Yarmouth  
Mascoma 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  
Ots Atwell CPAs, 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  
Presti Flaherty, 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  
Simon House, Portland  
Silver Street Development Corporation, Portland  
South Portland Housing Authority  
United Way Group, Yarmouth  
St. German  
Sunrise Opportunities, Machias  
S.W. Cole Engineering, Gray  
Szanton Company  
TD Bank  
Tedxfor 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  
Veterans of America of Northern NE  
Washington County Assoc for Ret. Citizens  
Westbrook Housing Authority  
Western Maine Community Action, E. Wilton  
Winston 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  
Zachos Construction, Freeport  
Zero Energy Design  
Zoo Energy, Bangor